PUBLIC ASSISTANCE ACT OF 1962

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HEARINGS

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

SECOND SESSION

ON

H.R. 10606

AN ACT TO EXTEND AND IMPROVE THE PUBLIC ASSISTANCE AND CHILD WELFARE SERVICES PROGRAMS OF THE SOCIAL SECURITY ACT, AND FOR OTHER PURPOSES

MAY 14, 15, 16, AND 17, 1962

Printed for the use of the Committee on Finance

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PUBLIC ASSISTANCE ACT OF 1962

MONDAY, MAY 14, 1962

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:20 a.m., in room 2221, New Senate Office Building, Senator Harry F. Byrd (chairman) presiding.

Present: Senators Byrd, Kerr, Long, Anderson, Gore, Talmadge, Hartke, Carlson, Bennett, Curtis, and Morton.

Also present: Elizabeth B. Springer, chief clerk.

The CHAIRMAN. The hearing today is on the Public Assistance Act of 1962, H.R. 10606. I submit for the record a brief summary of the major provisions of and a detailed comparison showing changes made in existing law by H.R. 10606, as well as a copy of the bill.

(The summary, comparison, and bill follow:)

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

MAY 1, 1962

BRIEF SUMMARY OF MAJOR PROVISIONS OF AND DETAILED COMPARISON SHOWING CHANGES MADE IN EXISTING LAW BY H.R. 10606 (PUBLIC WELFARE AMENDMENTS OF 1962) AS PASSED BY THE HOUSE OF REPRESENTATIVES

(Compiled by Education and Public Welfare Division, Legislative Reference Service, Library of Congress, at the Direction of the Chairman and Printed for the Use of the Committee on Finance)

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1962

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Table 3. Child welfare services: Tentative apportionment of 1963 requested appropriation and tentative apportionments of additional appropriation proposed for day care under under H.R. 10606 in fiscal years 1963 and 1964.

BRIEF SUMMARY OF MAJOR PROVISIONS OF H.R. 10606

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 would be increased to twenty-nine thirty-fifths of the first $35 of the average monthly payment per recipient and the maximum for matching would be raised to $70 on a permanent basis. Under the present temporary provision, which was effective October 1, 1961, there is Federal matching on four-fifths of the first $31 with a maximum of $66. This provision will expire on June 30, 1962, whereupon the formula will 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), $161.1 million.[1]

B. Services and training in the public assistance programs

Under existing law, a State, *at its option*, may provide services toward this end under all the public assistance programs except medical assistance for the aged. The Federal Government matches these expenditures on a 50-50 basis, under the provision which governs administrative expenses.

The States would be required to provide certain minimum services for applicants and recipients, which the Secretary would prescribe, to help them to attain self-care (old-age assistance); self-support and self-care (the blind and the disabled); and to strengthen family life (aid to dependent children). There are no minimum required services for medical assistance to the aged.

The bill would authorize 75 percent Federal matching in all public assistance titles for certain services to be specified by the Secretary of Health, Education, and Welfare. These services could apply to applicants and recipients of assistance as well as those "likely to become" or who "have been" recipients, on the request of such persons (within such periods as the Secretary may prescribe).

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

Other services which the Secretary does not designate would be continued at 50 percent matching, as would all other administrative costs. Cost (HEW estimate), $40.8 million [1] (with over half going into the ADC program).

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

1. *Additional authority to States to prevent abuses in aid to dependent children payments.*—It would be provided that various methods (short of denying assistance to the child) may be used by States to see that ADC payments are used in the best interests of the child. It would also be provided that, beginning October 1, 1962, and ending June 30, 1967, payments for up to 5 percent of recipients would be 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 would be prescribed. Cost (HEW estimate), negligible.[1]

2. *Payments on the basis of the unemployment of the parent.*—This temporary provision of existing law, which is effective May 1, 1961, to June 30, 1962, would be extended for 5 years and be expanded to cover both parents instead of one as in existing law. A provision would be added which would deny aid to a parent for refusal to accept retraining without good cause.

Under prior law, ADC payments could be made only on the basis of the death, disability, or absence of the parent. Cost (HEW estimate), $85 million (of which $12 million is attributable to the second parent provision).

---

[1] Cost figure for fiscal 1963.

3. *Payments on the basis of the disability of the parent.*—Federal matching would be expanded to cover payments for both parents of children who are needy because of the disability of the parent. At the present time the Federal Government matches for one adult recipient only. Cost (HEW estimate) $22 million.

4. *Community work and training programs.*—The bill would provide that beginning October 1, 1962, for a period of 5 years, 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. Under interpretation of existing law there can be no matching as to payments made for work by a welfare agency and such payments currently are financed wholly by State and local funds. Cost (HEW estimate), negligible.[1]

5. *Payments to children removed by court order into foster care.*—Under temporary existing law, which is effective May 1, 1961, to June 30, 1962, payments can be made to ADC children removed by court order into foster home care. This provision would be made permanent. Payments under prior law were limited to children living with specified relatives. The bill also expands the program to include children placed in private child care institutions as well as those receiving family home care as in existing law. Cost (HEW estimate), $4.1 million.[1]

D. Other changes in public assistance programs

1. *Incentive for employment through consideration of expenses.*—The States would be *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 current administrative policy, the States may, *at their option*, consider such expenses.

Also, in determining "need" in the ADC program the States would be *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.[1 2]

2. *Optional single State plan for 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 as now 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. Administration would be allowed, however, for separate existing blind agencies. Cost (HEW estimate), $7.4 million.[1 3]

3. *Training of public assistance workers.*—The provisions of present law authorizing Federal grants to States to increase the number of adequately trained public welfare personnel to work in public assistance programs, which are due to expire June 30, 1963, would be made permanent, with dollar limitations on authorized appropriations for grants to States for training of public assistance workers—$3.5 million in fiscal 1963 and $5 million a year thereafter. Cost (HEW estimate), negligible.[1]

4. *Assistance to repatriated American citizens.*—This provision of existing law, which was effective on June 30, 1961, and will expire on June 30, 1962, permits temporary assistance to citizens returning from foreign countries because of illness, destitution, or crisis. It would be extended for 2 years. Cost (HEW estimate), $400,000.[1]

5. *Demonstration projects.*—The bill would permit the Secretary of Health, Education, and Welfare to waive any State plan requirement which he deemed necessary (such as statewide applicability of plan) for pilot or demonstration projects designed to improve the public assistance programs and would provide alternative methods of financing such projects out of public assistance appropriations. Cost (HEW estimate), negligible.[1]

---

[1] Cost figures for fiscal 1963.
[2] $7 million a year after it goes into effect in July 1963.
[3] Increases to $16 million in 1964 and subsequent years.

6. *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, would be placed on a permanent basis. It has been extended periodically and would, under existing law, expire in 1964.

CHILD WELFARE SERVICES

The authorization for child welfare services would be increased from the present $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 would be specific earmarking for day care of not more than $5 million in 1963 and not more than $10 million in subsequent years. Cost (HEW estimate), $5 million [1] (increasing in subsequent years as noted above).

ADVISORY COUNCIL

The bill 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 their findings to the Secretary.

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[1] Cost figures for fiscal 1963.

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CHANGES IN EXISTING LAW PROPOSED BY H.R. 10606 as passed by the House of Representatives

PUBLIC ASSISTANCE

Item	Existing law	H.R. 10606 as passed by the House
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:	Temporary Federal matching share is $24.80 of the first $31 (4/5 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 will revert to 4/5 of the first $30 with variable grant matching up to a maximum of $65 a month per recipient. 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. The "Federal percentages" as promulgated for the period July 1, 1961, through June 30, 1962, are as follows:	Federal matching share increased on permanent basis to $29 out of first $35 (29/35 of the first $35) up to a maximum of $70 per recipient per month. Effective date quarter beginning July 1, 1962.

State:	Federal percentage
Alabama	65.00
Alaska	50.00
Arizona	56.39
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	56.86
Nevada	50.00
New Hampshire	58.12
New Jersey	50.00
New Mexico	65.00
New York	50.00

State	Percent
North Carolina	65.00
North Dakota	65.00
Ohio	50.00
Oklahoma	65.00
Oregon	52.40
Pennsylvania	50.00
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.

No change as to old-age assistance; but 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 money payments of $70.

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
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 (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. 10.
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.
	Federal-medical percentages applicable for July 1, 1961, through June 30, 1963.	No change.

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	66.29
Illinois	50.00
Indiana	52.03
Iowa	58.48
Kansas	57.52
Kentucky	75.57
Louisiana	72.55
Maine	66.60
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	56.18
New Jersey	50.00
New Mexico	65.22

	New York.......... 50.00 North Carolina.......... 77.47 North Dakota.......... 72.44 Ohio.......... 50.00 Oklahoma.......... 66.53 Oregon.......... 52.40 Pennsylvania.......... 50.00 Rhode Island.......... 51.09 South Carolina.......... 80.00 South Dakota.......... 72.16 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 $15 a month times the number of recipients on the aid to dependent children program.	Raises the maximum for Federal matching to $37.50 per recipient per month for the old-age, blind, and disabled programs.
	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.	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). (See p. 16.)
2. Dollar limitation..........	Total Federal payments for all 4 public assistance programs may not exceed— (Fiscal 1962 / 1963 and after) Puerto Rico.......... $8,500,000 / $8,125,000 Virgin Islands.......... 320,000 / 318,750 Guam.......... 430,000 / 425,000	Raises dollar limitation of fiscal 1963 and thereafter to— Puerto Rico.......... $9,800,000 Virgin Islands.......... 330,000 Guam.......... 450,000
	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	No change.
	Federal payments for programs of medical assistance for the aged are excepted from dollar limitation provision.	

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
1. Increase in the Federal matching formula—Continued B. Provision of rehabilitation services and training of welfare agency personnel (administrative expenses):		
1. Type of services and Federal matching.	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, *at its option*, 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.	States would be *required* to make available to applicants and recipients at least the following services, to be prescribed by the Secretary of Health, Education, and Welfare: In the case of old-age assistance 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." Other services noted in the following paragraph may be made available *at the option* of the State as are all services for medical assistance for the aged. *The Federal Government would pay 75 percent of the cost of*— (1) the services specified above, which are required by the Secretary to be made available to applicants or recipients; (2) other services provided to applicants or recipients specified by the Secretary as likely to prevent or reduce dependency; (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; (4) training of personnel employed or preparing for employment with a State or local public assistance agency. The Federal Government would continue to pay 50 percent of cost of other services and other administrative costs. Effective as to expenditures after June 30, 1962.
2. Providers of services	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.	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 would be subject to limitations by the Secretary and would have to be services which

		judgment of the State Welfare agency, could not be as economically or effectively provided by its staff and are not otherwise reasonably available to individuals in need of them. However, any services to physically handicapped individuals which are defined as vocational rehabilitation services and which are furnished by the State vocational rehabilitation agency must be furnished by that agency unless otherwise agreed to by the State vocational rehabilitation agency.
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 is 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 aid to dependent children had been limited to needy dependent children under 18 (and parent or specified relative with whom they are living) who have been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent. (Specified relatives include grandmother, grandfather, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, 1st cousin, nephew, or niece.)	1. Program would be extended for 5 years through June 30, 1967.
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—	2. No change.
	(a) make assurance that assistance will not be granted if, and for as long as, the unemployed parent refuses, without good cause, to accept employment in which he is able to engage and which is offered through either a public employment office or by an employer if the offer is determined by the State agency to be a bona fide offer of such employment;	(a) No change.
	(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	(b) No change.
	(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.	(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.

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
II. Changes in the aid to dependent children (ADC) program—Continued A. Extension of program to families with unemployed parents—Continued 2. State plan requirements—Continued	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.	No change.
B. Program of Federal payments for foster care of dependent children.	Prior to present temporary provision which will expire June 30, 1962, 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.	
	For period beginning May 1, 1961, and ending June 30, 1962, allows Federal payments with respect to any child otherwise not eligible who—	Makes provision permanent.
	(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;	(1) No change.
	(2) is placed in a foster family home (approved by the State) as a result of such determination; and	(2) Expanded to allow Federal participation as to children placed in a nonprofit private child care institution, subject to limitations prescribed by Secretary to include within Federal participation only cost items which are included in foster family home care. 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. Effective as to expenditures made after June 30, 1962.
	(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.	(3) No change.
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. Effective as to expenditures after Sept. 30, 1962.
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	Requires that a State agency, in determining need, *must* take into account any expenses that may be reasonably attributable to the earning of income. Would allow any States, subject to limitations prescribed by the Secretary, to permit all or any portion of the earned

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.

or other income to be disregarded if set aside for future identifiable needs of a dependent child. Effective July 1, 1963.

E. Methods of payments by States.

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).

Apart from payments pursuant to the above provisions nonmoney payments by States and localities have not been subject to Federal participation. These include voucher payments (furnishing recipient with vouchers which enable him to obtain particular goods or services) and relief in kind directly from State agency. Also, the law has been interpreted to exclude Federal participation as to certain "restricted payments." Such restricted payments may utilize one or more of the methods of payments noted above or may circumscribe the client's use of his assistance, by direct supervision of expenditures, requiring the client to make a report of his expenditures, or to account for them by furnishing receipts. The payment might be conditioned upon its being used, in whole or in part, for specific purposes.

Authorizes protective payments to be made, in a limited number of cases (5 percent), 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 100 percent of the need of the eligible persons under the plan;

(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, 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;

(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 in other action being taken under State law to protect the interests of the child.

Any action taken by the State agency pursuant to State law, other than denial of payments for a child while in the home of a relative, will not serve as a basis for withholding Federal funds from a State under the aid to dependent children program. The States could, under State law, utilize various types of nonmoney payments without loss of Federal funds. Effective as to expenditures after Sept. 30, 1962.

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
II. Changes in the aid to dependent children (ADC) program—Continued		
F. State suitable home statutes	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.	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.
G. Community work and training programs.	Under interpretation of existing law, there is no Federal matching for aid to dependent children payments which are made as remuneration for work performed under such programs.	Federal matching would be authorized 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 could be made only under limited conditions designed to assure protection of the health and welfare of the children and their relatives: (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. (2) There must be State financial participation in these expenditures. (3) The State plan must include provisions which give reasonable assurance that— (a) appropriate health, safety, and other conditions of work will be maintained; (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 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 would also have to 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 would also have to 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 could 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 could only include those other costs attributable to the programs which are permitted by the Secretary.

These new provisions would be applicable only for purposes of expenditures under approved State plans during the period Oct. 1, 1962 to June 30, 1967. The Secretary would be 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.

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
II. Changes in the aid to dependent children (ADC) program—Continued		
H. Payments to relatives when child is receiving vendor payments.	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.	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.
I. Change of program's name	Title IV provides grants to the States for aid to dependent children.	Changes name to "Aid and Services to Needy Families With Children."
J. Child welfare services under aid to dependent children program.	No specific provision	*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.
III. Other changes in public assistance programs:		
A. Consideration of expenses in determination of need.	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 that as to the aid to the blind program the State agency may, until June 30, 1962, either disregard the first $50 of earned income or the first $85 per month of earned income plus half of monthly earnings over that amount. After June 30, 1962, the States must disregard the first $85 per month of earned income plus half of monthly earnings over that amount).	No change.
	Under current administrative policy, the States are encouraged but not required to take into account expenses incurred in earning income.	*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.
B. Training of public assistance personnel:		
1. Purpose of authorization	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.	1. No change.

2. Duration of authorization	Authorizes the appropriation of whatever sum Congress determines through fiscal 1963.	2. Authorizes appropriation of $3,500,000 for fiscal year 1963 and $5,000,000 for each fiscal year thereafter.
C. Repatriated American citizens:		
1. General purpose	Authorizes 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.	1. Extends program 2 years until June 30, 1964.
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.	2. No change.
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.	3. No change.
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.	4. No change.
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.	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. 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 title, up to $2,000,000 a year.

PUBLIC ASSISTANCE—Continued

Item	Existing law	H.R. 10606 as passed by the House
III. Other changes in public assistance programs—Continued		
E. Income and resources requirements for the blind (Missouri and Pennsylvania).	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.	Makes provision permanent as part of the Social Security Act.
F. Optional combined State plan for aged, blind, and disabled.	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.	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. With but a few exceptions noted below, present provisions of existing law as to the separate programs would be carried into the new combined title. 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. 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 below 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.

CHILD WELFARE SERVICES

I. Authorization of annual appropriation	Authorizes $25,000,000 per year	Authorizes: $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.
II. Allotment and reallotment to States	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.	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: If the appropriation is $25,000,000 or over, each State would receive an initial allotment of $70,000. 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.
	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 reallotment to other States which the Secretary determines to have a need for additional sums for carrying out their State plans. In making reallotments the Secretary must take into consideration the relative population and per capita income of the States.	No change.
III. State matching requirement	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 the State bears to the per capita income of the United States.] In no case can the Federal share be less than 33⅓ percent nor more than 66⅔ percent.	No change.

CHILD WELFARE SERVICES—Continued

Item	Existing law	H.R. 10606 as passed by the House
IV. Definition of child welfare services	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.	Defines "child welfare services" as public social services which supplement, or substitute for, parental care and supervision for the purpose of— (1) preventing or remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children; (2) protecting and caring for homeless, dependent, or neglected children; (3) protecting and promoting the welfare of children of working mothers; and (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.
	Provides matching as to sums expended in meeting the costs of district, county, or other local child welfare services.	Extends matching to child welfare services provided by the State. Effective July 1, 1962.
V. State plan requirements	Requires State to have a plan for child welfare services. Requires that plan be developed jointly by the State agency and the Secretary of Health, Education, and Welfare.	Same, plus new requirements: (1) Plan *must* 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 (2) State must 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, 1962.
VI. Day care	No specific provision	*Earmarking:* From annual appropriation for child welfare services, the excess over $25,000,000 would be earmarked for support of day care activities in the States, but earmarked amount could not exceed $10,000,000. Fiscal years 1963 and thereafter. *Allotments:* The earmarked amount would be 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.

The amount of any allotment to a State which the State certifies is not required for day care would be available for reallotment to States which need additional funds for day care. Such reallotment 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:

(1) Plan must be developed jointly by the State agency and the Secretary of Health, Education, and Welfare.

(2) 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. 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 requirements) by the State agency which is responsible for licensing this type of facility.

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ADVISORY COUNCIL ON PUBLIC WELFARE

Item	Existing law	H.R. 10606 as passed by the House
Advisory Council on Public Welfare	No provision	Provides for establishment from time to time of an Advisory Council on Public Welfare. The first Council would be appointed in 1964 and would report to the Secretary by July 1, 1966. The 12-member Council, representing public and nonprofit private welfare programs and the general public would 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 could also appoint any advisory committees to advise and consult with him in carrying out his functions under the act. Compensation at rates of up to $75 per day, plus travel expenses and per diem in lieu of subsistence, would be authorized for members of the Council or any advisory committee. Such members would also be exempted from the application of certain conflict-of-interest laws; but this exemption would 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.

APPENDIX

TABLE 1.—*Public assistance and child welfare: Increase in Federal funds for 1963 as a result of provisions of H.R. 10606, by program*

[In millions]

Proposed	Grants to States for—							
	Total child welfare and public assistance	Child welfare	Public assistance programs [1] of—					
			Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	Aid to dependent children	Combined program
Total including extended legislation	$325.8	$5	$320.8	$143.2	$8.8	$28.0	$135.4	$7.4
75 percent Federal share for minimum of services for self-support, self-care, and other nonadministrative services; training; purchase of services from other State agencies; preventive services	40.8		40.8	9.9	1.5	5.5	23.9	
Changes in formula	161.1		161.1	133.3	5.3	22.5		
Inclusion of 2d parent in aid to dependent children cases	[2] 34.0		34.0				34.0	
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						
Adult categories: Single program	7.4		7.4					7.4

[1] No change in cost of medical assistance for the aged program is made by H.R. 10606.

[2] $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 annual increase in Federal funds as a result of change to 29/35 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* [1]

[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	356	303	6	47
Virgin Islands	....	....	....	....
Virginia	1, 219	788	66	365
Washington	2, 691	2, 303	35	353
West Virginia	1, 444	996	33	395
Wisconsin	1, 922	1, 658	46	218
Wyoming	184	152	3	29

[1] 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 increase due to expire June 30, 1962.

Source: Department of Health, Education, and Welfare.

TABLE 3.—*Child welfare services: Tentative apportionment of 1963 requested appropriation and tentative apportionments of additional appropriation proposed for day care under H.R. 10606 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	66⅔
Alaska	94,110	10,000	11,350	40.5
Arizona	248,736	41,888	84,142	54.4
Arkansas	369,600	70,213	141,039	66⅔
California	1,444,005	322,006	646,826	39.4
Colorado	284,018	50,157	100,751	51.4
Connecticut	252,884	42,860	86,094	33.6
Delaware	102,281	10,000	15,197	33⅓
District of Columbia	116,889	10,989	22,073	33⅓
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	66⅔
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	51.6
Iowa	412,813	80,341	161,383	54.4
Kansas	336,066	62,355	125,253	52.9
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	548,628	112,169	225,316	43.7
Michigan	948,727	205,936	413,669	47.0
Minnesota	510,567	103,250	207,401	54.2
Mississippi	476,390	95,220	191,270	66⅔
Missouri	551,649	112,878	226,741	51.5
Montana	157,270	20,454	41,087	53.0
Nebraska	240,588	39,978	80,306	52.6
Nevada	93,876	10,000	11,240	37.7
New Hampshire	148,214	17,158	34,466	54.3
New Jersey	562,968	116,634	234,285	30.3
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	380,808	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	66⅔
Rhode Island	163,068	21,816	43,822	50.6
South Carolina	519,305	105,298	211,515	66⅔
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	30.4
Virgin Islands	76,532	10,000	10,000	66⅔
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	111,302	223,374	51.6
Wyoming	110,000	10,000	19,113	50.4

Source: Department of Health, Education, and Welfare.

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[H.R. 10606, 87th Cong., 2d sess.]

AN ACT To extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Public Welfare Amendments of 1962".

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TITLE I—PUBLIC WELFARE AMENDMENTS

PART A—IMPROVEMENT IN SERVICES TO PREVENT OR REDUCE DEPENDENCY

SERVICES AND OTHER ADMINISTRATIVE COSTS UNDER PUBLIC ASSISTANCE PROGRAMS

Federal Financial Participation in Costs of Services

SEC. 101. (a)(1) Section 3(a) of the Social Security Act is amended by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to section 2(a)(10) and are provided (in accordance with the next sentence) to applicants for or recipients of assistance under the plan to help them attain or retain capability for self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to section 2(a)(10), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of assistance under the plan, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of assistance under the plan, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such assistance; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that any such services which are defined as vocational rehabilitation services under the Vocational Rehabilitation Act and which are available, from the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services, to individuals under programs for their rehabilitation carried on under such State plan, may be provided only by such State agency or agencies (in the manner described in subparagraph (E) except to the extent agreed to by such State agency or agencies. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(2) Section 403(a) of such Act is amended to read as follows:

"(a) from the sums appropriated therefor, the Secretary shall pay to each State which has an approved plan for aid and services to needy families with children, for each quarter, beginning with the quarter commencing October 1, 1958—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) fourteen-seventeenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $17 multipled by the total number of recipients of aid to fam-

ilies with dependent children for such month (which total number, for purposes of this subsection, means (i) the number of individuals with respect to whom such aid in the form of money payments is paid for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to families with dependent children in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of recipients of aid to families with dependent children for such month;

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to families with dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds $18 multiplied by the total number of recipients of such aid for such month; and

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to section 402(a)(12) and are provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any dependent child (applying for or receiving aid to families with dependent children) is living in order to help such relative attain or retain capability for self-support or self-care, or services which are so prescribed and so provided in order to maintain and strengthen family life for any such child, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to any such child or relative, or

"(iii) any of the services prescribed pursuant to section 402(a)(12), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for any relative specified in section 406(a) with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or as appropriate for such a child, if such services are requested by such relative and are provided to such relative or child in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to any child who is an applicant for or recipient of assistance under the plan or who requests such services and (within such period or periods as the Secretary may prescribe) has been or is likely to become an applicant for or recipient of such assistance, or so provided to any relative, specified in section 406(a), with whom such a child is living; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational

rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that any such services which are defined as vocational rehabilitation services under the Vocational Rehabilitation Act and which are available, from the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services, to individuals under programs for their rehabilitation carried on under such State plan, may be provided only by such State agency or agencies (in the manner described in subparagrah (E)) except to the extend agreed to by such State agency or agencies. The portion of the amount expended for administration of the State plan to which subparagrah (A) applies and the portion thereof to which subparagrahs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(3) Section 1003(a) of such Act (as amended by section 132 (b) of this Act) is amended by striking out clause (3) and inserting in lieu thereof the following:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"i) services which are prescribed pursuant to section 1002 (a) (13) and are provided (in accordance with the next sentence) to applicants for or recipients of aid to the blind to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to section 1002 (a)(13), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the blind, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid to the blind, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that any such services which are defined as vocational rehabilitation services under the Vocational Rehabilitation Act and which are available, from the State agency or agencies administering or supervising the admin-

istration of the State plan for vocational rehabilitation services, to individuals under programs for their rehabilitation carried on under such State plan, may be provided only by such State agency or agencies (in the manner described in subparagraph (E)) except to the extent agreed to by such State agency or agencies. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

(4) Section 1403(a) of such Act (as amended by section 132(c) of this Act) is amended by striking out clause (3) and inserting in lieu thereof the following:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to section 1402(a)(12) and are provided (in accordance with the next sentence) to applicants for or recipients of aid to the permanently and totally disabled to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to section 1402(a)(12), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the permanently and totally disabled, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid to the permanently and totally disabled, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that any such services which are defined as vocational rehabilitation services under the Vocational Rehabilitation Act and which are available, from the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services, to individuals under programs for their rehabilitation carried on under such State plan, may be provided only by such State agency or agencies in the manner described in subparagraph (E)) except to the extent agreed to by such State

agency or agencies. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

State Plan Provisions for Services

(b)(1) Section 2(a) of such Act is amended by striking out paragraph (10)(C), by inserting "and" after the semicolon at the end of paragraph (10)(A), by redesignating paragraphs (10) and (11) as paragraphs (11) and (12), respectively, and by inserting after paragraph (9) the following new paragraph:

"(10) provide that the State agency shall make available to applicants for or recipients of old-age assistance under the plan at least those services to help them attain or retain capability for self-care which are prescribed by the Secretary; and include a description of the steps taken to assure, in the provision of these and any other services which the State agency makes available to individuals under the plan, maximum utilization of other agencies providing similar or related services;".

(2) Section 402(a)(12) of such Act is amended to read as follows: "(12) provide that the State agency shall make available at least those services to maintain and strengthen family life for children, and to help relatives specified in section 406(a) with whom children (who are applicants for or recipients of aid to families with dependent children) are living to attain or retain capability for self-support or self-care, which are prescribed by the Secretary; and include a description of the steps taken to assure, in the provision of these and any other services which the State agency makes available to individuals under the plan, maximum utilization of other agencies providing similar or related services".

(3) Section 1002(a)(13) of such Act is amended to read as follows: "(13) provide that the State agency shall make available to applicants for or recipents of aid to the blind at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary; and include a description of the steps taken to assure, in the provision of these and any other services which the State agency makes available to individuals under the plan, maximum utilization of other agencies providing similar or related services".

(4) Section 1402(a)(12) of such Act is amended to read as follows: "(12) provide that the State agency shall make available to applicants for or recipients of aid to the permanently and totally disabled at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary; and include a description of the steps taken to assure, in the provision of these and any other services which the State agency makes available to individuals under the plan, maximum utilization of other agencies providing similar or related services".

EXPANSION AND IMPROVEMENT OF CHILD WELFARE SERVICES

Increase in Authorization of Appropriations

SEC. 102. (a) Section 521 of the Social Security Act is amended by striking out "there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1961, the sum of $25,000,000" and inserting in lieu thereof "the following sums are hereby authorized to be appropriated: $25,000,000 each for the fiscal year ending June 30, 1961, and the succeeding fiscal year, $30,000,000 for the fiscal year ending June 30, 1963, $35,000,000 for the fiscal year ending June 30, 1964, $40,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year, $45,000,000 each for the fiscal year ending June 30, 1967, and the succeeding fiscal year, and $50,000,000 each for the fiscal year ending June 30, 1969, and succeeding fiscal years."

Coordination With Dependent Children Program and Extension of Child Welfare Services

(b) (1) Section 523(a) of such Act is amended by striking out "each State with a plan for child-welfare services developed as provided in this part an amount equal to the Federal share" and inserting in lieu thereof "each State—

"(1) that has a plan for child-welfare services which has been developed as provided in this part and which—

"(A) provides for coordination between the services provided under such plan and the services provided for dependent children under the State plan approved under title IV, with a view to provision of welfare and related services which will best promote the welfare of such children and their families, and

"(B) provides, with respect to day care provided under the plan—

"(i) for cooperative arrangements with the State health authority and the State agency primarily responsible for State supervision of public schools to assure maximum utilization of such agencies in the provision of necessary health services and education for children receiving such day care,

"(ii) for an advisory committee, to advise the State public welfare agency on the general policy involved in the provision of day care under the State plan, which shall include among its members representatives of other State agencies concerned with day care or services related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with the provision of day care,

"(iii) for such safeguards as may be necessary to assure provision of day care under the plan only in cases in which it is in the best interest of the child and the mother and only in cases in which it is determined, under criteria established by the State, that a need for such care exists, and

"(iv) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population and to geographical areas which have the greatest relative need for extension of such day care, and

"(2) that makes a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision,

an amount equal to the Federal share".

(2) Such section 528(a) is further amended by striking out "costs of district, county, or other local child-welfare services" and inserting in lieu thereof "costs of State, district, county, or other local child-welfare services".

Allotments for Day Care

(c) (1) Section 522(a) of such Act is amended—

(A) by striking out "The sums appropriated for each fiscal year under section 521" at the beginning of such section and inserting in lieu thereof "All but $10,000,000 of the total appropriated for a fiscal year under section 521, or, if such total is less than $35,000,000, all but the excess (if any) of such total over $25,000,000,";

(B) by striking out "He shall allot to each State $50,000 or, if greater, such portion of $70,000 as the amount appropriated under section 521 for such year bears to the amount authorized to be so appropriated" and inserting in lieu thereof "He shall allot to each State $70,000 or, if the amount appropriated under section 521 for such year is less than $25,000,000 he shall allot to each State $50,000 or, if greater, such portion of $70,000 as the amount appropriated under such section bears to $25,000,000"; and

(C) by striking out "the remainder of the sums so appropriated for such year" and inserting in lieu thereof "the remainder of the sum available for allotment under this subsection for such year".

(2) Part 3 of title V of such Act is further amended by adding at the end thereof the following new section:

"DAY CARE

"SEC. 527. (a) In order to assist the States to provide adequately for the care and protection of children whose parents are, for part of the day, working or seeking work, or otherwise absent from the home or unable for other reasons to provide parental supervision, the portion of the appropriation under section 521 for any fiscal year which is not allotted under section 522 shall be allotted by the Secretary among the States solely for the provision, under the State plan developed as provided in this part, of day care in facilities (including private homes) which are licensed by the State, or are approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, as follows: He shall allot to each State an amount which bears the same ratio to such portion of the appropriation as the product of (1) the population of the State under the age of 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the States, except that the allotment of any State as so computed which is less than $10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States (as so computed) having an allotment in excess of that amount, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

"(b) The amount of any allotment to a State under subsection (a) for any fiscal year which the State certifies to the Secretary will not be required for the purposes for which allotted shall be available for reallotment from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out such purposes for sums in excess of those previously allotted to them under subsection (a), and (2) will be able to use such excess amounts during such fiscal year. Such reallotments shall be made on the basis of the need for additional funds in carrying out such purposes, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which such a determination by the Secretary has been made. Any amount so reallotted to a State shall be deemed part of its allotment under subsection (a)."

Definition of Child-Welfare Services

(d)(1) Section 521 of such Act is further amended by striking out "public-welfare services (hereinafter in this title referred to as 'child-welfare services') for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent" and inserting in lieu thereof "child-welfare services".

(2) Part 3 of title V of such Act is further amended by adding after section 527 (added by subsection (c)(2) of this section) the following new section:

"DEFINITION

"SEC. 528. For purposes of this part, the term 'child-welfare services' means public social services which supplement, or substitute for, parental care and supervision for the purpose of (1) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children, (2) protecting and caring for homeless, dependent, or neglected children, (3) protecting and promoting the welfare of children of working mothers, and (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."

WELFARE SERVICES FOR EACH CHILD UNDER DEPENDENT CHILDREN PROGRAM

SEC. 103. Section 402(a) of the Social Security Act is amended by striking out "and" after the semicolon at the end of clause (11), and by inserting before the period at the end of clause (12) the following: "; and (13) provide for the development and application of a program for such welfare and related services

for each child who receives aid to families with dependent children as may be necessary in the light of the particular home conditions and other needs of such child, and provide for coordination of such programs, and any other services provided for children under the State plan, with the child-welfare services plan developed as provided in part 3 of title V, with a view toward providing welfare and related services which will best promote the welfare of such child and his family".

TECHNICAL AMENDMENTS TO REFLECT EMPHASIS ON REHABILITATION AND OTHER SERVICES

SEC. 104. (a) (1) The heading of title IV of the Social Security Act is amended to read as follows:

"TITLE IV—GRANTS TO STATES FOR AID AND SERVICE TO NEEDY FAMILIES WITH CHILDREN"

(2) The heading of section 402 of such Act is amended to read as follows:

"STATE PLANS FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN"

(3) The following provisions of such Act are amended by striking out "aid to dependent children" each time it appears and inserting in lieu thereof "aid to families with dependent children":

(A) clauses (4), (7), (8), (9), and (10) of section 402(a);
(B) section 402(b);
(C) section 403(b)(2)(B);
(D) section 406(b);
(E) clause (2)(B) of section 407;
(F) section 408(b);
(G) section 408(c);
(H) section 1002(a)(7); and
(I) section 1402(a)(7).

(4) The second sentence of section 401 of such Act is amended by striking out "State plans for aid to dependent children" and inserting in lieu thereof "State plans for aid and services to needy families with children".

(5) The following provisions of title IV of such Act are amended by striking out "plan for aid to dependent children" and inserting in lieu thereof "plan for aid and services to needy families with children":

(A) the portion of section 402(a) which precedes clause (1); and
(B) the portion of section 404 which precedes clause (1).

(b) Each State plan approved under title IV of the Social Security Act and in effect on the date of the enactment of this Act shall be deemed for purposes of such title, without the necessity of any change in such plan, to have been conformed with the amendments made by subsection (a) of this section.

(c)(1) The first sentence of section 1 of such Act is amended to read as follows: "For the purpose (a) of enabling each State, as far as practicable under the conditions in such State, to furnish financial assistance to aged needy individuals, (b) of enabling each State, as far as parcticable under the conditions in such State, to furnish medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title."

(2) The first sentence of section 401 of such Act is amended (A) by inserting "and rehabilitation" after "financial assistance", and (B) by inserting "or retain capability for" after "attain".

(3) The first sentence of section 1001 of such Act is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

(4) The first sentence of section 1401 of such Act is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

COMMUNITY WORK AND TRAINING PROGRAMS

SEC. 105. (a) Title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"COMMUNITY WORK AND TRAINING PROGRAMS

"SEC. 409. (a) For the purpose of assisting the States in encouraging, through community work and training programs of a constructive nature, the conservation of work skills and the development of new skills for individuals who have attained the age of 18 and are receiving aid to families with dependent children, under conditions which are designed to assure protection of the health and welfare of such individuals and the dependent children involved, expenditures (other than for medical or any other type of remedial care) for any month with respect to a dependent child (including payments to meet the needs of any relative or relatives, specified in section 406(a), with whom he is living) under a State plan approved under section 402 shall not be excluded from aid to families with dependent children because such expenditures are made in the form of payments for work performed in such month by any one or more of the relatives with whom such child is living if such work is performed for the State agency or any other public agency under a program (which need not be in effect in all political subdivisions of the State) administered by or under the supervision of such State agency, if there is State financial participation in such expenditures, and if such State plan includes—

"(1) provisions which, in the judgment of the Secretary, provide reasonable assurance that—

"(A) appropriate standards for health, safety, and other conditions applicable to the performance of such work by such relatives are established and maintained;

"(B) payments for such work are at rates not less than the minimum rate (if any) provided by or under State law for the same type of work and not less than the rates prevailing on similar work in the community;

"(C) such work is performed on projects which serve a useful public purpose, do not result either in displacement of regular workers or in the performance by such relatives of work that would otherwise be performed by employees of public or private agencies, institutions, or organizations, and (except in cases of projects which involve emergencies or which are generally of a nonrecurring nature) are of a type which has not normally been undertaken in the past by the State or community, as the case may be;

"(D) in determining the needs of any such relative, any additional expenses reasonably attributable to such work will be considered;

"(E) any such relative shall have reasonable opportunities to seek regular employment and to secure any appropriate training or retraining which may be available;

"(F) any such relative will, with respect to the work so performed, be covered under the State workmen's compensation law or be provided comparable protection; and

"(G) aid under the plan will not be denied with respect to any such relative (or the dependent child) for refusal by such relative to perform any such work if he has good cause for such refusal;

"(2) provision for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment or occupational training of any such relatives performing work under such program, including appropriate provision for registration and periodic reregistration of such relatives and for maximum utilization of the job placement services and other services and facilities of such offices;

"(3) provision for entering into cooperative arrangements with the State agency or agencies responsible for administering or supervising the administration of vocational education and adult education in the State, looking toward maximum utilization of available public vocational or adult education services and facilities in the State in order to encourage the training or retraining of any such relatives performing work under such program and otherwise assist them in preparing for regular employment;

"(4) provision for assuring appropriate arrangements for the care and protection of the child during the absence from the home of any such relative performing work under such program in order to assure that such absence and work will not be inimical to the welfare of the child;

"(5) provision that there will be no adjustment or recovery by the State or any political subdivision thereof on account of any payments which are correctly made for such work; and

"(6) such other provisions as the Secretary finds necessary to assure that the operation of such program will not interfere with achievement of the objectives set forth in section 401.

"(b) In the case of any State which makes expenditures in the form described in subsection (a) under its State plan approved under section 402, the proper and efficient administration of the State plan, for purposes of section 403(a)(3), may not include the cost of making or acquiring materials or equipment in connection with the work performed under a program referred to in subsection (a) or the cost of supervision of work under such program, and may include only such other costs attributable to such programs as are permitted by the Secretary."

(b) The Secretary shall submit to the President, for transmission to the Congress prior to January 1, 1967, a full report of the administration of the provisions of the amendment made by subsection (a), including the experiences of each of the States in paying for work under community work and training programs under the provisions of their respective State plans which are in accord with such amendment, together with his recommendations as to continuation of and modifications in such amendment.

INCENTIVES FOR EMPLOYMENT THROUGH CONSIDERATION OF EXPENSES IN EARNING INCOME, AND PROVISION FOR FUTURE NEEDS OF DEPENDENT CHILDREN

SEC. 106. (a)(1) Section 2(a) of the Social Security Act is amended by inserting before the semicolon at the end of subparagraph (A) of paragraph (11) (as redesignated by section 101(b)(1) of this Act) ", as well as any expenses reasonably attributable to the earning of any such income".

(2) Section 1002(a)(8) of such Act is amended by inserting before the first semicolon ", as well as any expenses reasonably attributable to the earning of any such income".

(3) Section 1402(a)(8) of such Act is amended by inserting before the semicolon at the end thereof ", as well as any expenses reasonably attributable to the earning of any such income".

(b) Section 402(a)(7) of such Act is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, as well as any expenses resasonably attributable to the earning of any such income; except that, in making such determination, the State agency may, subject to limitations prescribed by the Secretary, permit all or any portion of the earned or other income to be set aside for future identifiable needs of a dependent child;".

USE OF PAYMENTS FOR BENEFIT OF CHILD

SEC. 107. (a) Section 405 of the Social Security Act is amended to read as follows:

"USE OF PAYMENTS FOR BENEFIT OF CHILD

"SEC. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b)(2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in other action authorized under State law which is deemed necessary to protect the interests of such child; and any such action taken by the State agency pursuant to such State law, other than denial of such payments with respect to such child while in the home of such relative, shall not serve as a basis for

withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

(b) Section 404(b) of such Act is amended by inserting before the period at the end thereof the following: "; nor shall any such payment be withheld for any period beginning on or after such date by reason of any action taken pursuant to such a statute if provision is otherwise made pursuant to a State statute for adequate care and assistance with respect to such child".

PROTECTIVE PAYMENTS UNDER DEPENDENT CHILDREN PROGRAM

SEC. 108. (a) Section 406(b) of the Social Security Act is amended by inserting "(1)" after "includes" and by inserting before the semicolon at the end thereof: ", and (2) payments with respect to any dependent child (including payments to meet the needs of the relative, and the relative's spouse, with whom such child is living) which do not meet the preceding requirements of this subsection, but which would meet such requirements except that such payments are made to another person who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such child and relative, but only with respect to a State whose State plan approved under section 402 includes provision for—

"(A) determination by the State agency that the relative of the child with respect to whom such payments are made has such inability to manage funds that making payments to him would be contrary to the welfare of the child and, therefore, it is necessary to provide such aid with respect to such child and relative through payments described in this clause (2);

"(B) meeting all of the need, as determined by the State, of individuals with respect to whom aid to families with dependent children is paid;

"(C) undertaking and continuing special efforts to develop greater ability on the part of the relative to manage funds in such manner as to protect the welfare of the family;

"(D) periodic review by such State agency of the determination under clause (A) to ascertain whether conditions justifying such determination still exist, with provision for termination of such payments if they do not and for seeking judicial appointment of a guardian or other legal representative, as described in section 1111, if and when it appears that the need for such payments is continuing, or is likely to continue, beyond a period specified by the Secretary;

"(E) aid in the form of foster home care in behalf of children described in section 408(a); and

"(F) opportunity for a fair hearing before the State agency on the determination referred to in clause (A) for any individual with respect to whom it is made".

(b) Section 403(a) of such Act, as amended by the other provisions of this Act, is further amended by adding at the end thereof (after and below paragraph (3)) the following new sentence:

"The number of individuals with respect to whom payments described in section 406(b)(2) are made for any month, who may be included as recipients of aid to families with dependent children for purposes of paragraph (1) or (2), may not exceed 5 per centum of the number of other recipients of aid to families with dependent children for such month."

(c) Paragraph (1)(A) of such section 403(a) (as amended by section 101(a)(2) of this Act) is amended by inserting immediately after "remedial care" the following: ", plus (iii) the number of individuals, not counted under clause (i) or (ii), with respect to whom payments described in section 406(b)(2) are made in such month and included as expenditures for purposes of this paragraph or paragraph (2)".

(d) The Secretary shall submit to the President, for transmission to the Congress prior to January 1, 1967, a full report of the administration of the provisions of the amendments made by this section, including the experiences of each of the States in making protective payments under the provisions of their respective State plans which are in accord with such amendments, together with his recommendations as to continuation of and modifications in such amendments.

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AID FOR SPOUSE OF RELATIVE WITH WHOM DEPENDENT CHILD IS LIVING

SEC. 109. Section 406(b) of the Social Security Act, as amended by section 108 of this Act, is amended by inserting "(and the spouse of such relative if living with him and if such relative is the child's parent and the child is a dependent child by reason of the physical or mental incapacity of a parent or is a dependent child under section 407)" after "relative with whom any dependent child is living" in clause (1) thereof.

PART B—IMPROVEMENT IN ADMINISTRATION THROUGH DEMONSTRATIONS, TRAINING, AND PUBLIC ADVISORY GROUPS

ADVISORY COUNCIL ON PUBLIC WELFARE

SEC. 121. Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"APPOINTMENT OF ADVISORY COUNCIL AND OTHER ADVISORY GROUPS

"SEC. 1114. (a) The Secretary shall, during 1964, appoint an Advisory Council on Public Welfare for the purpose of reviewing the administration of the public assistance and child welfare services programs for which funds are appropriated pursuant to this Act and making recommendations for improvement of such administration, and reviewing the status of and making recommendations with respect to the public assistance programs for which funds are so appropriated, especially in relation to the old-age, survivors, and disability insurance program, with respect to the fiscal capacities of the States and the Federal Government, and with respect to any other matters bearing on the amount and proportion of the Federal and State shares in the public assistance and child welfare services programs.

"(b) The Council shall be appointed by the Secretary without regard to the civil-service laws and shall consist of twelve persons who shall, to the extent possible, be representatives of employers and employees in equal numbers, representatives of State or Federal agencies concerned with the administration or financing of the public assistance and child welfare services programs, representatives of nonprofit private organizations concerned with social welfare programs, other persons with special knowledge, experience, or qualifications with respect to such programs, and members of the public.

"(c) The Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

"(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the provisions of the Social Security Act) to the Secretary, such report to be submitted not later than July 1, 1966, after which date such Council shall cease to exist.

"(e) The Secretary shall also from time to time thereafter appoint an Advisory Council on Public Welfare, with the same functions and constituted in the same manner as prescribed for the Advisory Council in the preceding subsections of this section. Each Council so appointed shall report its findings and recommendations, as prescribed in subsection (d), not later than July 1 of the second year after the year in which it is appointed, after which date such Council shall cease to exist.

"(f) The Secretary may also appoint, without regard to the civil-service laws, such advisory committees as he may deem advisable to advise and consult with him in carrying out any of his functions under this Act.

"(g) Members of the Council or of any advisory committee appointed under this section who are not regular full-time employees of the United States shall, while serving on business of the Council or any such committee, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $75 per day, including travel time; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in Government service employed intermittently.

"(h)(1) Any member of the Council or any advisory committee appointed under this Act, who is not a regular full-time employee of the United States, is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

"(2) The exemption granted by paragraph (1) shall not extend—

"(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment, or

"(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment."

WAIVER OF STATE PLAN REQUIREMENTS FOR DEMONSTRATIONS

SEC. 122. Title XI of the Social Security Act is amended by adding after section 1114 (added by section 121 of this Act) the following new section:

"DEMONSTRATION PROJECTS

"SEC. 1115. In the case of any experimental, pilot, or demonstration project which, in the judgment of the Secretary, is likely to assist in promoting the objectives of title I, IV, X, XIV, or XVI in a State or States—

"(a) the Secretary may waive compliance with any of the requirements of section 2, 402, 1002, 1402, or 1602, as the case may be, to the extent and for the period he finds necessary to enable such State or States to carry out such project, and

"(b) costs of such project which would not otherwise be included as expenditures under section 3, 403, 1003, 1403, or 1603, as the case may be, and which are not included as part of the costs of projects under section 1110, shall, to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the State plan or plans approved under such title, or for administration of such State plan or plans, as may be appropriate.

In addition, not to exceed $2,000,000 of the aggregate amount appropriated for payments to States under such titles for any fiscal year ending prior to July 1, 1967, shall be available, under such terms and conditions as the Secretary may establish, for payments to States to cover so much of the cost of such projects as is not covered by payments under such titles and is not included as part of the cost of projects for purposes of section 1110."

TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL

SEC. 123. Section 705(a) of the Social Security Act is amended by striking out "for the fiscal year ending June 30, 1958, the sum of $5,000,000, and for each of the five succeeding fiscal years such sums as the Congress may determine" and inserting in lieu thereof the following: "for the fiscal year ending June 30, 1963, the sum of $3,500,000, and for each fiscal year thereafter the sum of $5,000,000".

PART C—IMPROVEMENT OF PUBLIC WELFARE PROGRAMS THROUGH EXTENSION OF TEMPORARY PROVISIONS AND INCREASED SHARE OF PUBLIC ASSISTANCE PAYMENTS

EXTENSION OF AID WITH RESPECT TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS OR IN FOSTER FAMILY HOMES

Extension With Respect to Children of Unemployed Parents

SEC. 131. (a) So much of the first sentence of section 407 of the Social Security Act as precedes paragraph (1) thereof is amended by striking out "1962" and inserting in lieu thereof "1967".

Extension With Respect to Foster Family Home Care

(b) So much of the first sentence of section 408 of such Act as precedes paragraph (a) thereof is amended by striking out ", and ending with the close of June 30, 1962".

INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

SEC. 132. (a) Paragraphs (1) and (2) of section 3(a) of the Social Security Act are amended to read as follows:

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) $\frac{29}{35}$ of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage (as defined in section 1101(a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $70 multiplied by the total number of such recipients of old-age assistance for such month; plus

"(C) the larger of the following: (i) the Federal medical precentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of $85 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of $70 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of $15 multiplied by the total number of such recipients of old-age assistance for such month;

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

"(A) one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds $37.50 multiplied by the total number of recipients of old-age assistance for such month; plus

"(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the product of $45 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of $37.50 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of $7.50 multiplied by the total number of such recipients of old-age assistance for such month;".

(b) So much of section 1003(a) of such Act as precedes clause (3) is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1958—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) 29/35 of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of recipients of aid to the blind for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the blind in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the blind in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $70 multiplied by the total number of such recipients of aid to the blind for such month;

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds $37.50 multiplied by the total number of recipients of aid to the blind for such month; and".

(c) So much of section 1403(a) of such Act as precedes clause (3) is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1958—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) 29/35 of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the permanently and totally disabled in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the permanently and totally disabled in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $70 multiplied by the total number of such recipients of aid to the permanently and totally disabled for such month;

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds $37.50 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month; and".

(d) Section 303 of the Social Security Amendments of 1961 (Public Law 87–64), and section 6 of the Act of May 8, 1961 (Public Law 87–31), are repealed.

EXTENSION OF ASSISTANCE TO REPATRIATED AMERICAN CITIZENS

SEC. 133. Subsection (d) of section 1113 of the Social Security Act is amended by striking out "1962" and inserting in lieu thereof "1964".

REFUSAL OF UNEMPLOYED PARENTS TO ACCEPT RETRAINING

SEC. 134. Pargraph (3) of section 407 of the Social Security Act is amended by inserting "(A)" after "provision" and by inserting before the period at the end thereof ", and (B) for denying aid to families with dependent children to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to undergo any such retraining".

FEDERAL PAYMENTS FOR FOSTER CARE IN CHILD-CARE INSTITUTIONS

SEC. 135. (a) Clause (3) of paragraph (a) of section 408 of the Social Security Act is amended by inserting "or child-care institution" after "foster family home".

(b) Paragraph (b) of such section is amended by striking out "of this section in the foster family home of any individual" and inserting in lieu thereof the following: "of this section—

"(1) in the foster family home of any individual, whether the payment therefor is made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution, whether the payment therefor is made to such institution or to a public or nonprofit private child-placement or child-care agency, but subject to limitations prescribed by the Secretary with a view to including as 'aid to families with dependent children' in the case of such foster care in such institutions only those items which are included in such term in the case of foster care in the foster family home of an individual".

(c) Clauses (1) and (2) of paragraph (f) of such section are each amended by inserting "or child-care institution" after "foster family home".

(d) The last sentence of such section is amended by inserting before the period at the end thereof the following: "; and the term 'child-care institution' means a nonprofit private child-care institution which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing".

CERTAIN STATE PLANS NOT MEETING INCOME AND RESOURCES REQUIREMENTS FOR THE BLIND

SEC. 136. (a) Section 1002(b) of the Social Security Act is amended by adding at the end thereof (after and below paragraph (2)) the following new sentence: "In the case of any State (other than Puerto Rico and the Virgin Islands) which did not have on January 1, 1949, a State plan for aid to the blind approved under this title, the Secretary shall approve a plan of such State for aid to the blind for purposes of this title, even though it does not meet the requirements of clause (8) of subsection (a) of this section, if it meets all other requirements of this title for an approved plan for aid to the blind; but payments under section 1003 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1003 under a plan approved under this section without regard to the provisions of this sentence."

(b) Section 344 of the Social Security Act Amendments of 1950 is repealed.

PART D—SIMPLIFICATION OF CATEGORIES

OPTIONAL COMBINED STATE PLAN FOR AGED, BLIND, AND DISABLED

SEC. 141. (a) The Social Security Act is amended by adding after title XV the following new title:

"TITLE XVI—GRANTS TO STATES FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

"APPROPRIATION

"SEC. 1601. For the purpose (a) of enabling each State, as far as practicable under the conditions in such State, to furnish financial assistance to needy individuals who are 65 years of age or over, are blind, or are 18 years of age or over and permanently and totally disabled, (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of individuals who are 65 years of age or over and who are not recipients of aid to the aged, blind, or disabled but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-support or self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged.

"STATE PLANS FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

"SEC. 1602. (a) A State plan for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged, must—

"(1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(2) provide for financial participation by the State;

"(3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan;

"(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid or assistance under the plan is denied or is not acted upon with reasonable promptness;

"(5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the plan;

"(8) provide that all individuals wishing to make application for aid or assistance under the plan shall have opportunity to do so, and that such aid or assistance shall be furnished with reasonable promptness to all eligible individuals;

"(9) provide, if the plan includes aid or assistance to or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;

"(10) provide that the State agency shall make available to applicants for or recipients of aid to the aged, blind, or disabled under the plan at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary; and include a description of the steps taken to assure, in the provision of these and any other services which the State agency makes available to individuals under the plan, maximum utilization of other agencies providing similar or related services;

"(11) provide that no aid or assistance will be furnished any individual under the plan with respect to any period with respect to which he is receiving assistance under the State plan approved under title I or aid under the State plan approved by title IV, X, or XIV;

"(12) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

"(13) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of aid or assistance under the plan;

"(14) provide that the State agency shall, in determining need for aid to the aged, blind, or disabled, take into consideration any other income and resources of an individual claiming such aid, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination with respect to any individual who is blind, the State agency shall disregard the first $85 per month of earned income plus one-half of earned income in excess of $85 per month; and

"(15) if the State plan includes medical assistance for the aged—

"(A) provide for inclusion of some institutional and some noninstitutional care and services;

"(B) provide that no enrollment fee, premium, or similar charge will be imposed as a condition of any individual's eligibility for medical assistance for the aged under the plan;

"(C) provide for inclusion, to the extent required by regulations prescribed by the Secretary, of provisions (conforming to such regulations) with respect to the furnishing of such assistance to individuals who are residents of the State but are absent therefrom; and

"(D) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan (except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual), and that there shall be no adjustment or recovery (except, after the death of such individual and his surviving spouse, if any, from such individual's estate) of any medical assistance for the aged correctly paid on behalf of such individual under the plan.

Notwithstanding paragraph (3), if on January 1, 1962, and on the date on which a State submits its plan for approval under this title, the State agency which administered or supervised the administration of the plan of such State approved under title X was different from the State agency which administered or supervised the administration of the plan of such State approved under title I and the State agency which administered or supervised the administration of the plan of such State approved under title XIV, the State agency which administered or supervised the administration of such plan approved under title X may be designated to administer or supervise the administration of the portion of the State plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) which relates to blind individuals and a separate agency may be established or designated to administer or supervise the administration of the rest of such plan; and in such case the part of the plan which each such agency administers, or the administration of which each such agency supervises, shall be regarded as a separate plan for purposes of this title.

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid or assistance under the plan—

"(1) an age requirement of more than sixty-five years; or

"(2) any residence requirement which (A) in the case of applicants for aid to the aged, blind, or disabled excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for such aid and has resided therein continuously for one year immediately preceding the application, and (B) in the case of applicants for medical assistance for the aged, excludes any individual who resides in the State; or

"(3) any citizenship requirement which excludes any citizen of the United States.

In the case of any State to which the provisions of section 344 of the Social Security Act Amendments of 1950 were applicable on January 1, 1962, and on the date on which its State plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) was submitted for approval under this title, the Secretary shall approve the plan of such State for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) for purposes of this title, even though it does not meet the requirements of paragraph (14) of subsection (a), if it meets all other requirements of this title for an approved plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged); but payments under section 1603 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1603 under a plan approved under this section without regard to the provisions of this sentence.

"(c) Subject to the last sentence of subsection (a), nothing in this title shall be construed to permit a State to have in effect with respect to any period more than on State plan approved under this title.

"PAYMENTS TO STATES

"SEC. 1603. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing October 1, 1962—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the aged, blind, or disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) 29/35 of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $35 multiplied by the total number of recipients of such aid for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received such aid in the form of money payments for such month, plus (ii) the number of other individuals with repect to whom expenditures were made in such month as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care); plus

"(B) the Federal percentage (as defined in section 1101(a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $70 multiplied by the total number of recipients of aid to the aged, blind, or disabled for such month; plus

"(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of $85 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month, or (II) if smaller, the total expended as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care with respect to such month plus the product of $70 multiplied by such total number

of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of $15 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month;

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

"(A) one-half of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds $37.50 multiplied by the total number of recipients of aid to the aged, blind, or disabled for such month; plus

"(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the product of $45 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month, or (II) if smaller, the total expended as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care with respect to such month plus the product of $37.50 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of $7.50 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month;

"(3) in the case of any State, an amount equal to the Federal medical percentage (as defined in section 6(c)) of the total amounts expended during such quarteras medical assistance for the aged under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof); and

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to section 1602(a)(10) and are provided (in accordance with the next sentence) to applicants for or recipients of aid or assistance under the plan to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to section 1602(a)(10), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid or assistance under the plan, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid or assistance under the plan, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid or assistance; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that any such services which are defined as vocational rehabilitation services under the Vocational Rehabilitation Act and which are available from the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services, to individuals under programs for their rehabilitation carried on under such State plan, may be provided only by such State agency or agencies (in the manner described in subparagraph (E)) except to the extent agreed to by such State agency or agencies. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary.

"(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

"(2) The Secretary shall then pay, in such installments as he may determine, to the State the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(3) The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by the State or any political subdivision thereof with respect to aid or assistance furnished under the State plan, but excluding any amount of such aid or assistance recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased, shall be considered an overpayment to be adjusted under this subsection.

"(4) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

"OPERATION OF STATE PLANS

"SEC. 1604. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1602; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"DEFINITIONS

"SEC. 1605. (a) For the purposes of this title, the term 'aid to the aged, blind, or disabled' means money payments to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are 65 years of age or older, are blind, or are 18 years of age or over and permanently and totally disabled, but does not include—

"(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, or

"(2) any such payments to any individual who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof, or

"(3) any such care in behalf of any individual, who is a patient in a medical institution as a result of a diagnosis that he has tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.

"(b) For purposes of this title, the term 'medical assistance for the aged' means payment of part or all of the cost of the following care and services for individuals who are sixty-five years of age or older and who are not recipients of aid to the aged, blind, or disabled but whose income and resources are insufficient to meet all of such cost—

"(1) inpatient hospital services;
"(2) skilled nursing-home services;
"(3) physicians' services;
"(4) outpatient hospital or clinic services;
"(5) home health care services;
"(6) private duty nursing services;
"(7) physical therapy and related services;
"(8) dental services;
"(9) laboratory and X-ray services;
"(10) prescribed drugs, eyeglasses, dentures, and prosthetic devices;
"(11) diagnostic, screening, and preventive services; and
"(12) any other medical care or remedial care recognized under State law;

except that such term does not include any such payments with respect to—

"(A) care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

"(B) care or services for any individual, who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days."

(b) No payment may be made to a State under title I, X, or XIV of the Social Security Act for any period for which such State receives any payments under title XVI of such Act or any period thereafter.

(c) Section 1109 of such Act is amended by striking out "sections 2(a)(7), 402(a)(7), 1002(a)(8), and 1402(a)(8)" and inserting in lieu thereof "sections 2(a)(11)(A), 402(a)(7), 1002(a)(8), 1402(a)(8), and 1602(a)(14)" and by striking out "a State plan approved under title I, IV, X, XIV" wherever it appears and inserting in lieu thereof "a State plan approved under title I, IV, X, XIV, or XVI".

(d) Section 1111 of such Act is amended by striking out "and XIV" and inserting in lieu thereof "XIV, and XVI".

(e) Section 618, of the Revenue Act of 1951 is amended by striking out "or XIV" and inserting in lieu thereof "XIV, or XVI (other than section 1603(a)(3) thereof)".

(f) In the case of any State which has a State plan approved under title XVI of the Social Security Act, any overpayment or underpayment which the Secretary determines was made to such State under section 3, 1003, or 1403 of such Act with respect to a period before the approval of the plan under such title XVI, and with respect to which adjustment has not been already made under subsection (b) of such section 3, 1003, or 1403, shall, for purposes of section 1603(b) of such Act, be considered an overpayment or underpayment (as the case may be) made under section 1603 of such Act.

PART E—MISCELLANEOUS AND TECHNICAL AMENDMENTS

INCREASE IN LIMITATION ON TOTAL PUBLIC ASSISTANCE PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 151. Effective for fiscal years ending after June 30, 1962, section 1108 of the Social Security Act is amended to read as follows:

"LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

"SEC. 1108. The total amount certified by the Secretary of Health, Education, and Welfare under title I (other than section 3(a)(3) thereof), IV, X, XIV, and XVI (other than section 1603(a)(3) thereof) for payment to Puerto Rico with respect to any fiscal year shall not exceed $9,800,000, of which $625,000 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B); the total amount certified by the Secretary under such titles for payments to the Virgin Islands with respect to any fiscal year shall not exceed $330,000, of which $18,750 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B); and the total amount certified by the Secretary under such titles for payment to Guam with respect to any fiscal year shall not exceed $450,000, of which $25,000 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B). Nothwithstanding the provisions of sections 502(a)(2), 512(a)(2), 522(a), and 527(a), and until such time as the Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the initial (or, in the case of section 527(a), the minimum) allotment specified in such sections, allot such smaller amounts to Guam as he may deem appropriate."

PAYMENTS TO RELATIVE OF CHILD WHEN CHILD IS DEPENDENT

SEC. 152. Section 406(b) of the Social Security Act is amended by striking out "for any month" and by striking out "if money payments have been made under the State plan with respect to such child for such month".

DEFINITIONS OF "STATE" AND "UNITED STATES"

SEC. 153. (a) Paragraph (1) of section 1101(a) of the Social Security Act is amended by striking out "X, and XIV" and inserting in lieu thereof "X, XI, XIV, and XVI".

(b) Paragraph (2) of such section is amended by striking out ", the District of Columbia, and the Commonwealth of Puerto Rico".

TITLE II—GENERAL

MEANING OF TERM "SECRETARY"

SEC. 201. As used in this Act and in the provisions of the Social Security Act amended by this Act, the term "Secretary", unless the context otherwise requires, means the Secretary of Health, Education, and Welfare.

EFFECTIVE DATES

SEC. 202. (a) The amendments made by sections 101(b), 102(b)(1), 103, 106, and 134 shall become effective July 1, 1963.

(b) The amendments made by sections 102(c) and 123 shall be applicable in the case of fiscal years beginning after June 30, 1962.

(c) The amendments made by sections 101(a), 102(b)(2) and (d), 132 135, and 152 shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act or developed as

provided in part 3 of title V of such Act, as the case may be, made after June 30, 1962.

(d) The amendments made by sections 107(a) and 109 shall be applicable in the case of expenditures, under a State plan approved under title IV of the Social Security Act, made after September 30, 1962.

(e) The amendments made by sections 105 and 108 shall be applicable in the case of expenditures under a State plan approved under title IV of the Social Security Act, made during the period beginning October 1, 1962, and ending with the close of June 30, 1967.

Passed the House of Representatives March 15, 1962.

Attest:

RALPH R. ROBERTS, *Clerk.*

The CHAIRMAN. The first witness is the Secretary of Health, Education, and Welfare.

The Chair desires to state, Mr. Secretary, that on January 5 you paid a visit to my office and provided me with a memorandum outlining proposed amendments to the public assistance legislation which, as I understand it, are generally included in the bill before the committee at this time.

As chairman of the Senate Finance Committee on January 17, I wrote you a letter relating to the proposals in which I asked one general question and a series of questions in detail on the nine proposals outlined in your January 5 memorandum.

On January 24, I received a reply from you answering the one general question, and stating that you were asking your staff to prepare answers to the detailed questions which I had submitted.

Now, 4 months later, you hand-deliver to me your reply to the detailed questions. For the information of the committee, I will insert your replies in the record, both in the letter that you wrote of January 26, and the one delivered today dated May 11, which I am assured contains your answers to all of my questions.

(The January 5 request of the chairman and the January 24 and May 11 replies of Secretary Ribicoff follow:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, January 5, 1962.

MEMORANDUM FOR HON. HARRY F. BYRD

Subject: Revisions in welfare legislation.

From the time I became Secretary, I have been convinced that our welfare laws needed revision. When I testified before the Senate Finance Committee and the House Ways and Means Committee, I promised that I would undertake a careful review of Federal welfare laws and have a legislative program ready for 1962. I believe that this administration must assume leadership in this field and be out with a constructive program for others to follow.

During this past year I have sought and received advice and reports from several groups of distinguished persons in the welfare field. What has emerged from this review is a clear recognition of the fact that today in 1962 the welfare program of 1935 is out of date. Born of depression, the original pioneering welfare legislation well met the problems of that time, but the quarter of a century that has passed has taught us many new things. We are not satisfied with our welfare programs and there is much that can and must be done to improve them. On the basis of the suggestions that have been made to me I have already announced 10 changes in our welfare programs that can be accomplished by administrative action.

These administrative changes are designed to (1) promote rehabilitation services and develop a family-centered approach, (2) provide children with adequate protection, support, and a maximum opportunity to become responsible citizens, and (3) reshape the administrative structure of welfare so it may be more helpful

in accomplishing these objectives and in dealing more constructively with such problems as locating deserting fathers and reducing fraud.

These steps are the first part of a broad action program for revision of our welfare programs. In addition, legislative proposals will be necessary to carry this effort forward. Among the legislative proposals which we have considered are the following:

1. Provide for Federal financial participation in community work-training programs with adequate safeguards to protect the health and safety of the individual and to encourage the reemployment, retraining, and conservation of skills of employable persons on the aid-to-dependent-children program. In addition to the requirement that payments for such work must be at rates not less than those prevailing on similar work in the community, the work performed must be on projects which serve a useful community or public purpose and do not result in displacement of regular workers or in the performance of work that would otherwise be performed by other employees. In addition, provision must be made for issuing appropriate arrangements for the care and protection of the children during the absence from the home of any parent performing such work, as well as such other provisions that the Secretary advises necessary to assure that the program will operate with the best interests of the program and the individual in mind.

2. Provide for permitting the States to make protective payments to a very limited number of individuals where the individual is having difficulty in satisfactorily managing funds. Such protective payments could only be made to some individual who had a direct interest in the welfare of the recipient such as relative, neighbor, friend, or person in a private or public welfare agency. There would have to be adequate safeguards by the State agency with respect to such protective payments including periodic review to assure that they were not continued indefinitely and to provide the necessary services to enable individuals to develop a greater capability in managing their funds. Direct payments to landlords and grocers would not be permitted under this provision.

3. Authorize additional Federal funds to give the States an incentive to provide services to rehabilitate persons on welfare and to provide preventive services to those who might otherwise come on the welfare rolls. At the present time the Federal Government pays one-half of the cost of all administrative and service costs which the States incur. By separating out and identifying service costs and paying the States three-fourths of the cost of such services the States will have an incentive to provide more comprehensive services to rehabilitate persons on welfare.

4. Provide for increasing Federal funds for child welfare services including specific authorization for funds for day care of children of working mothers. In addition, the States would be required to extend their child welfare programs with a view of making available by 1975 child welfare services to all children in need of such services in the State. Federal funds for child welfare services would be increased progressively over a 10-year period.

5. Provide for extending on a permanent basis the provisions of the temporary law making available Federal funds for (*a*) children of unemployed fathers, (*b*) foster family care where the child has been removed from the home, and (*c*) increase of $1 in the Federal financial care of the aged, blind, and disabled.

6. Provide for the first time Federal financial participation in the assistance costs meeting the needs of both parents of the needy child. At the present time the Federal law only provides for Federal financial participation of meeting the needs of one parent. This would enable more adequate payments to be made under the aid-to-dependent-children program.

7. Provide that the existing authority for 100 percent Federal funds for the training of employees be directed to providing services to children in the aid-to-dependent-children program and the child welfare program.

8. Establish an optional new single category for the aged, blind, and disabled and for medical assistance for the aged which may be substituted by any State for the three present programs under the existing law. This would enable the States to simplify some of their procedures and bookkeeping and would also enable them to improve the adequacy of assistance of these three categories.

9. Provide for a number of other technical and administrative changes which are designed to emphasize rehabilitation and service to welfare recipients.

The legislative proposals that I have outlined above can reorient the whole approach to welfare from an eligibility operation to one in which the emphasis is on rehabilitation of those on welfare and prevention ahead of time. While all of these changes will require additional appropriations from the Federal Government, they will make substantial improvements in the program and help to prevent dependency.

The success of these revisions will require close cooperation with State, local, and voluntary welfare groups and influential leaders in public and private welfare agencies. I believe this is the time to take leadership in making what will be a tremendous improvement in our welfare programs which will greatly help to strengthen family life and prevent continued dependency of many families.

ABRAHAM RIBICOFF, *Secretary.*

JANUARY 17, 1962.

HON. ABRAHAM RIBICOFF,
Secretary of Health, Education, and Welfare,
Washington, D.C.

MY DEAR MR. SECRETARY: I thank you very much for your memorandum of January 5, 1962, outlining proposed changes in public assistance programs.

I have now read the proposals carefully, and numerous questions have arisen. Those involving detail with respect to each of the proposals are listed in the attachments to this letter.

One question of a general nature arises from the next to the last paragraph in your memorandum. I do not understand the first sentence in that paragraph:

"The legislative proposals I have outlined above can reorient the whole approach to welfare from an eligibility operation to one in which the emphasis is on rehabilitation of those on welfare and prevention ahead of time."

Can this be interpreted in any way as contemplating elimination, lowering, or avoidance of meeting needs tests for participation in existing or new programs?

Your views on this matter and answers to attached questions would be appreciated.

With my very best wishes,

Faithfully yours,

HARRY F. BYRD, *Chairman.*

With respect to proposal No. 1 in your memorandum of January 5, 1962:

A. Would these community work-training programs be separate from the manpower training and youth employment programs proposed in the President's state of the Union message of January 10, 1962; if so, would there be any relationship; if not, what would be the distinguishing characteristics; in either event, how would overlapping be avoided?

B. Does this proposal contemplate establishment of new programs or expanding or extending existing programs; would Federal participation be confined to public agencies; if not, where else and under what standards would it be available?

C. Would coverage under this proposal be limited to unemployed persons on public assistance rolls; if not, who would be eligible?

D. What would be the status of unemployed persons under this proposal with respect to unemployment insurance benefits under the present programs; under a federalized program as proposed by the administration?

E. What would be an example of work projects which would serve a useful community or public purpose and do not result in displacement of regular workers or in the performance of work that would otherwise be performed by other employees?

F. Would provisions of the Davis-Bacon Act apply directly or indirectly to wage rates paid for work on projects constructed under this proposal?

G. Would you supply more details as to the arrangements which are contemplated for the care and protection of children of participating parents, and other provisions that the Secretary advises necessary?

H. What need tests would have to be met for participation under this proposal?

I. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs now in operation?

With respect to proposal No. 2 in your memorandum of January 5, 1962:

A. Why should States need Federal permission to make "protective payments" to individuals "having difficulty in satisfactorily managing funds"?

B. Under what circumstances would individuals be found to be "having difficulty in satisfactorily managing funds"; what and whose funds; who would make the determination?

C. Is this a new program? Would the Federal Government participate in it financially, and otherwise; if so, to what extent, and in what duration?

D. For what purposes would "payments" under this proposal be used; could they be used to compensate "guardians" for their services; what would be the qualifications of a "guardian"; could one person act as "guardian" for more than one account?

E. Would coverage under this proposal be limited to persons on public assistance rolls; if not, what would be the coverage limitations?

F. The proposal would prohibit "direct payments to landlords and grocers." Could direct payments be made to others such as druggists, physicians, suppliers of fuel, etc.; what other prohibitions would be imposed?

G. What need tests would have to be met for participation in this proposal?

H. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs now in operation?

With respect to the proposal No. 3 in your memorandum of January 5, 1962:

A. What would constitute "preventive services to those who might otherwise come on welfare rolls"?

B. Who would be eligible for these "preventive services"?

C. Would persons who had the benefit of these "preventive services," be barred from public assistance rolls after the "preventive services" had been rendered?

D. Would "preventive services" be a new program or an expansion or extension of some existing program?

E. What need tests would have to be met for participation in "preventive services" aspects of this proposal?

F. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs now in operation?

With respect to proposal No. 4 in your memorandum of January 5, 1962:

A. How would the Federal Government enforce the "requirement" under this proposal that all States extend child welfare services, including day care for children of working mothers, by 1975.

B. What need tests would have to be met for participation in this proposal; what income and other criteria would have to be met by the mothers; what eligibility criteria would have to be met by the child of the working mother?

C. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs in operation now?

With respect to proposal No. 5 in your memorandum of January 5, 1962:

A. Why were the provisions referred to in this proposal enacted on a temporary basis; what is the justification for making them permanent?

B. What changes are contemplated in making these provisions permanent?

C. What need tests would have to be met for participation in this proposal?

D. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the program as it is now operating?

With respect to proposal No. 6 in your memorandum of January 5, 1962:

A. Would this proposal to provide aid to both parents of dependent children make such aid available to either or both parents who are receiving public assistance under other programs?

B. Would provisions of this proposal make this aid available to common law parents; deserting parents; persons other than the natural parents?

C. What need tests would have to be met for participation in this proposal?

D. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to similar programs (for one parent) which are now in operation?

With respect to proposal No. 7 in your memorandum of January 5, 1962:

A. Would you cite "the existing authority for 100 percent Federal funds for training employees"; summarize activities under the program as it exists; and submit a clear explanation of how and under what conditions this program would be "directed to providing services to children in the aid to dependent children program and the child welfare program"?

B. What need tests would have to be met for participation in this proposal?

C. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the existing program?

With respect to proposal No. 8 in your memorandum of January 5, 1962:

A. Would you please submit a summary and explanation of the optional "single category for the aged, blind, and disabled and for medical assistance for the aged which may be substituted by any State for the three present programs" suggested in this proposal?

B. What need tests are required to be met for participation in the present programs; what changes would be made in each instance under this proposal?

C. What are the total cost estimates for this proposal in the first year under optional plan; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the present programs?

With respect to proposal No. 9 in your memorandum of January 5, 1962:

A. Would you submit in summary the "other technical and administrative changes designed to emphasize rehabilitation and service to welfare recipients" which are contemplated under this proposal, and in each case:

(1) State clearly what the applicable need tests may be; and

(2) The estimated costs with comparative present figures.

JANUARY 24, 1962.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: Thank you for your letter of January 17, 1962, and the detailed questions that are enclosed with it.

In your letter you quote a statement from my January 5 memorandum:

"The legislative proposals I have outlined above can reorient the whole approach to welfare from an eligibility operation to one in which the emphasis is on rehabilitation of those on welfare and prevention ahead of time."

You ask whether this can be interpreted in any way as contemplating elimination, lowering, or avoidance of meeting needs tests for participation in existing or new programs.

Let me assure you that the legislative proposals that we are making do not contemplate any lowering or elimination of the determination of individual need for financial assistance. I am convinced, however, that much can be done to eliminate the need for assistance and I would anticipate that we would provide preventive services such as counseling, referral to employment or rehabilitation agencies, and help in working out situations that prevent an individual from being employed before the time came that he actually needed financial assistance. I would also emphasize similar rehabilitative services to individuals on the assistance rolls with a view to minimizing the amount of assistance they need and the length of time that help is required. Up to this time the emphasis in our public assistance programs has been on giving people money to meet their day-to-day needs. While this aspect of the program will undoubtedly be with us for a long time, I am determined that we should put more emphasis on avoiding need itself, and, where it arises, of getting the individual back on his own feet. It is in this sense that I would hope to reorient our whole approach to welfare.

I am asking the staff to prepare anwers to the questions enclosed in your letter, and will send these to you as soon as they are ready.

With best regards,

Sincerely,

ABRAHAM A. RIBICOFF, *Secretary.*

MARCH 12, 1962.

Hon. ABRAHAM A. RIBICOFF,
Secretary of Health, Education, and Welfare,
Washington, D.C.

MY DEAR MR. SECRETARY: This is in further reference to my letter to you of January 17, 1962, and your subsequent reply, relative to your proposal for changes in the public assistance programs.

It would be helpful if the answers to the questions I raised in the attachments to my January 17 letter could be expedited.

With my very best wishes,

Faithfully yours,

HARRY F. BYRD.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, May 11, 1962.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: In your letter of January 17, 1962, in addition to the basic questions which you listed and which I attempted to answer in my letter of January 24, 1962, there was attached a series of lists of questions with respect to specific proposals in the administration's welfare program. Developing answers to these has required a substantial amount of work and I regret that it has taken this long to complete them, however you will find answers to each of the questions attached.

Sincerely,

ABRAHAM A. RIBICOFF, *Secretary.*

ANSWERS TO QUESTIONS RAISED BY SENATOR BYRD

PROPOSAL NO. I

Question A. Would these community work-training programs be separate from the manpower training and youth employment programs proposed in the President's state of the Union message of January 10, 1962; if so, would there be any relationship; if not, what would be the distinguishing characteristics; in either event, how would overlapping be avoided?

Answer. The community work and training programs would be separate from the manpower training and the youth employment programs. The program under the public welfare bill would serve those unemployed who are recipients of assistance but would be related to the other programs through provisions in the bill. The individual must be given an opportunity to secure training or retraining. The bill contains provisions which are designed to tie in these training programs. Under the first provision in the public welfare bill it will be necessary for the States that wish to have a community work and training program to enter into cooperative arrangements with the public employment offices looking toward employment or occupational training which may be available for the individual. Inasmuch as the employment office is to act as a point of referral to the retraining programs operated under the other legislation, there will be opportunity here to direct public assistance recipients to such programs where they can receive a more formal type of retraining experience. The second provision in the public welfare bill specifically requires the State public welfare department to enter into a cooperative arrangement with the State agencies administering the vocational educational programs of the State directed toward having such programs available to the maximum extent possible to the public welfare recipients in order to encourage their training and retraining.

Since the community work and training programs are to be supervised by the State agency responsible for aid to dependent children under title IV of the Social Security Act, they are primarily intended for the parents or other relatives caring for dependent children. Generally speaking, we do not anticipate that the older ADC children will be employed on this program.

The community work and training program is designed primarily to provide constructive employment for needy parents or other relatives caring for dependent children who might otherwise have no opportunity to be employed and to retain or to learn work skills and habits. The primary emphasis will be on the

employment of such individuals and it is hoped that in the course of this employment or because of the program emphasis and direction in the legislation, it will be possible for more individuals to obtain training which might be useful in future employment.

Question B. Does this proposal contemplate establishment of new programs or expanding or extending existing programs; would Federal participation be confined to public agencies; if not, where else and under what standards would it be available?

Answer. The community work and training program would be new to the federally aided aid to dependent children program, but work relief is not new to the public welfare programs of this country. It has not been a part of the federally aided public assistance programs because there were few employable persons in the program. The States which have operated such programs have done so usually as a part of their general assistance program which operates without Federal financial participation. It may be possible for States to move some of their general assistance community work and training programs to the aid to dependent children program if they fulfill the standards specified in the Federal legislation. To the extent this is done, the new legislation would not result in the establishment of new programs. It is expected, however, that the availability of Federal funds under the Federal legislation will encourage States to establish some programs which are not now in existence through general assistance.

Federal participation would be available in the cost of the payments to the individual recipient of assistance if such individual is employed on a project sponsored by a public agency. It is not possible under the proposal for private organizations or individuals to have work programs in which the Federal Government will participate in the cost.

Question C. Would coverage under this proposal be limited to unemployed persons on public assistance rolls; if not, who would be eligible?

Answer. Payment in which there is Federal participation would be limited under the administration's proposal to unemployed persons who are recipients of aid to dependent children. No other person would be eligible for such payments.

Question D. What would be the status of unemployed persons under this proposal with respect to unemployment insurance benefits under the present programs; under a federalized program as proposed by the administration?

Answer. So far as title IV is concerned any other available income and resources would be taken into consideration, including unemployment insurance benefits, if they are payable.

Question E. What would be and example of work projects which would serve "a useful community or public purpose and do not result in displacement of regular workers or in the performance of work that would otherwise be performed by other employees?"

Answer. Public parks and recreation facilities offer an excellent opportunity for public agencies to establish community work or training programs which would meet the criteria specified under the proposed legislation. On the assumption that communities have not been able to include in their budget funds for the extension of recreation areas and for the installation of recreational facilities, would be possible to use recipients of aid to dependent children under an appropriate program to work at this type of project. Mountain trails, campsites, and shelters in public parks could be created or extended, picnic areas could be developed, grading and landscaping of otherwise undeveloped public property could be undertaken. Public institutions also offer an opportunity for the development of local projects. Once again, on the assumption that the county body has not been able to appropriate enough money to maintain the institutions as they should or to provide certain types of extra services and facilities, would be possible to establish projects that would fill this gap. Such employees could supplement the services of attendants by providing additional and necessary services to patients or inmates, might develop recreational facilities for patients in public institutions and the like.

Question F. Would provisions of the Davis-Bacon Act apply directly or indirectly to wage rates paid for work on projects constructed under this proposal?

Answer. The employees would be local or State employees and would not be Federal employees. The individuals working on community work or training programs would be subject to whatever existing State laws and regulations there are which apply to wages and hours, applicable to the type of work performed on this project. Other than these provisions wage rates paid would have to

conform to that which generally prevails in the community for the type of work to be performed.

Question G. Would you supply more details as to the arrangements which are contemplated for the care and protection of children or participating parents, and other provisions that the Secretary advises necessary?

Answer. It is likely that the States that wish to implement the proposed Federal legislation would do so in an effort to find employment for the unemployed parent of children receiving aid to dependent children. In most instances, this will be the father and thus there will be no particular application of the provisions in the statute relating to the care and protection of the child. If States should decide, however, to extend this activity to mothers who would otherwise be at home caring for their child or children, it will be necessary for the States to establish certain safeguards in order to provide assurance that the child will not suffer by reason of the absence of his parent at work. The standards that would apply in these instances would be those developed by the State under general provisions of Federal law. They will be designed to cover the points which will need to be taken into account in determining whether the child is receiving care and protection while his mother is employed. These could include leaving the child with a relative or friend, arranging for the child's care in a nursery or day-care center, or for the mother to be employed while the child is in school. All States have varying provisions in their plans now for this type of safeguard for the employed mother. It will be necessary for the States to carry these safeguards over into the community work or training program if they decide to have one. Inasmuch as this is a new development in public assistance, the bill contains authorization for the Secretary to prescribe other provisions, as needed, in order to have the work programs operate smoothly and effectively.

Question H. What need tests would have to be met for participation under this proposal?

Answer. The need tests would be the same ones used for the aid to dependent children program in the State. Expenses of employment would be considered in determining need. This program is designed only for recipients of assistance, and assistance is provided only after the family has established its eligibility on a needs test basis.

Question I. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs now in operation?

Answer. Under the administration's proposal, the Federal obligation is limited to participation in the cost of assistance paid in the form of payment for work. Inasmuch as the employed individuals would otherwise be recipients of aid to dependent children, the payment of money for work equal to the assistance received does not involve any additional expenditures. Under the administration's proposal, it will be necessary for the States to take into account the work expenses of the individual under the community work or training program. This sum is small. States and localities would pay the cost of materials, equipment, and supervision used in the program.

It is not possible to compare the cost of operating community work and training programs under the aid to dependent children program with those that are already in operation. Inasmuch as the already existing work relief programs operate without Federal participation and often without State participation, records are not available on a uniform basis, and it is not possible to compare costs of the two programs. It is likely, however, that communities will be able to carry over many of their projects now operating under general assistance into the aid to dependent children program, if they choose. It is possible that the requirements for standards provided in the Federal law will increase State costs to some extent.

PROPOSAL NO. II

Question A. Why should States need Federal permission to make "protective payments" to individuals "having difficulty in satisfactorily managing funds"?

Answer. Under the Social Security Act, Federal participation is limited to money payments made to the needy individual as medical care or foster home care in their behalf. States may make other types of payments without Federal financial participation and a number of States do so. Persons receiving money payments are free to use the funds without agency restrictions. This method

of payment gives the recipient the freedom to carry on activities through normal channels of exchange and have the same rights as do other members of the community and in doing so conserve and develop his ability to manage his own affairs. This method of payment achieves these objectives in a very large majority of cases. A small number of ADC recipients do not spend the ADC payment constructively and apparently need continuous or short-term supervision in the management of these funds. The provision in the administration's bill would qualify States to receive Federal financial participation in the small number of cases when money payments are not suitable. The bill provides for a "protective payment," whereby the money may be paid to another person in behalf of the ADC recipient.

Question B. Under what circumstances would individuals be found to be "having difficulty in satisfactorily managing funds"; what and whose funds; who would make the determination?

Answer. When the State agency has found on the basis of evidence that the parent or relative of children to whom the payment was made is not using the funds to provide for the needs of the child and has demonstrated inability to do so, such cases could be subject to the protective payment procedure if the State elects to do so. It is the State that makes the determination as to which families require this service, on evaluation of evidence of mismanagement.

Question C. Is this a new program? Would the Federal Government participate in it financially, and otherwise; if so, to what extent, and in what duration?

Answer. This is not a new program. This provision would make available a method of payment other than a money payment which the State can use for cases already found eligible for assistance. Although no specific time is specified, once such cases are identified they will receive both supervision and other services required to help them to learn how to manager their assistance money and their homes satisfactorily. Their situation will be reviewed from time to time to determine the degree of progress made; e.g., whether they have progressed sufficiently to be permitted to manage their funds on their own. If after a reasonable period of time they prove themselves unable to do so, then it is expected that action would be taken to have the court appoint a legal guardian or legal representative to provide supervision of these funds for an indefinite period.

Question D. For what purpose would "payments" under this proposal be used; could they be used to compensate "guardians" for their services; what would be the qualifications of "guardian"; could one person act as "guardian" for more than one account?

Answer. The ADC payments, under this proposal, would be used for the same purposes as for any other ADC payments; namely, to pay for basic needs such as the food, clothing, and shelter of children and the caretaker of those children. In such cases, the decisions as to how to spend the money would be made by the person designated to act in that capacity rather than the parent. It is not anticipated that the person designated to serve as the supervisor of the payment during the period of time that the parent is unable to do so would be paid for his service. Qualifications for such a person are that they be interested, knowledgeable, reliable, and living close enough to the family for whom they will be acting, to be able to render service. They may be relatives, friends, neighbors, or welfare agency employees. It is possible that one person would act as "representative payee" for more than one family; the bill does not prohibit this.

Question E. Would coverage under this proposal be limited to persons on public assistance rolls; if not, what would be the coverage limitations?

Answer. This proposal would apply only to certain families who were receiving ADC assistance.

Question F. The proposal would prohibit "direct payments to landlords and grocers." Could direct payments be made to others such as druggists, physicians, suppliers of fuel, etc.; what other prohibitions would be imposed?

Answer. Under this proposal, the person designated would act for the parent of the children receiving ADC and make all decisions regarding payment for goods and services received. No direct payments would be made by the agency except for medical services.

Question G. What need tests would have to be met for participation in this proposal?

Answer. The need tests applied to such cases would be that applicable to ADC. The only difference is that under this proposal families who have been determined to be in need and eligible for assistance will have a person selected to

supervise the spending of the payment in the interest of the welfare of the children.

Question II. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those of similar programs now in operation?

Answer. Relatively little or no cost is involved in this proposal for this year or in subsequent years because the people to receive a "protective payment" would be those already eligible for and receiving ADC. Although no definite statistics are available on the number of such cases, such information as are available indicate that the number is very small.

PROPOSAL NO. III

Question A. What would constitute "preventive services to those who might otherwise come on welfare rolls"?

Answer. "Preventive services" are those types of social services which can be provided to individuals who are not now dependent but who, if they do not receive such services, are likely to become dependent in the foreseeable future. This provision is included in the bill in order to make it possible for State public welfare departments, if they wish to help persons who request help in dealing with their personal problems, but who are not recipients of assistance at this time. As an example, such services would be that which might be rendered to a woman whose husband has deserted her and her children but who for the moment has enough income or resources so that she is not eligible for, and does not wish to apply for public assistance. She might receive help in locating her husband, to see whether he might return, or in collecting support from him. She might also need help in adjusting to her new circumstances of living apart from her husband. It is possible that such services might make it unnecessary for the children to receive aid because of their father's desertion.

Question B. Who would be eligible for these "preventive services"?

Answer. We contemplate that these services would be available only to those whose circumstances identify them as individuals who are likely to become recipients of assistance in the near future because of their circumstances or those who formerly received assistance. We do not see this as a broad program because we feel that the State public welfare departments should and will want to concentrate their services on those persons who already are recipients of assistance. States, however, have pointed out that if Federal funds were available to assist them in dealing with such problems at the prevention stage, some applications for assistance would be unnecessary and greater expenditure avoided. Services can be offered people who are applying for assistance, even if later found not eligible. "Preventive services," however, are offered to those who are knowingly not eligible for assistance but who request service.

Question C. Would persons who had the benefit of these "preventive services" be barred from public assistance rolls after the "preventive services" had been rendered?

Answer. Many of the people who request "preventive services" and who receive them will not find it necessary to apply for public assistance. Prior receipt of such services does not affect eligibility for assistance.

Question D. Would "preventive services" be a new program or an expansion or extension of some existing program?

Answer. The provision of "preventive services" would be more accurately described as an extension of existing programs rather than the development of a new program. All public welfare departments to varying degrees provide services now to persons who are not applicants for or recipients of assistance. They receive no Federal participation, however, in the cost of these services. Very often these services are given because the State recognizes that a failure to do so will only aggravate the problem which the individual brings to the agency and will increase its expenditures when assistance application becomes necessary. The administration's recommendation is to encourage the States to provide "preventive services" with a view to ultimately reducing the number of persons who need aid. The services provided would be comparable to those available to persons who are already on the rolls and, thus, these services can be more accurately described as an extension of the existing programs.

Question E. What need tests would have to be met for participation in "preventive services" aspects of this proposal?

Answer. It is not contemplated that "preventive services" will be made available to applicants who could purchase the type of consultation and service which they need from available community resources, but who are not at present applicants or eligible for assistance. Nor is it contemplated that these services would be extended broadly to very many people other than those already on the assistance rolls. It is the objective of the provision to reach people who are likely to become recipients of assistance in some immediately foreseeable period in the future. It will be those people to which this provision is directed and thus it would not be practicable to set limits as to the income or resources such individuals may have. States may choose to set limits, however.

Question F. What are the total cost estimates for this proposal for the first year; in subsequent years; and by whom and to what extent would the cost be defrayed? How do these costs compare with those of similar programs now in operation.

Answer. For the first year of operation it is estimated that the cost of "preventive services" in Federal funds would be $12.5 million; in 1964, $18.8 million; in 1965, $24.8 million; in 1966, $30.9 million; in 1967, $37 million. Additional sums of State and local money will be required, the exact amount of which cannot be accurately estimated since it is not as yet determined which of these services would be provided by the States with Federal share at the rate of 75 percent and which will be provided with the Federal share 50 percent. There are no cost data available which would make possible a comparison of these costs with the cost of similar programs now in operation.

PROPOSAL NO. IV

Question A. How would the Federal Government enforce the "requirement" under this proposal that all States extend child-welfare services, including day care for children of working mothers, by 1975?

Answer. The administration bill (H.R. 10032) contains a new condition for approval of State child-welfare plans which would require each State to make "a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision who shall, to the extent feasible, be trained child-welfare personnel" (sec. 102(b), pp. 18 and 19 of H.R. 10032).

Thus the requirement that all States extend child-welfare services would be achieved through the annual review and approval of State child-welfare plans, Since there is no change in the present provision of the law requiring joint planning between the Department and the State welfare agencies in the development of State child-welfare plans, regional child-welfare representatives would be working closely with the States to assist them in developing and carrying out plans for recruiting and training personnel and extending social services throughout each State. It will be noted that the above-mentioned plan requirement is limited to services of staff of State and local public welfare agencies.

Question B. What need tests would have to be met for participation in this proposal; what income and other criteria would have to be met by the mothers; what eligibility criteria would have to be met by the child of the working mother?

Answer. The Federal law would not require need tests for participation in this program. It is expected that the States would establish income and other criteria for payment of costs of day care for individual children. These criteria would be included as part of the State child-welfare plan. The usual pattern followed by both public and voluntary day-care facilities is to require parents to pay part or all of the costs in accordance with their financial ability. This is done through a "sliding scale" which allows for variations in the amount to be paid by parents.

Question C. What are the total cost estimates for this proposal in the first year, in subsequent years; and by whom and to what extent would the cost be defrayed? How do these costs compare with those of similar programs in operation now?

Answer. The total cost estimate for the day-care proposal in the first year; i.e., fiscal year 1963, is $5 million. The administration bill specifies a ceiling of this amount for the first year (sec. 102 (a) and (c)). The bill also sets a ceiling of $10 million for the day-care program in subsequent years. The States would be required to match the funds allotted for day care with State and local funds expended for child-welfare services under the State child-welfare services plan. We know of no similar programs in operation now with which these costs might be compared.

PROPOSAL NO. V

Question A. Why were the provisions referred to in this proposal enacted on a temporary basis; what is the justification for making them permanent?

Answer. There are three proposals which were enacted last year on a temporary basis which the administration is now proposing be made permanent. The first is the extension of the aid-to-dependent-children program to include the children of unemployed parents; the second is extension of the aid-to-dependent-children program to include a few children who must leave their own homes because it is not suitable for them to continue living therein and to live in a foster family home; and the third is a program of assistance to American citizens and their dependents who must be returned to this country because of personal need or conditions abroad.

The first two of these provisions were proposed by the administration last year as a temporary measure to deal with emergency situations which had arisen in the country. The administration asked for the approval of this legislation on a temporary basis pending a complete study of the public welfare programs in the development of a comprehensive plan for their improvement. The study has now been made, and the administration's proposals have been submitted to the Congress.

To help relieve the hardships of unemployment, it was necessary to offer the States some Federal assistance in providing for children of unemployed and thus the extension of the aid-to-dependent-children program to provide for this care was authorized. The provisions regarding unemployment are proposed to be made permanent because the level of unemployment in at least some States requires help to families with unemployed parents. Such aid has the further advantage of encouraging the unemployed parent to stay in the home rather than leave.

The recommendation for foster care for certain ADC children was made because of the instances which had arisen of States discontinuing assistance to children living in unsuitable homes, yet there was no certainty that provisions would otherwise be available for the children because there was no assurance of Federal financial sharing in the cost of care in foster homes. The provisions regarding foster care are proposed for permanence because it is recognized that there will continue to be some small number of children for whom provision other than their own home is needed.

The third provision relating to the care in this country of American citizens who must come back to this country because of severe personal problems or because of international upheaval was enacted on a temporary basis by the Congress pending experience in the administration of this small program. The administration now proposes that this too be made permanent because there is a continuing need which must be met.

Question B. What changes are contemplated in making these provisions permanent?

Answer. Several changes are proposed in the two extensions of the aid-to-dependent-children program. With respect to children in foster care, it is proposed that this provision be broadened so as to include the possibility of the child being sent to a private child-care institution as well as to foster family homes. This proposal is made so as to allow the States a wider latitude in finding the most suitable place for an individual child.

The administration's proposal that the States be permitted to set up community work and training programs is particularly planned for the parents whose children receive ADC because of their unemployment. It will enable such individuals to be employed at a type of job which would not only pay their assistance costs, but enable them to have a satisfactory work experience. Another change would be one to direct the States to deny assistance to any individual receiving assistance under this program who refuses to participate, without good cause, in a vocational training program.

Question C. What need tests would have to be met for participation in this proposal?

Answer. For the two extensions of the aid-to-dependent-children program, the need tests to be met would be that which the State imposes for participation in that program. With respect to the repatriation program, the need test that would be imposed would be one developed by the Federal Government and used by the States and would in general take into account the current, immediate circumstances of the individual. Inasmuch as under this program, the Federal assistance responsibility is picked up at the time the individual arrives at an American port, either returned by the Department of State, or identified by that Department as a repatriate, it is necessary to make some immediate provisions for the individual. The period of time he may need aid may be only so long as it takes to locate his relatives or other resources in this country or it may take a longer period before the individual can be considered to be a State responsibility. Individuals aided by this program are expected under the legislation to repay the assistance granted.

Question D. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the program as it is now operating?

Answer. The cost in Federal funds of extending the aid to dependent children program to cover the children of the unemployed would come to $73.4 million in 1963, $50 million in 1964, and the same amount in 1965, 1966, and 1967. The cost in Federal funds for the extension of aid to dependent children program to cover children in foster care would come to $4.1 million in 1963, $4.2 million in 1964, $4.3 million in 1965, $4.4 million in 1966, and $4.5 million in 1967. The anticipated expenditure in Federal funds for the repatriated Americans' program is $400,000 a year in each of the years specified.

In the two extensions of the aid to dependent children program additional State funds will be required. The exact amount of State funds as related to the Federal funds, is determined in accordance with the formula and now in title IV of the Social Security Act. The repatriated Americans' program is recognized as a Federal responsibility and there are no State funds involved.

The above figures indicate the cost of the program as compared to the program operating without the extensions described.

PROPOSAL NO. VI

Question A. Would this proposal to provide aid to both parents of dependent children make such aid available to either or both parents who are receiving public assistance under other programs?

Answer. This proposal is intended to enable the States to include in their budgets the needs of both parents of dependent children. In determining eligibility and the amount of assistance needed, States are required to take into account and resources of the applicants. Thus, if one or both parents are eligible for other forms of assistance, that would be taken into account and might make that parent ineligible for aid to dependent children. Under current provisions of Federal law, persons may not simultaneously receive ADC and other forms of federally aided public assistance.

Question B. Would provisions of this proposal make this aid available to common law parents; deserting parents; persons other than natural parents?

Answer. The proposed amendment makes no change in present law as to who is a parent. This depends on State law. The purpose of this proposal is to provide Federal sharing in assistance that States may give to the second parent. They may do so now, but without Federal financial participation.

Question C. What need tests would have to be met for participation in this proposal?

Answer. The need test that would be met is that which the State establishes as applicable to the ADC program generally. Parents must be needy if their children are to receive assistance; relatives other than parents would be eligible for assistance, if they are caring for the child, if they meet the same need test as the parents must meet.

Question D. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to similar programs (for one parent) which are not in operation?

Answer. The costs to the Federal Government would be $34 million in 1963; $34.6 in 1964; $35.2 in 1965; $35.9 in 1966; $36.5 in 1967. The Federal funds would become available to the States when they add to it appropriate amounts of State funds. The exact amount of State funds required are determined by the operation of the formula stated in title IV.

It is difficult to compare the costs of the proposal with that for other programs for one parent which are now in operation. The only such program now in operation is ADC; under the administration's proposal, such costs would increase if the States choose to include such spouse in the assistance plan and if they have not been doing so out of State funds. The purpose of the recommendation, however, is to give such families the additional money they require to take care of the needs of both parents as well as the children.

PROPOSAL NO. VII

Question A. Would you cite "the existing authority for 100 percent Federal funds for training employees"; summarize activities under the program as it exists; and submit a clear explanation of how and under what conditions this program would be "directed to providing services to children in the aid to dependent children program and the child-welfare program?"

Answer. Section 705 authorizes 100 percent Federal funds to assist the States in increasing the number of trained persons to help them administer their public assistance programs. Under the administration's proposal, this legislation would be repealed, and substituted therefore, would be provisions for 100 percent Federal funds for the training of persons to work specifically in the difficult areas of ADC. Appropriations have never been made to implement the section 705 authorization. Under the administration's proposal, the Federal Government would make grants directly, or through grants or contracts with public or nonprofit private institutions of higher learning, for special courses of study, seminars of short duration, and for experimental training; for establishing and maintaining fellowships or traineeships; and for increasing the facilities for the training of professional and technical staff. This proposal follows along the lines of existing federally financed training programs in the medical, social, mental health and other areas. The proposal contains provisions to assure that the individuals trained will work in the public assistance program or they will need to repay the costs of their education. The administration's proposal also includes amending section 526, funds for research and demonstration grants in child welfare services to authorize the use of some of these funds for the training of staff to work in child welfare services.

Question B. What need tests have to be met for participation in this proposal?

Answer. The Federal law requires no means test for participation as a recipient of a scholarship. Some universities may limit such academic help to persons meeting certain tests of need. The purpose of this proposal is to assist in the administration of the ADC program by encouraging people to enter schools to train them for this difficult and exacting work. These objectives would not be achieved if a means test were imposed on the people to be trained.

Question C. What are the total cost estimates for this proposal in the first year; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the existing program.

Answer. Costs to the Federal Government for the first year would be $3.5 million in 1963, $6.4 million in 1964, $9.1 million in 1965, $12.7 million in 1966, and in 1967, $16 million. These expenditures would be made by the Federal Government. To encourage the training of the number of persons needed, it is not required that States share in the costs. These expenditures can be compared only with the existing provisions of law now being used, for the Federal Government sharing with the States on a dollar-for-dollar basis in the costs of training as a part of the administration of the program. (As mentioned above, the provisions in title VII for 100 percent Federal funds have not been implemented by appropriations.) In the fiscal year 1962, it is estimated that $750,000 will be spent by the States, matched by an equal sum of Federal funds. The number of persons trained with these funds is estimated at 700 persons, only a tiny fraction of those needed in the administration of the program.

PROPOSAL NO. VIII

Question A. Would you please submit a summary and explanation of the optional "single category for the aged, blind and disabled, and for the medical assistance for the aged which may be substituted by any State for the three present programs" suggested in this proposal?

Answer. The administration proposes that the States have an opportunity to file a single plan for their three adult assistance programs, old-age assistance, aid to the blind, and aid to the permanently and totally disabled. With but few exceptions, the State plan requires Federal matching and other provisions which are common to titles I, X, and XIV of the act are incorporated in the new title, and those provisions of titles I, X, or XIV which are not common to the other two are applicable only to the category presently covered by them. Thus, the provision in title X on disregarding earned income of blind individuals is applicable under the new title only to such individuals; the prohibition against any duration of residence requirement in the case of medical assistance for the aged under title I would apply under the new title XVI only for purposes of medical assistance for the aged. (The new 1-year limitation on residence requirements under title I, X, and XIV, of course, would apply under the provisions of the new title.)

The purpose of title XVI would be to enable States to have a simpler approach to their assistance administration by having a single plan for their adult categories. There have been questions raised in many States because of the categorical approach to public assistance, and a request that the Federal law provide for a combination of categories. The combination of categories whose provisions are similar is a logical action to take. The bill has provisions which are designed to encourage the States to take this action.

The formula now in effect for old-age assistance, including the special medical financing provisions added in 1960, would become applicable to the disabled and the blind. This would enable States with vendor medical care provisions in their disabled or blind assistance programs to obtain additional Federal financing now available only in the aged programs. It would also enable States to average payments across categorical lines, something not now possible. For example, the State with an average payment below $65 a month for the disabled, but with an average payment above the Federal matching maximum for the aged, could receive additional funds by averaging all the payments under the combined program.

Question B. What need tests are required to be met for participation in the present programs; what changes would be made in each instance under this proposal?

Answer. The need tests that would be required are exactly the same as those now applicable for old-age assistance, aid to the blind, and aid to the permanently and totally disabled. The proposed title XVI does not make any changes so far as eligibility is concerned.

Question C. What are the total cost estimates for this proposal in the first year under optional plan; in subsequent years; and by whom and to what extent would the costs be defrayed? How do these costs compare with those incident to the present programs?

Answer. The total cost in Federal funds for 1963 is estimated to be $7.4 million; in 1964 $10 million; and the same amount for the years 1965, 1966, and 1967. These costs arise because of the change in the formula described above permitting the States to receive Federal funds for vendor medical payments above the limit now financed under the blind and disabled program and by enabling the States to average their payments across categories. In the combined categories, State funds will, of course, be required in substantial sums for the financing of the program as is now true under the same forms of assistance operated by way of separate categories.

PROPOSAL NO. IX

Question A. Would you submit in summary the "other technical and administrative changes designed to emphasize rehabilitation and service to welfare recipients" which are contemplated under this proposal, and in each case:

(1) State clearly what the applicable need tests may be; and

(2) The estimated costs with comparative present figures.

Answer. The bill contains a number of technical amendments designed to emphasize the services and rehabilitative aspects of the public welfare program. The requirements for State plans under title IV would be amended so as to require the States to develop a plan for each child in the ADC family with a view toward providing welfare and related services which will best promote the welfare of the child and his family. A further amendment would change the name of the aid to dependent children program to aid and services to needy families with children. The statement of purpose of each of the public assistance titles of the Social Security Act would be slightly modified so as to more clearly identify the concept of rehabilitation as well as the concept of financial assistance as a purpose for each of the programs.

The administration is also recommending the establishment of an Advisory Council of Public Welfare to review the current status and to make recommendations regarding the desirable changes needed in the programs of public assistance and child welfare services. The recommendation provides for an advisory council to be established in 1964 and for subsequent advisory councils to be appointed in later periods. The Secretary could also appoint advisory committees to advise him on his functions to the Social Security Act.

A further recommendation of the administration is for the Secretary to be given authority to waive any or all of the plan requirements specified for approval of a plan or to regard otherwise unmatchable expenditure as matchable in the interest of the State's developing imaginative new or experimental approaches to the administration of public assistance. At the present time, some of the plan requirements make it difficult for the States to have an experimental approach to public welfare problems. The administration also proposes that a sum not to exceed $2 million of the amount appropriated for payments to the States under the public assistance titles be available under such terms and conditions as the Secretary may establish for payments to the States to cover so much of the cost of experimental projects as are not covered by payments otherwise available under the public assistance titles. The purpose of this is to encourage and to simplify the efforts of States to develop experimental approaches in the administration of public welfare.

A few additional minor amendments are proposed by the administration to clarify existing law. None of the above amendments which the administration is proposing would be available in any way to individuals who do not meet the means test applicable to the existing public assistance programs. None of these proposals would involve any additional outlay of Federal or State funds with the possible exception of the demonstration projects which authorize a limited amount of money (see above) to be used so as to encourage the States to develop new methods and new approaches and to try out experiments in the administration of services.

STATEMENT OF HON. ABRAHAM RIBICOFF, SECRETARY OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY WILBUR J. COHEN, ASSISTANT SECRETARY (FOR LEGISLATION); ROBERT M. BALL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION; CHARLES E. HAWKINS, LEGISLATIVE REFERENCE OFFICER, SOCIAL SECURITY ADMINISTRATION; KATHRYN D. GOODWIN, DIRECTOR, BUREAU OF FAMILY SERVICES; AND KATHERINE B. OETTINGER, CHIEF, CHILDREN'S BUREAU

Secretary RIBICOFF. Mr. Chairman and members of the committee, with me here today is Mr. Wilbur J. Cohen, Assistant Secretary; Robert M. Ball, Commissioner of Social Security; Charles E. Hawkins, Legislative Reference Officer, Social Security Administration; Mrs. Katherine Oettinger, Chief of the Children's Bureau; and Miss Kathryn Goodwin, Director, of the Bureau of Family Services.

I am happy to appear before you today in support of legislation to extend and improve the public assistance and child welfare services programs of the Social Security Act.

I believe that this bill, although differing in some respects from the bill presented by the administration, includes a number of significant steps forward toward our common goal of an improved public welfare program, under a Federal-State partnership, which will meet more effectively the problems and the needs of the 1960's.

The keynote of all our efforts is prevention of dependency in this and future generations, and the rehabilitation of those who now find themselves on the welfare rolls. We believe that many can be helped toward greater self-support and self-care. We face this year the historic opportunity to improve and modernize our public assistance and child welfare programs.

Since the passage of the Social Security Act more than a quarter century ago, we have witnessed the important role these programs have played, especially in relieving the financial hardship faced by the destitute aged, blind, and disabled adults, and by dependent children.

The Nation's strength and well-being have been markedly enhanced by our broad public welfare programs and the protection they offer against some of life's hazards. These programs hold the potential for contributing in even larger measure to the general welfare.

Willingness to improve upon past methods and performance is a sign of strength and vigor. There has been growing recognition among those persons most involved in the welfare programs that financial help is not a complete answer to the increasingly severe personal and social programs which confront people in need.

In 1956, the Congress amended the Social Security Act to make clear that the provision of helpful social services is among its major purposes. Progress in carrying out this purpose has varied widely among the States.

The program before you today puts increased emphasis on preventive and restorative services which can alleviate individual causes of dependency and long-term need while continuing to assure basic economic assistance. The bill which the administration presented to the Congress this year, and the bill before you today, contain many features which make them landmarks in the history of public welfare.

In summary, these are:

Services to help families become self-supporting and independent.

Prevention of dependency by dealing with problems which cause this unfortunate state.

Incentives to recipients of public assistance to improve their condition and incentives to States to improve their welfare programs.

Useful community work and training programs and other measures which will assist recipients to become better able to care for themselves.

Assistance in providing training to relieve the acute shortage of skilled welfare personnel. Without skilled staff, the other objectives cannot be attained.

Our challenge—and our opportunity—was stated by President Kennedy in his special message of February 1 to the Congress on welfare. He said—

> The times, the conditions, the problems have changed, and the nature and objectives of our public assistance and child welfare programs must be changed, also, if they are to meet our current needs.

The importance which the President attached to this proposed legislation was underscored by the fact that this was the first Presidential message entirely devoted to public welfare ever submitted to the Congress.

THOROUGH REVIEW OF PROGRAMS

Your committee will recall that last year I promised a searching reappraisal of the welfare programs in preparation for the submission of a legislative program this year. To make this study, we asked and received the help of State and local welfare officials and leaders in voluntary organizations throughout the Nation. The response was not only helpful but heartening. It revealed the depth of interest and concern which has been felt among those thousands of Americans who work in this field as public administrators, executives of agencies, educators, and social workers.

We organized an ad hoc committee on public welfare composed of persons with distinguished records of service in public and private welfare. This committee, with the help of a professional staff and financial aid from the Field Foundation, devoted months to an intensive study of the problems facing public assistance in the next decade and the ways in which these problems might be met.

I am pleased to submit the committee's final report for the record.

The CHAIRMAN. Without objection.

(The committee report follows:)

REPORT OF AD HOC COMMITTEE ON PUBLIC WELFARE TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE, SEPTEMBER 1961

AD HOC COMMITTEE ON PUBLIC WELFARE,
September 6, 1961.

Hon. ABRAHAM A. RIBICOFF,
Secretary, Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: The Ad Hoc Committee on Public Welfare, appointed in May 1961, is pleased to present its report to you herewith.

In response to your charge to the committee, its recommendations are formulated in the following two closely related areas:

Immediate Steps, which include proposals on aid to dependent children (ADC), illegitimacy, work relief, residence requirements, child welfare, the totally and partially disabled (APTD), voucher payments; earnings of youth; and

Proposals for Further Action, which deal with assistance and rehabilitative services to families, improvements in the training of personnel to render these services, needed research and demonstration, and child welfare.

The committee expresses its appreciation to the Field Foundation and the American Child Guidance Foundation whose generous support has enabled it to carry out its work. It is grateful as well to staff members of the Department of Health, Education, and Welfare, who supplied the committee with needed information it requested, and to the many individuals and organizations who so generously gave the committee the benefit of their experience and counsel. Special acknowledgment is due Wayne Vasey, dean of the School of Social Work of Rutgers University, for his skilled and indefatigable service as consultant to the committee; and Mrs. Virginia Doscher, who assisted in the preparation of the committee's final document.

It is the hope of the Ad Hoc Committee that this report will aid you in your commendable desire to strengthen public welfare in America. The committee stands ready to be of any future assistance you may ask of it in the furtherance of this objective.

Respectfully submitted.

SANFORD SOLENDER,
Chairman, Executive Vice President, National Jewish Welfare Board.

Joseph P. Anderson, executive director, National Association of Social Workers.
Philip Bernstein, executive director, Council of Jewish Federations & Welfare Funds.
Clark W. Blackburn, general director, Family Service Association of America.
Robert Bondy, directer, National Social Welfare Assembly.
Rudolph T. Danstedt, director, Washington branch, National Association of Social Workers.
Fred DelliQuadri, dean, New York School of Social Work, Columbia University.
James R. Dumpson, commissioner, New York City Department of Welfare.
Loula Dunn, director, American Public Welfare Association.
Fedele Fauri, dean, School of Social Work, University of Michigan.
Very Rev. Msgr. Raymond Gallagher, director of Youth Services, Diocesan Catholic Charities, Cleveland, Ohio.
Dorothy Height, associate director for training, Young Women's Christian Association.
Raleigh C. Hobson, director, City Department of Public Welfare, Richmond, Va.
Mrs. Trude Lash, executive director, Citizen's Committee for Children of New York City.
Norman V. Lourie, deputy secretary, Pennsylvania State Department of Public Welfare.
Hon. Justine Wise Polier, justice of the domestic court, city of New York.
Joseph H. Reid, executive director, Child Welfare League of America.
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Harleigh Trecker, dean, School of Social Work, University of Connecticut.
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BRIEF SUMMARY

The Nation's people are its most important resource. Public welfare's function in society is to aid in preserving and strengthening these human resources by the most efficient and economical means.

In a fast-changing world it is essential that there be periodic review and revision of public welfare programs and operations. If public welfare is to fill its role in the Nation effectively, its policies and practices must be responsive to changing conditions.

This report contains proposals for adapting public welfare to the needs and problems of the 1960's. It projects recommendatons for meeting currently pressing needs, and for more major revisions to be undertaken at the earliest possible date.

Immediate steps

1. *Rehabilitative services to strengthen aid to dependent children (ADC).*—Accelerated and intensified rehabilitative services aimed at reducing family breakdown and chronic dependency and helping families become self-supporting and independent; provision of personnel with skills to accomplish this by support of training.

2. *ADC legislation, recent amendments and proposals for further changes.*—Extend present provision related to unemployed parents and foster home care, add a provision to include in the assistance grant disabled and unemployed fathers living at home, and require complete compliance by September 1962 with the suitable homes provision.

3. *Measures for studying and dealing with the problem of illegitimacy.*—Initiate a thorough evaluation of the general problem in all segments of the population and undertake rehabilitative activities among persons receiving assistance.

4. *Federal participation in work relief.*—Federal funds to be made available for grants to persons on work relief programs with appropriate standards and safeguards.

5. *Improvement of care for children.*—Substantial improvements and expansion of child welfare services including Federal support for day care services.

6. *Earnings of youth on ADC.*—Partial exemption of earnings of youth to provide incentive for work and development of responsibility.

7. *Removal of residence requirements for assistance.*—Financial incentives to States to encourage progress toward elimination of residence requirements as an eligibility factor for public assistance.

8. *Voucher payments under suitable provisions.*—Use of voucher payments for assistance grants as an alternative for cash assistance in suitable situations with proper safeguards.

9. *Extension of aid to the disabled.*—Inclusion of temporarily and partially disabled persons in eligibility for assistance.

10. *Experimentation and progress in research and demonstration.*—Development of new information to aid in attacking problems of dependency and family breakdown and to discover the best ways of meeting the whole range of problems in public welfare.

Proposals for further action

11. *Assistance and rehabilitative services to families.*—A new approach to attacking the needs of families through a single category of assistance which makes it possible to give service to the complete family as a unit through intensified rehabilitative services.

12. *Improving personnel for rehabilitative services.*—A major attack on the problem of graduate and inservice training with a 10-year target for training of personnel of State and local public welfare agencies.

13. *A stronger role for basic child welfare services.*—Dealing effectively with the hazards that jeopardize the well-being of many of the Nation's children by stronger child welfare services.

14. *Provision for continuing program of research and special demonstration projects.*—A program designed to encourage and assist States to incorporate research and demonstration as fundamental elements of their program operations.

FRAMEWORK OF THE REPORT

The task in the 1960's

The Nation's people are its most important resource. Public welfare's function in society is to aid in strengthening these human resources by the most efficient and economical means.

In the past 26 years progress toward this end has been achieved under the social insurance, public assistance, and child welfare programs. People have been restored to productive employment or to a greater degree of self-care. Families have been maintained, children and aged provided protection, and disabled cared for.

These programs were originated, however, under conditions vastly different from those of today. Since that time—

There have been basic changes in the industrial and agricultural economy;

considerable additional knowledge has been acquired about cause and effect in human behavior;

there have been sweeping social and cultural changes;

large numbers of people have changed geographic location, often moving to a totally new kind of community (rural to urban, urban to suburban);

industries have shifted from one section of the country to another, many times with profound effects on the economy of both the communities they leave and the ones they come to;

new work skills have been required as agriculture has become more mechanized and industry more automated;

medical advances have revolutionized health care.

These drastic shifts in the Nation's life have had direct effects on its people. New social problems have been created and old ones have been aggravated. Increasing numbers of those who find it difficult to compete in a complex and demanding society become the casualties of progress. Among them are those who have been denied an opportunity to make the most of their innate capacities because of lack of health care, discrimination, inadequate education and training, physical or mental handicap, family breakdown, or circumstances of birth.

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To meet the stern demands of this decade, public welfare services must progress and change to meet today's needs and opportunities. Changes are needed, both small and large, and they must be made.

Public welfare must contribute to the attack on such problems as dependency, juvenile delinquency, family breakdown, illegitimacy, ill health, and disability; reduce their incidence, prevent their recurrence, and strengthen or protect the vulnerable or helpless in a highly competitive world. Unless effectively dealt with, these problems pyramid, affecting society as a whole and extending their consequences in troubled families from one generation to the next. A second or third generation of a family receiving welfare is a challenge to the Nation to recognize that financial help alone has not been enough.

Public welfare should be a positive, wealth-producing force in society. It must be more than a salvage operation, confined to picking up the debris from the wreckage of human lives.

Supporting American principles

The American people are traditionally generous in their response to human suffering. They have a strong innate sense of fairness and recognize the relationship between opportunity and freedom. They also believe strongly in individual responsibility and place a high premium on independence and self-maintenance.

Americans want help to be given when it is needed, but they want to be sure also that help is going only to those who really need it. While studies have repeatedly shown that the incidence of fraud in public assistance is generally less than 1 percent, any amount is to be decried. Where fraud occurs in public welfare, it reflects a basic weakness in the standards of moral responsibility in modern society just as this is evinced in cheating on income tax, scofflaw behavior, graft, and embezzlement, and in other aspects of everyday life.

Assurance that aid goes only to those who are legally eligible for it can best be safeguarded by adequate numbers of well-qualified staff to evaluate the needs of recipients and determine their qualifications for receiving help. An important function of these workers, too, is to help people on assistance understand the responsibilities which go with the benefits they receive. A constructive public welfare approach rests on the belief that capacities of persons to meet their problems and to behave responsibly can be reinforced by knowledgeable, well-directed help which builds their self-respect.

The challenge requires cooperation

Welfare shares the burden of dealing with the many problems created by social and economic conditions with other programs such as public health, vocational rehabilitation, education, the social insurances, and urban development. In many instances, people who require public welfare services also have health, school, housing, and vocational problems. Private welfare agencies, too, have an important role in the total welfare program. They have traditionally played a vital part in the Nation's welfare effort and have a basic function to perform in meeting social needs. It is characteristic of America to meet its requirements through a variety of social institutions. A cooperative relationship between private and public welfare agencies is essential.

The role of Government

The scope, the intensity, and the cost of the Nation's social problems demand vigorous national leadership in working toward their solution. There must be a consistent and positive policy in using the resources of the Federal Government to raise the level of assistance and rehabilitative services in public welfare throughout the country, to establish and maintain standards for assistance and services, and to support the analysis of welfare needs and ways of meeting them. This is national leadership in its finest sense. The goal of Federal effort should be that of helping individuals and families wherever they live to achieve their highest level of productivity and responsibility.

There are few problems that are strictly local, State, or even regional. Needs that are nationwide in scope demand national attention. But they are a concern also of State and local government where the people live. Recognition of this productive partnership in the present structure of public welfare has proved successful and is consistent with the American system of government. Needed changes should be made within this structure and problems should be solved in ways which do not weaken the prevailing local-State-National balance.

Before the Nation today is a great opportunity to expand the effectiveness of one of its institutions. Doing so could give dynamic forward impetus to the Nation; it could also ultimately reduce the cost of public welfare services.

Internal and external factors

The proposals and recommendations presented in this report inevitably involve implications for organization and structure in public welfare programs.

These matters were not appropriate to this committee within its charge. Because of their great importance in accomplishing the objectives outlined in this report, however, it is urged that they be given careful attention.

The quality of public welfare services, as well as the efficiency with which they are provided, depends on the effectiveness of their organization and the suitability of the structure in which they are provided. The concept of rehabilitation is common to all programs and services designed to maintain and improve the health and welfare of people. Coordination of all these efforts should be sought and every attempt made to avoid fragmentation of service. Related parts should be brought together in the interests of unity and efficiency.

Public attitudes on welfare services and understanding of it also are a key factor in determining how effectively welfare dollars will be used to serve the community and those who are helped. There is evidence, however, that the public has not received sufficient or accurate enough information about the purposes of public welfare programs, the legislative provisions and principles on which they are based, the requirements for administering them efficiently, or the adjustments needed to adapt them to changing conditions. This situation is a matter of primary concern and should be given prompt and thoroughgoing attention.

People are quick to respond when an individual is in need. They find it more difficult to conceive of and relate to needs of masses of people. This tendency should be taken into account in efforts to communicate generally information about public welfare.

Bases for the recommendations

Many social and personal difficulties originate in the failure or inability of the family unit to fulfill its functions adequately. This is not always due only to circumstances within the family, but also to failure of other social institutions to undergird the family. A new and dynamic approach to strengthening family life in America must supply the dimension of social welfare endeavors in the 1960's.

The recommendations of this report are designed to reinforce and support family life through rehabilitation, prevention, and protection. They are also intended to reduce the wide disparities in the contributions made to this goal by welfare programs throughout the country. Accordingly, the following are basic to all the proposals of this report:

Rehabilitative services by professionally trained personnel.—Financial assistance to meet people's basic needs for food, shelter, and clothing is essential, but alone is not enough. Expenditures for assistance not accompanied by rehabilitative services may actually increase dependency and eventual costs to the community. The very essence of a vital program should be full use of all rehabilitative services including, but not confined to, provision of financial assistance. The ultimate aim is to help families become self-supporting and independent by strengthening all their own resources. Achieving this requires the special knowledge and skill of social workers with graduate training and other well-trained specialists.

Reaching people before they become dependent should be inherent in these programs. It costs society less to prevent a problem or deal with it in its earlier stages than to correct it after it has become serious.

Adequate levels of financial assistance to needy persons and families.—The consequences of deprivation are likely to produce children who overcrowd health facilities, correctional institutions, and other community facilities, and grow to adulthood as liabilities to society.

Inadequate assistance levels threaten the unity and stability of families, yet modern knowledge of human behavior has clearly demonstrated the inestimable value to children of growing up in a family. In addition to the advantages to the child and to society, it also costs the community less when a child can be raised in a family instead of being placed elsewhere.

Efficient administration and organization of welfare programs.—Consistent efforts to discover and utilize means for the most efficient assignment of staff, keeping of records, and other administrative functions must be encouraged. This kind of administration is the community's best assurance that only those persons who need help are getting it. Caseloads too large to be effectively handled, exclusive preoccupation with eligibility controls and inefficient use of trained staff are among the deterrents to sound administration.

Improvement through continuing research.—The causes of dependency and family breakdown must be thoroughly understood if these social evils are to be reduced or eradicated. Study of their basic causes and the remedies for them, continuing analysis of methods used in administering programs and in providing rehabilitative services, and studies to improve preventive and protective services should be the chief targets of needed research programs.

State backing for local welfare programs.—The crucial test of a welfare program comes at the point at which its services actually are rendered. This is at the county or municipal level of government. Achievement of the desirable objectives of rehabilitative service depends upon how effectively programs are administered locally. To carry out these responsibilities, local administration needs strong backing from State and Federal Governments.

State standards of operation for local public welfare programs which accompany financial support by State governments are an assurance that all people of the State are treated equally and that people receive the best possible service wherever they live within the State. These standards permit recognition of local differences, but maintain the important principle that the way in which a person is treated should not depend upon the accident of where he happens to live.

IMMEDIATE STEPS

The recommendations which the committee believes should be acted on with the greatest possible dispatch are listed in this section. Brief supporting information is given with each one. More extensive information relating to some of these is provided in the final section of the report.

Recommendation 1. Strengthening aid to dependent children (ADC) families.—Measures should be adopted for the immediate initiation of an accelerated, intensive program, throughout all welfare departments, of rehabilitative services to ADC families by trained personnel. Adequate financial support should be provided to States and localities to enable them to help individuals and families receiving ADC become self-supporting, and to correct or prevent the family disruptions which result from absence of a father or his unemployment.

Many families who are today receiving ADC suffer from social and personal inadequacies and problems. If costs to the community are to be reduced and the children in these families are to become adults who will be productive members of society, the families must be helped now.

Some States and localities have convincingly demonstrated that by combining skilled rehabilitative services with the provision of assistance, a large number of families can be returned to self-support; the period of need for assistance can be shortened; reapplications for aid can be reduced in frequency; and behavior detrimental to the community can be decreased. The application of these findings should be extended to recipients in all parts of the country. This cannot be done without greatly increasing the numbers of qualified staff.

Assistance contributes to rehabilitation when it is coupled with such services, rather than being a routinized, mechanical procedure solely to determine eligibility for aid. The measures recommended to accomplish these objectives are:

(*a*) Expenditures for rehabilitative and preventive services should be classified separately from other State and local administrative costs;

(*b*) The basis for Federal grants to the States for rehabilitative and preventive services should be revised so as to increase Federal participation in the support of these services; and

(*c*) Appropriations of $5 million annually should be provided for grants to the States to improve effectiveness of personnel by making training available to State and local agency staffs, plus $2,500,000 annually for grants to accredited schools of social work for costs of teaching and scholarships.

Federal support for rehabilitative and preventive services is essential if progress is to be made in attacking dependency and family breakdown. At present Federal aid is provided only for service costs of administering financial assistance at the rate of 50 percent of the administrative costs. These recommendations

would bring Federal support for both administrative and rehabilitative services to the same Federal proportion of cost as is allotted to the States for assistance payments.

Recommendation 2. ADC legislation—Recent amendments and proposals for changes.—The amendments to title IV in the Social Security Act passed in 1961 should be extended to continue (*a*) assistance to children of unemployed parents; (*b*) assistance to children in foster homes; (*c*) a new amendment should be adopted to provide for Federal participation in meeting the needs of physically or mentally incapacitated or unemployed fathers residing in the home, on the same basis as participation now is available for others in the household; and (*d*) compliance by all States with the suitable-homes requirement should become effective by September 1, 1962, as provided by legislation subsequent to the ruling of the previous Secretary of Health, Education, and Welfare.

These provisions in ADC legislation furnish other essential supports for making this program more effective in bolstering family life and therefore protecting the community from the results of family disruption and dependency. They provide assistance for children in families not previously covered prior to the 1961 amendments under title IV, but whose needs for financial assistance and services are just as acute as the needs of those who were already included. A child is in no less need of help if his father is out of work than if the father is out of the home or disabled.

Excluding Federal participation for payments covering the father in ADC if he is in the home makes the assistance grant inadequate to meet the needs of the entire family. The presence of these fathers in the home is due to unemployment or disability. Excluding them from the grant weakens their position as head of the family. The best current knowledge of human behavior and child development strongly supports the importance of the father's role as family head in helping the children develop to sound adulthood.

The vital benefits of coverage for children in foster homes should be continued. This will permit complete review of the effects of this new provision, including consideration of broadening the definition of foster care to cover children in institutions and small group homes.

Recommendation 3. Measures for studying and dealing with the problem of illegitimacy.—Because of the disturbing rate of growth of illegitimacy in all segments of society in this country, and its impact as one of the major causes of dependency in ADC, it is recommended that (*a*) a comprehensive national study of the social causes of illegitimacy in the total population and of effective measures of prevention and treatment be undertaken by the Department of Health, Education, and Welfare and (*b*) there be Federal encouragement and financial support for special projects by State and local public welfare agencies to provide intensive preventive and treatment service for mothers and their children born out of wedlock.

A total of more than 221,000 illegitimate children were born in 1959. There were approximately 52 out-of-wedlock children in every 1,000 live births in that year, with the highest proportion occurring among teenagers. Information on the exact causes of illegitimacy is far from complete. More precise and more penetrating information is required if its progression is to be halted. Some of the factors may be general changes and attitudes toward sex behavior; results of family disorganization and breakdown; deep-seated emotional disturbance.

Only one of every eight children of illegitimate birth is receiving assistance through ADC. Special attention to this problem among those receiving financial aid, however, could create dividends in the prevention of recurrence of this behavior, and in greater assurance of normal, healthy adulthood for these children.

Special Federal support to States on the basis of 100 percent of cost is suggested to permit smaller caseloads, with skilled workers to give intensive treatment to mothers and children, including counseling, use of psychological services and other specialized services as indicated by the individual nature of a problem.

Recommendation 4. Federal participation in work relief.—Federal participation in payments to public assistance recipients for work done on local public programs should be permitted under federally approved State plans. These should set standards to protect the health and safety of the worker; provide for payment at not less than prevailing wages; and avoid replacement at not than prevailing wages; and avoid replacement of regular jobs in private or public employment. Development of work relief by localities should be optional, but in accord with State standards.

In planning for these programs it must be borne in mind that approximately 90 percent of persons receiving assistance are too young to work, too old to work, disabled, or are caring for young children on ADC.

Almost all people prefer to work for what they get. Moreover, work is important to maintain morale and prevent attrition of skills and erosion of self-respect. Every effort should be made to maintain work habits and skills among the unemployed who are able to work.

The first essentials for dealing with unemployment are unemployment compensation and strong programs of training and retraining, conducted without discrimination and aimed at the fullest development of skills. Broad public works programs are also desirable. These measures can be supplemented by work relief which is buttressed by a program of rehabilitative services aimed at restoring persons to regular employment. For maximum results from the dollars spent, the work relief program should involve useful work and should be planned so as to make best use of the skills of those enrolled.

The unemployed of working age include those unemployed because their skills are no longer needed and those left behind when industry moves. They can benefit from retraining opportunities as well as long-range public works programs. Such programs are the province of other appropriate agencies of government who should be encouraged to develop them.

Some people are out of work because of a downswing in the business cycle; because they are between jobs in times of prosperity or are not able to get work due to discrimination. Others are unemployed because their inadequacies make it difficult for them to find work, or because they cannot hold jobs due to serious mental deficiency or physical or emotional inadequacy. Among these are persons for whom work relief programs may be suitable. Along with work relief, however, rehabilitative services can prepare many of them to get and hold jobs.

Recommendation 5. Improvement of care for children.—Child welfare, appropriations should be raised to the authorized amount of $25 million to improve the adequacy of preventive and protective children's services. A supplemental appropriation of $5 million should be made to provide essential day care services for children.

Public child welfare services have never reached the point of adequacy, either in quality or coverage, to meet the needs of great numbers of children who require them. More and better trained staff is needed to keep family homes intact and avoid foster home or institutional care, and to protect children who are in circumstances detrimental to their well-being. Such measures are fundamental to the prevention of delinquency and future dependency by assuring fair opportunities for all children.

A serious welfare problem confronting the country is provision of day care for children of working mothers and children who need supervised care for other compelling reasons. Of more than 22 million working women in the labor force, about 3 million have children under age 6 and another 4,500,000 have children between the ages of 6 and 17.

During the past decade, when more than a million mothers of preschool children entered the labor force, there was no appreciable increase in day care services provided for children by social agencies. More than 400,000 children under the age of 12 were caring for themselves while their mothers worked full time according to a census survey conducted in 1958 at the request of the Children's Bureau. This did not include the thousands in unlicensed, unsupervised, and inadequate facilities.

Experience of the past few years demonstrates the urgent need for Federal leadership and support to the States in improving both the quality and the quantity of day care services.

Recommendation 6. Earnings of youth on ADC.—Deduction of all of the earnings of an employed child in the household should not be required. Legislation should be enacted which will permit exemption of such earnings from deduction from the amount of assistance granted the family.

This would provide an employment incentive for youths under 21 and encourage preparation for responsible adulthood. Requiring contribution of total earnings to the household discourages young persons from seeking to increase their earning power, tends to develop an apathetic view toward work, and encourages many youths to leave home earlier than is desirable. This should be done on a carefully prescribed basis by allowing exemption of earnings up to a standardized amount.

Recommendation 7. Removal of residence requirements for assistance.—All restrictions based on length of residence should be eliminated as eligibility requirements for public assistance and there should be a system of financial incentives to States to encourage them to move in this direction, with the option of taking such steps in one assistance category at a time.

In an economy that requires mobility of population, restrictive limitations on residence are in conflict with the freedom of movement which is essential to economic progress. Moreover, there is inconsistency in imposing State residence requirements for services financed in large part by Federal funds.

Complicated administrative practices and procedures are needed to administer the requirements of residence for receipt of public assistance. It has been found that the expense of such administration may be greater than the amounts saved through these procedures.

Recommendation 8. Voucher payments under suitable provisions.—For those persons who are found to have severe problems of money management, but who do not require a court-appointed guardian, special provision should be made for payment of assistance by voucher, provided that proper safeguards are maintained.

Vouchers payments increase dependency when improperly applied. For the relatively few persons whose problems of money management threaten their own welfare and that of their families, however, there should be greater flexibility in Federal policy on their use. This change in policy should involve the following:

(*a*) Before resort to voucher payments, more frequent, smaller assistance payments should be tried, and counseling and other help such as homemaker service provided in an effort to develop greater capability in money management.

(*b*) Before a person is given voucher assistance, the local welfare department should be required to show that efforts such as those listed in (*a*) were made; the decision on the substitution of voucher payments for cash relief should be made by the State agency after reviewing the facts and the recommendations of the local department; and provision should be made for appeal of the decision.

(*c*) There should be periodic and regular review of each instance in which such restricted payments have been approved with the aim of removing recipients from voucher relief as soon as they have demonstrated ability to manage their money.

(*d*) Where a family has been found unable to manage cash payments, every consideration should be given to the desirability and possibility of legal guardianship and, when indicated, the use of personal representatives in place of voucher payments.

When assistance is provided by voucher payment, it should be for the full amount of the assistance authorized for the cash payment. Under no circumstances should the voucher payment method be used to reduce the amount of assistance.

Recommendation 9. Extension of aid to the disabled.—The aid to the permanently and totally disabled program should be extended to include persons who are temporarily or partially disabled. This would permit assistance to persons whose ability to provide for their own needs is interrupted by temporary sickness or injury, which may be no less disruptive in its immediate effects on themselves and their families than the problems of those permanently and totally disabled.

Statistics show that illness occurs more frequently and is of longer duration in low income families. Interruption of earnings presents serious problems to those with marginal income who are unable to provide for emergencies. One important advantage would be the opportunity for special attention to be directed to the possibilities for rehabilitation of disabled persons as soon as practicable after disablement occurs. Such rehabilitation services may restore earning capacity and promote independence. Special needs arising out of disability may be met. Treatment gains achieved through medical and health care can be maintained and augmented by financial assistance and by rehabilitative services.

Recommendation 10. Experimentation and progress in research and demonstration.—A sharply increased program of research and demonstration should be supported by the Federal Government to stimulate the development of new knowledge of the complex problems relating to dependency and family breakdown, and to provide for experimental approaches to meet these problems.

This proposal would augment and extend the programs authorized by the 1956 amendment to the Social Security Act for which $350,000 was appropriated in fiscal year 1962. This amount is a beginning. Much more is needed if State and local public welfare, private agencies, and institutions of higher learning are to shed light on some of the most baffling questions which arise in public welfare.

By way of example, it is suggested that attention be given to the value of more information on the impact of desertion on wives and children. A study of school dropouts in ADC could be undertaken, particularly if accompanied by service projects designed to encourage children in these families to complete their studies. The potentialities for mothers in ADC families, in properly selected situations, to become self-supporting through employment needs thorough study.

Progress could be achieved, too, by coordinating presently scattered information. This could lead to measures for reducing the weakening effect on society of deeply ingrained dependency in situations where there are multiple problems among members of one family.

One of the handicaps of the current research program was the failure to provide funds for Federal administration of the programs. Any new program should provide for sound, creative administration.

PROPOSALS FOR FURTHER ACTION

The four recommendations presented here are of no less immediate concern than those in the previous section of the report. All of them are of far-reaching import. Adoption and practical fulfillment of them would constitute a major step toward eventual reduction of welfare costs and toward retarding the weakening effects on the Nation of chronic dependency, family breakdown, and other social problems.

Carrying out these recommendations would give strong impetus to a concerted national approach to public welfare in which the emphasis is on prevention and restoration. If in time this approach permeated all welfare services, the positive results in strengthening the Nation's people that might accrue in years to come is beyond estimation. These are first steps.

Recommendation 11. Assistance and rehabilitation services to families.—

A new approach to reducing social problems by serving the family through a single category of assistance with intensified rehabilitative services, supported by special Federal grants under federally approved State plans, is urgently recommended.

This category would include those now receiving aid to dependent children and aid to the permanently and totally disabled. It would also permit States to include persons now covered by State and local general assistance measures. This proposal would serve the following purposes:

(*a*) enable public welfare to undertake a major accelerated and intensive program directed to developing more able individuals by strengthening family units;

(*b*) accent the provision of rehabilitative services to help families achieve the highest degree of self-support and independence of which they are capable, in order to reduce incidence of problems such as illegitimacy, desertion, chronic dependency, effects of mental illness, and chronic ill health;

(*c*) raise the level of assistance to meet adequately the minimum financial needs of families;

(*d*) simplify administration and reduce its costs by unification;

(*e*) eliminate eligibility restrictions which cause inadequacies in assistance and tend to force family separation or desertion;

(*f*) maintain close ties and promote cooperation with private agencies in providing preventive and protective services, including purchase of services for those persons and families whose degree of difficulty has not yet created financial dependency;

(*g*) increase participation by public welfare agencies in working cooperatively with private agencies in the development of suitable community services.

Federal support to the States in raising the level of assistance could be made through a system of grants which would be based on these principles: equity in provisions for children and adults; equalization among the States by basing the grants on the fiscal ability and need of individual States. It would extend the provision for higher matching in lower income States.

Another objective is simplification of methods of granting funds to States. In addition to providing equity among the States, it would also be an important step toward simplification of the present complicated formula for granting Federal funds. The practice of using a maximum basis for Federal matching related to the average of all payments of assistance should be continued.

An important feature of this proposal is the elimination of technical eligibility requirements now in effect which militate against rehabilitation. Inclusion of all members of a family in the family budget would eliminate the incentive for fathers to desert as the result of exclusion of their needs from the assistance payment.

The most usable basis which has been found for equalizing grants to the States has been the State's per capita income. Under such a plan larger grants are made to States with lower per capita income and a smaller Federal share is paid to those States with higher per capita income levels.

The cost of services should be maintained separately from administrative costs in order to permit a better picture of purposes for which funds are expended. Federal grants to the States should include participation and costs of service to prevent initial and recurring dependency. This practice would permit States to claim support for rehabilitative and preventive services, as well as those involved in the granting of assistance. The Federal Government should pay the same proportion of administrative and service costs that it now pays for payments of assistance grants.

It would take time to put this measure in effect in the States. Adoption should be optional until such time as it would be possible to prepare needed legislation and administrative policies and procedures in a State plan. There should, however, be a time set within a period of years for termination of grants to States for the categories which would be replaced in effecting this program. States should be encouraged and assisted to initiate this new category by the use of a formula for granting Federal funds which will strengthen their ability to establish strong programs.

Recommendation 12. Improving personnel for rehabilitative purposes.—
> To make possible the rehabilitative services so strongly advocated, the goal should be established that within 10 years, one-third of all persons engaged in social work capacities in public welfare should hold masters' degrees in social work. This should be sought through an augmented program of grants to States, as well as continuation of Federal support to accredited schools of social work. There should also be support for a stepped-up emphasis on upgrading staff through inservice training in State and local welfare agencies.

This recommendation is based on essential facts. The level of rehabilitative service which is needed, and which is advocated in this report, is not possible without people qualified to do the work required. The most effective way to prevent fraud and be assured that only those who really need help are getting it is by adequate numbers of well-qualified staff.

In early 1960, 89.5 percent of the caseworkers—those dealing directly with troubled individuals—had no graduate training in social work. Only seven-tenths of 1 percent had master's degrees.

While some individuals and families receiving assistance in all the categories require only financial assistance, others need help in finding the road to self-sufficiency. They need the kind of special services which have been described elsewhere in this report, including expert counsel. Information is already available, and has been tested, on measures of treatment for families in which the incidence of multiple problems has created a pattern of dependency. With enough trained workers available, these patterns could be broken by application of this knowledge. As the proportion of individuals and families who are in need because of severe disturbances in their pattern of life increases, the demand for skilled services increases. These positions are critical ones demanding trained understanding of human behavior and of human needs.

Grants directly to schools for teaching and training have ample precedent in such programs as public health, mental health, and vocational rehabilitation. These grants have the long-range value of enlarging the total supply of professional personnel available to public welfare agencies throughout the country. They would increase the student capacity of professional schools through teaching grants.

It is suggested that the various programs for training grants to educational institutions within the Department of Health, Education, and Welfare be effectively coordinated with respect to comparability of standards and policy.

Inservice training is an indivisible part of any program for raising the level of staff performance. Introducing new staff to the policies and services of the agency, and to the methods used in administering assistance and services is much more successful if done on an organized, planned basis. A worker is more valuable if he understands what the programs are designed to achieve. Special courses to help staff keep up with new knowledge in social welfare or to learn the technical features and requirements of new services strengthens the organization.

For example, when such programs as medical services are added to public welfare, a whole new set of demands is placed on the knowledge and skills of welfare personnel. The worker needs general knowledge of the services, and specific knowledge of how to help people avail themselves and make good use of these services.

Some of the knowledge required by workers in public welfare is transmitted through agency sponsored and conducted courses of study, other information and skill through courses organized and conducted jointly with education institutions.

> *Recommendation 13. Improvement of child welfare services.*—It is imperative that the resources, professional competence, and range of coverage of the public child welfare services be brought to a level that will enable them: (a) to deal effectively with the hazards that jeopardize the well-being of too many of the Nation's children; and (b) to give greater emphasis to protection of children living in their own family homes. For these purposes, Federal child welfare grants to States should be increased to include greater support for the ongoing public child welfare services, and to continue to stimulate State and local efforts. They should be on a variable formula basis.

Present public child welfare programs are severely limited in their efforts to protect and care for children. Most efforts must be directed to crisis situations and to correcting damage to children after it has been done. As one consequence, the care of children in foster homes and institutions absorbs a disproportionately large share of the time and money of public child welfare agencies throughout the country.

It is axiomatic that it is more costly, and less desirable, for children to be cared for in foster homes or institutions than with their own families. Yet a substantial number of children being cared for away from their own families today would never have had to leave home or could have been returned to their parents after a short time, if their difficulties had received proper attention at the critical time, or if preventive measures had been taken earlier. For many others their experiences fail to contribute adequately to their becoming responsible and productive citizens.

From the viewpoint of humanity, economy, and the stability of society, it is far better to place first emphasis on the prevention of social disasters and the preservation of normal family living for children wherever possible. This is a task, however, which calls for a high degree of skill in workers, supported by community facilities and resources such as day care and homemaker services and psychological, psychiatric, and medical diagnostic and treatment facilities.

The primary objective should be to build up a strong program of basic social services for children in public welfare agencies, to undergird the total effort of rehabilitative services to individuals, to families and to the community. The public welfare agencies could then contribute to the solution of broad social problems such as juvenile delinquency, school dropouts, unemployed youth, dependency, neglect of children, disturbed parent-child relationships, problems of behavior and social adjustment. In carrying out these responsibilities the public welfare agencies must also be able to function cooperatively and supportively with the agencies of the community having related and common objectives, such as the voluntary social agencies, the churches, courts, corrections and law enforcement, and health services.

The existing pattern of public welfare programs jointly supported by Federal, State, and local governments has been the basis for substantial progress during the last quarter century, and contains the potentialities for further development along sound and constructive lines.

A major contributing factor in these past gains has been the stimulative and supportive grants, together with the leadership and technical assistance, which have been provided by the Federal Government. The fact is, however, that this Federal participation has not kept pace either with the growing and urgent

demands for improved programs or with the expanded efforts which are being put forth by most State and local governments.

The attainment of an effective program of preventive and protective social services for children and youth should be of just as much concern to the Federal as to the State and local governments, and Federal participation should reflect this. In carrying out this proposal, the well-established principle of variable Federal grants should be preserved. This facilitates the maintenance of equity among the several States by taking into account in the allocation of funds such factors as the fiscal capabilities and the ratio of the child population of individual States.

It is recognized that many specific factors must be considered in effecting the needed improvements in public welfare services for children and youth. The general directions here outlined, however, are intended to encompass the broad scope, and if carried out, would form the foundation for major advances.

Recommendation 14. Provisions for continuing program of research and special demonstration projects.—A long-range program of support for research and demonstration programs should be developed through two channels: (*a*) grants to States for efforts to determine facts affecting the needs in the State for assistance and rehabilitative services and to evaluate the effectiveness of administration; and (*b*) grants to other social agencies or institutions of higher learning for projects to shed light on the basic causes of social problems and special approaches to services which promise benefit.

Such social problems as desertion, illegitimacy and chronic dependency, while very much in evidence in daily life, are not sufficiently well understood to permit the full development of experimental measures which could deal with them adequately. As social and economic conditions change special needs emerge, such as those of aging in the current population or those of children facing difficulties of adjustment to new suroundings as families continue to migrate. Research is just as important in the social sciences as a basis for valid action as it is in the physical sciences.

Testing of existing methods and experiments with new methods should both be conducted on a continuing basis. Knowledge which is valuable to all public welfare agencies is lost because of the failure of agencies to analyze and communicate the results of experience to other agencies. Special project grants, soundly designed, offer hope for greater insight and possibly desirable solutions to the most nagging and persistent social problems found among those who need public welfare help.

To maintain economy and efficiency of operation, it is essential that administration of public welfare be continually reevaluated. As new knowledge of means of treating social problems is acquired, it is necessary to consider whether structure, organization and practices need to be adjusted to assure that application of this knowledge is being made in the most efficient ways.

SUPPLEMENTARY INFORMATION

Some of the background for the proposals in this report was omitted in the body of the report in the interests of brevity. On the following pages is additional material which supports and amplifies the recommendations.

Rehabilitative services.—Throughout the year public welfare's efforts to develop rehabilitative services have been hampered by insufficient and underqualified staff and a complex system of eligibility requirements. The intent of the recommendations on rehabilitative services is to make them the primary focus of the programs.

For many people the outcome of such services will be a return to employment. But for others, restoration to employment may be a remote or even unattainable goal. For them rehabilitative services should aim at developing the highest degree of self-care of which they are capable. Some have come from a background of generations of broken family life, or have suffered the restricted opportunities of minority groups. To break this chain of dependency will require intensive, professionally competent work with these families, utilizing every resource of the community.

Accomplishing in all public welfare programs the savings that have already been proved possible in certain limited areas will necessitate provisions of rehabilitative services in every community. Some of these are:

Counseling by qualified staff: Skilled counseling can be decisive in building up and maintaining individual confidence and family morale. It helps a person draw on his own resources and inner strength. Counseling can be valuable, not only in directing an individual to sources of training, retraining, or vocational placement, but also in helping him to take maximum advantage of such opportunities. It can also help him to find and to use specialized services, when they are needed and are available in the community.

Homemaker services: There are many situations in which a substitute homemaker, working under the supervision of a trained caseworker, can be of great benefit in situations in which the regular homemaker is incapacitated or absent. A related service, sometimes called home helps, may be extremely useful in circumstances in which the mother is in the home, but is incompetent in household management. The help and guidance of a capable person of demonstrated ability in household management can make a very significant difference in the lives of members of such families.

Health and medical care: Ill health and physical disability are major causes of dependency. Illness occurs more frequently and is of longer duration in low-income families. Almost 15 percent of the public assistance dollar went for vendor payments for medical care in the first half of 1961. Medical care services in public assistance should include an assessment of the physical status of all members of the family, and measures should be instituted to alleviate illness and correct conditions which can be overcome or reduced through medical treatment.

If the local community affords adequate facilities for diagnosis, treatment, rehabilitation, and preventive measures, these services should be made available to the public welfare clientele. In some instances the public welfare agency may need to stimulate development of such resources, or make available to recipients resources outside the immediate area.

Families may need to be helped to use medical care and other health services. Through fear and ignorance they may delay treatment until the condition becomes untreatable. They may also neglect preventive measures such as inoculations and vaccination because of ignorance. In this highly vulnerable group there should be special emphasis on preventive health measures.

Prevention: Early identification and prompt application of all necessary measures are essential in the prevention of social problems. These problems are found at all economic levels. Wherever they exist they weaken the fabric of society, and they must be attacked wherever they are found. This is why it is essential not to wait until families have reached the stage of economic dependency to apply rehabilitative measures.

Recommendation 1. Rehabilitative services to strengthen aid to dependent children (ADC) families

With extension of the social insurance program in 1939, to include survivors of the deceased worker, this program covered a group of the population that is generally considered to be less weighted with serious family problems. This left public assistance with a larger proportion of families with more serious problems.

The proposal for an appropriation for training grants to States is based on known facts regarding the number of public welfare personnel ready to undertake such training and the possibilities for inservice training programs. The suggested amount for grants to educational institutions is computed on the number of persons who can be reasonably accommodated through scholarships in graduate schools of social work, and the costs of teaching to make this expansion possible.

Recommendation 2. ADC legislation—Recent amendments and proposals for further change

It should be noted that some of the provisions in the current programs of public welfare inadvertently contribute to weakening the family. The amendment to title IV extending aid to children of the unemployed is in no sense a substitute for unemployment compensation, but it does provide for the family in instances in which insurance benefits have expired before the father is able to get work.

The amendment to title IV which provides payments to children in foster homes is a significant departure from the earlier exclusive stress in this program on children living with parents or relatives.

Almost all of the States have complied with the suitable homes ruling. The deadline of September 1962, for those States which required legislation for compliance is a reasonable one, and no further deferment should be permitted.

Recommendation 7. Removal of residence requirements for assistance

In an historic opinion relating to freedom of movement, *Edwards* v. *The People of the State of California*, Supreme Court Justice Douglas wrote:

"The right to move freely from State to State is an incident of national citizenship protected by the privileges and immunities clause of the 14th amendment against State interference * * *."

Mr. Justice Jackson, in another concurring opinion noted:

"Any measure which would divide our citizenry on the basis of property into one class free to move from State to State and another class that is poverty-bound to the place where it has suffered misfortune is not only at war with the habit and custom by which our country has expanded, but is a shortsighted blow at the security of property itself. Property can have no more dangerous, even if unwitting, enemy than one who would make its possession a pretext for unequal or exclusive civil rights."

Recommendation 8. Voucher payments under suitable provisions

The principle of granting assistance in cash protects the dignity of the individual and promotes a sense of self-reliance. It avoids stigmatizing the family by making them conspicuous in the purchase of food and clothing. The wholesale use of voucher payments could only be based on the false assumption that an individual is incapable of managing his affairs simply because he is in need.

Control through restriction of payment must be a last resort. For people able to do so, the importance to the maintenance of their self-respect and morale of being able to manage their own resources cannot be overestimated.

Many people have some difficulty in managing their funds. The less money a person has, the more difficulty he is apt to encounter. Thus, people receiving public assistance have special troubles. It is unfortunate that the few who have severe problems with this are so conspicuous and create a false impression of general responsibility.

The legal remedy of a court-appointed guardian does not take care of all such cases. It is frequently too complicated and expensive. Some State laws permit a less technical approach through the appointment of an individual called a "personal representative." This method is desirable where possible under State law.

Recommendation 11. Assistance of rehabilitative services to families

Under this proposal the technicalities of proving eligibility would be minimized. It would no longer be necessary, for example, to deal with the question of the reason for dependency as an eligibility measure. It would permit examination of the reason for dependency more specifically and sharply as a basis for rehabilitative service.

An important part of the method of computing the Federal share of the grant to the State is the use of the average of all assistance grants. This should be continued. It greatly simplifies bookkeeping and reporting, thus reducing costs very measurably. It also permits much greater adequacy and flexibility of approach in the individual States.

A serious problem arises in the disparity and size of payments among the States. The average aid to dependent children payments in June 1962 (including vendor medical care) ranged from $178.57 per family in the State with the highest average to $41.05 to the State with the lowest average. The average amount per recipient ranged from $51.61 to $10.16. The figures are no less striking for aid to the permanently and totally disabled. Here, the highest average among the States was $132.90 per recipient and the lowest, $37.55.

Secretary RIBICOFF. In a further effort to obtain expert counsel on ways of improving our operations, George Wyman, an outstanding administrator experienced in welfare activities at local, State, and Federal levels, examined our program at my request. I also wish to submit Mr. Wyman's report to you, Mr. Chairman.

(The report referred to follows:)

A REPORT FOR THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

(By George K. Wyman, August 1961)

LOS ANGELES, CALIF., *August 26, 1961.*

The Honorable the SECRETARY OF HEALTH, EDUCATION, AND WELFARE.

DEAR MR. SECRETARY: The attached report is submitted in accordance with my assignment to offer you recommendations and suggestions for administrative and program actions relating to procedures and operations in the Children's Bureau and the Bureau of Public Assistance. The recommendations and suggestions refer to action which can be taken within present statutory authority. Additional recommendations are offered which will require statutory change and are so identified.

The preparation of this report has been a singularly pleasant and satisfying experience. The officers and staff of the Department of Health, Education, and Welfare have been extremely cooperative. I owe a debt of gratitude to the members of the ad hoc Committee on Public Welfare and to other distinguished persons interviewed by me in the course of compiling information, opinions, and data for the report. Their names are listed in the appendix.

I wish to thank the Field Foundation for its sponsorship and assistance in making this effort possible.

Respectfully submitted.

GEORGE K. WYMAN.

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INTRODUCTION

The consistent finding of this report is the necessity, even the demand, for strong, active Federal leadership in public welfare.

After 26 years the Social Security Act remains an effective instrument of public policy in this field. But a dynamic, creative leadership role by the senior partner of the Federal-State-local governmental team is essential.

Public interest in welfare and demand for action to correct abuses has never been higher. Editorials, news commentators, discussion groups, and magazine articles all reflect this interest and this demand. The time is ripe for positive action to put into effect the fine principles of the 1956 Social Securtiy Act Amendments to help needy people maintain and strengthen family life, to attain self-care and to achieve self-support. These principles are accepted as the guide for the Department's public welfare program. But they have never been put into full effect because clear public understanding and support is lacking.

Much can be done within present statutory authority. The Secretary has broad powers under the act. He may reassign grant-in-aid program responsibility and transfer staff and administrative funds. He can require much more in the way of effective performance by States than has been done. He can accomplish this through his approval of State plans which "provide such methods of administration * * * as are found by the Secretary to be necessary for the proper and efficient operation of the plan."[1] Because the latter lends itself readily to immediate action, recommendations are made in this area. Other recommendations requiring changes in law, however, are included.

A great deal has been said and written in the past few months with respect to the organizational structure of the Children's Bureau and the Bureau of Public Assistance. Strong beliefs, sincere concerns for program activities, and special fears for personal interests are reflected in the attitudes of persons both

[1] Secs. 2(a)(5); 402(a)(5); 1002(2)(5); and 1402(a)(5) of the Social Security Act.

in and out of the Department. This interferes with an objective approach to consideration of program development and improvement. The determination of function must precede the pattern of organizational structure and alinement of staff to carry out the function. A recommendation refers to this subject.

The 1961 temporary amendments to the Social Security Act now require administrative action for joint program development by the two Bureaus. Some of this has been done, but in foster care for children, training grants for staff personnel, increases in the Federal share for the adult categories, and aid for children of unemployed parents, problems must be solved. A close, continuing working relationship between the Children's Bureau and the Bureau of Public Assistance is imperative. Recommendations are offered in this area.

RECOMMENDATIONS

I. Federal leadership

1. *Public support.*—Use every means to inform the public and to enlist its support for the positive values of the public assistance program while recognizing the necessity for correcting abuses in the program.

2. *Public information.*—Tell the public (as well as congressional leaders and key committees) of plans for corrective actions and improvements.

3. *State administrators.*—Invite State administrators as a continuing committee to indicate problems, participate in program planning, and determine joint Federal-State action to improve operations.

4. *Governors.*—Seek the support of State Governors to implement administrative and program improvements.

5. Establish as needed ad hoc committees composed of persons with special competence to offer advice and counsel on specific problems.

II. Administrative actions

1. *Social Security Administration.*—Strengthen the Office of the Commissioner of Social Security to enable him to carry out his responsibility to coordinate the public welfare programs.

2. *Deputy Commissioner of Social Security.*—Designate the Deputy Commissioner of Social Security head of a permanent task force to develop and coordinate programs, policies, and procedures between the Children's Bureau and the Bureau of Public Assistance.

3. *Study group on organization.*—Appoint a study group on the mission and organization of the Social Security Administration and its constituent bureaus.

4. *Merit system and grant-in-aid audits.*—Review the policies, procedures, and practices of the merit system and grant-in-aid audits to insure maximum State administrative discretion consistent with Federal statutory requirements.

5. *ADC research.*—Use Federal appropriations for research to evaluate the accomplishments of the aid-to-dependent-children's programs against its stated purposes and objectives.

6. *Medical care research.*—Use Federal appropriations for research to study medical care under public assistance, the extent to which it is meeting needs, and be in a position to help States with medical care programs, standards, and quality of service.

7. *Reduction of dependency.*—Direct that all Department statements of policy and program regulation be focused on the prevention and reduction of social and economic dependency.

8. *Caseload management.*—Require States to establish caseload diagnosis, management, supervision, and review methods.

9. *Services in problem cases.*—Require States to provide intensive casework services and to offer maximum preventive, protective, and rehabilitative services for all family and children's cases involving proven money mismanagement, social maladjustment, illegitimacy, and behavior problems.

10. *Work for relief.*—Permit States to establish "work for relief" projects for all employable recipients, with statewide standards and local determination of work project necessity.

11. *Training for recipients.*—Encourage States to establish training and retraining programs for those recipients with potential for self-support and self-care.

12. *Incentives for employment.*—Permit States to provide incentives for children and adults to accept employment by allowing the retention of a portion of individual earnings for future identifiable needs, thus meeting legal requirements to "take into consideration all other income and resources" in determining the grant of assistance.

13. *Recruitment, training and utilization.*—Strengthen joint Federal-State-local efforts in recruiting personnel, providing professional and inservice training, and effectively deploying and utilizing personnel.

14. *Identification of services.*—Develop a departmental plan which identifies costs of services, e.g., homemaker services, as distinguished from overhead administrative costs, e.g., office rent.

III. Legislative recommendations

1. *Family aid and services.*—A new program, emphasizing the strengthening of the family and the provision of services, family aid and services, should be established to combine the present "Aid to dependent children" and "Aid to the permanently and totally disabled" categories.

(*a*) In defining the new program, temporarily disabled persons and needy children living in licensed foster care facilities should be included.

(*b*) The new program should emphasize diagnostic, preventive, protective, rehabilitative, and consultative services for families and individuals.

2. *Bureau of Social Welfare.*—The name of the Bureau of Public Assistance should be changed to the Bureau of Social Welfare.

3. *Extension of temporary provisions.*—Pending the establishment of the new category of "Family aid and services," temporary provisions of the aid to dependent children's program relating to assistance to children of unemployed persons and assistance to children in foster homes, should be extended indefinitely.

4. *Principles for financial formulas.*—The category of "Family Aid and services will require revision of Federal financial formulas to provide (*a*) equity between categories, (*b*) equalization between fiscal efforts by States, (*c*) incentives to improve program standards, and (*d*) simplification.

5. *Incentive to provide services.*—States should be encouraged to provide services by offering incentives to States through a change in the formula for Federal participation in costs of administration.

6. *Appropriations for research and training.*—The full Federal appropriation as authorized by Congress for training grants and for research and demonstration projects should be obtained.

7. *Appropriations for CWS.*—The full Federal appropriation as authorized by Congress for "Child welfare services" should be obtained.

8. *Residence requirements.*—Residence requirements for all categories should be reduced to a permissible maximum of 1 year's State residence in order to qualify for Federal participation.

9. *Vendor payments.*—The use of vendor payments for other than medical care should be allowed as a protection in proven cases of mismanagement and social maladjustment under statewide standards which include identification, review, provision of services, reports on case progress, and appeal.

NOTE.—If recommendations Nos. 10 and 12 under "Administrative actions" are not feasible, then:

10. *Work for relief.*—States should be authorized to establish "Work for relief" projects for all employable recipients, with statewide standards and local determination of work project necessity.

11. *Incentives for employment.*—States should be authorized to provide incentives for children and adults to accept employment by permitting the retention of a portion of the individual's earnings for his own use.

FINDINGS AND CONCLUSIONS

I. Federal leadership

1. *Public support.*—The vital force of public welfare in our society and the contributions of the Social Security Act are well known to the practitioners and to informed legislators and Congressmen. But the average man in the street is either indifferent or interested only in sensational news stories about fraud, misuse of funds, illegitimacy, idleness, and permanent dependency. Currently, 7½ million people receive $3½ billion in some form of public assistance. As one of Government's largest domestic programs, it has proved its value as a public service to the needy in meeting most of their basic economic and social needs.

Nevertheless, public understanding and support are necessary if any public institution is to make its maximum contribution. The public is interested in program achievements and these are numerous and impressive. Success stories relating to persons restored to self-support, families maintained, the

blind and disabled aided toward self-care and self-sufficiency, and children provided protection and opportunities for normal growth and development, are to be found in every public welfare office in the country. But the public doesn't know about them, in part because of our overzealousness about confidentiality of records. A wealth of material is available with which to engage public interest and support if local, State, and Federal administrators would use it.

In our efforts to show the positives, we must be realists. We must freely acknowledge that occasional fraud exists, that mismanagement occurs, that there are illegitimate children, that some people are lazy, and that there are cases of second and third generations receiving assistance.

We must make clear that we believe fraud cases should be prosecuted, that the misuse of public funds must be corrected, that we do not condone illegitimacy, that private employment and public work for relief should be available to the unemployed, and that the "chain of dependency" is not the American way of life.

These situations represent a small number of cases but they are persistent, widespread geographically, and are complex and difficult of solution. Facts regarding their incidence, their causes, and, most important, what will be done about them, must be presented to the public.

The Secretary cannot undertake a public relations program alone. But he can provide leadership to State and local administrators in encouraging their efforts along these lines. He can set the pace in his own press conferences, news releases, speeches, and TV and radio appearances. His staff can develop good public relations materials and techniques adaptable to local situations, and they can gather facts, case situations, data about causes and information the public must have to gain its support.

In these ways public welfare will remain responsive to the public interest, while dmonstrating the effectiveness of Federal leadership.

2. *Public information.*—The Newburgh, N.Y., situation has gained nationwide attention. It has focused as nothing before, latent fears, concerns, and attitudes on the defects of public assistance.

In the face of this public outcry, the Department has not become panicky. It is trying to find answers to the difficult problems enumerated above. Key congressional leaders and committees have been assured by the Secretary that the Department is aware of these problems, is doing something about them, and will bring in a legislative program of improvement. The general public should be given this same information.

3. *State administrators.*—From time to time, State administrators have been called to Washington as a group or a small committee to advise with the Department on policy matters or to learn about legislative implementation. These consultations have served a useful purpose, but they have been sporadic and sometimes not completely successful.

On the public welfare team, the State administrator plays a very important role. He is competent professionally, knows his State, its program, and its special problems. Most important can be the personal enthusiasm, initiative, and emphasis he gives to program advancement in his State. The continuing involvement of State administrators in the development of program policy and regulations with Federal representatives can insure effective implementation at the State level, resulting in better service for people in need.

State administrators are ready and willing to contribute their skills and knowledge in support of a program under strong Federal leadership. They have confidence that the Secretary, being a former State Governor, understands their problems and will support their efforts to install improvements. If they are asked to contribute, they will do so.

The Executive Committee of the Council of State Administrators, with such additions as are necessary, could serve as the permanent committee to advise with the Department on pertinent policies, program, and regulation. Staff should be assigned to serve the committee and it should have regularly scheduled meetings. This move would do much to improve Federal-State relationships.

4. *Governors.*—The Secretary, as a former State Governor and former member of the Executive Committee of the Council of State Governors, is in a unique position to enlist the support of the Governors for his program. It is obvious that the involvement of State administrators and the support of State Governors is required if plans and programs are to be put into effect.

Having determined upon his program in light of the recommendations submitted from various sources, the Secretary can approach the Governors through the Commission on Intergovernmental Relations or the Council of State Gov-

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ernors. It might be appropriate to use both means since local government is represented on the former and their support will be essential for proper implementation of the program.

5. *Ad hoc committees.*—The Department has made effective use of ad hoc committees in the past. Most of them have been established by congressional action, however. They have studied the public assistance program, child welfare services, or social security financing. Currently, the Ad Hoc Committee on Public Welfare is preparing legislative recommendations on public welfare for the Secretary's consideration. This committee is composed primarily of executives of public and private welfare agencies who bring a wealth of knowledge and background to bear on the problem.

Private agencies, both local and national, have used ad hoc committees to a much greater extent than public agencies. Many public agency executives believe their function is just to administer the laws as enacted by the legislative body and to carry out the Chief Executive's policies. They cannot visualize an effective role for an advisory committee which does not have ultimate responsibility for putting recommendations into effect.

This is a shortsighted view. Ad hoc committees, composed of knowledgeable and influential persons, can serve the agency in many ways. They can bring a different viewpoint and the benefit of their overall observations to the committee deliberations. They can serve as a means of communication to the community for support of agency activities. They can generate an ever-widening public interest in the positives of the agency's programs.

Ad hoc committees should be composed of persons who can contribute to the deliberations and can help in finding solutions to problems. One source which the Department has not used extensively for committee assignment is the influential and knowledgeable lay members of national agency boards. These persons are recognized for their leadership and interest in the general field. They could serve as important additions to the Department's special committees covering a wide variety of subject matter.

II. Administrative actions

1. *Social Security Administration.*—The Commissioner of Social Security is responsible for the coordination of the programs of the constituent bureaus of the Social Security Administration and for maintaining proper balance between the various income maintenance programs of the Department, the Bureau of Employment Security and Railroad Retirement Board, and for reporting upon the social and economic effects of other governmental programs, e.g., veterans' benefits, of private employee-employer health and welfare plans, and of developments abroad. Recently he has been charged with administration of research and demonstration funds looking into the causes of dependency and methods for strengthening family life.

Since the Reorganization Acts of 1946 and 1949, the Commissioner has been handicapped by a lack of staff to carry out all these duties. Many of his former functions have had to be delegated elsewhere, with a resulting decrease in the effectiveness of his coordinating effort.

If the Commissioner is to do a proper job of coordination, particularly as this relates to programs of the Children's Bureau and the Bureau of Public Assistance, he must be given additional staff. Operating responsibility should be delegated to the Bureau but coordination must be strengthened at the Commissioner's level.

2. *Deputy Commissioner of Social Security.*—The 1961 amendments to the Social Security Act have brought into clear focus the urgent necessity for a continuing coordination of programs and policies of the Children's Bureau and the Bureau of Public Assistance. A current example of such coordination is the jointly developed addition to the Handbook of Public Administration entitled "Foster Family Care in Aid to Dependent Children," issued by the Bureau of Public Assistance. Other areas of mutual concern are in staff development, training, and research.

The two Bureaus have worked jointly to resolve problems. One example was the development of a joint statement to resolve the issue of proper administrative cost allocation by States when both child welfare services and public assistance was given the same family. Unfortunately, this issue took 2 years to settle.

These cooperative efforts have been of an ad hoc nature and generally borne out of necessity. No plan to establish a means for continuing coordination has been developed, although the necessity for it is readily apparent.

Part of the difficulty lies in different emphasis by the two Bureaus. The focus of services in the Children's Bureau is on the child, and the impact on all children of those social conditions and problems in their personal and social relationships and functioning that interfere with their healthy growth and development. The focus of services in the Bureau of Public Assistance is on the family, and the impact on family relationships and unity, of financial need, illness and disability, old age, and parental discord, unemployment and absence.

These differences in focus correspond to different statutory requirements. But they are brought together under the general public welfare program which encompasses both families and children. In the Federal Government they are joined at the Social Security Administration level, while they are integral parts of single welfare departments in all but two States, Kentucky and Illinois.

Regardless of the organizational pattern of the State or local agency, i.e., separate units or integrated staff, the ultimate goal of providing effective direct services to families and children has been agreed upon and established. Both public assistance and child welfare have responsibilities for: (*a*) early recognition of the problem, (*b*) exploring the extent, nature and causes of the problem and its effect on the family and the child, (*c*) considering what services will best help the family, and (*d*) through joint consultation and planning to determine the services to be given and by whom.

The extent to which State and local agencies can effectively provide direct services is determined in large measure by the attitude, the desire and the means to achieve effective program and policy coordination at the Federal level.

The Office of the Commissioner is the logical place to provide the means for continuing program and administrative coordination. The Deputy Commissioner should be designated as head of a permanent task force to develop joint procedures and policies affecting:

(*a*) Program planning: There should be a continuing collaboration in planning to strengthen services to families and children and to review and evaluate effectiveness of such services.

(*b*) Reporting: There should be a plan for joint reporting by public assistance and child welfare which is simple although comprehensive as to personnel, services, needs, community developments, statistical, and other data necessary for informed action at the Federal level.

(*c*) Policy development: There should be continuing joint effort to define the nature and scope of services which will implement the purposes and objectives of the programs.

(*d*) Staff development: There should be joint planning for operation of training programs, including educational leave, stipends and grants, for inservice training, institutes, and for orientation of staff.

(*e*) Research: There should be jointly developed procedures for requesting research funds, establishing criteria, deciding on areas of inquiry or demonstration, evaluation, etc.

(*f*) Fiscal procedures: There should be uniform fiscal requirements, payment and reporting to the extent that legal necessity permits.

(*g*) Personnel: There should be uniform personnel standards for all employees who have the same degree of education, training, background, and responsibility regardless of the specialization of the individual employee.

(*h*) State plans: There should be a single State plan submitted to the Department covering the public assistance and child welfare aspects of services provided families and children, utilization of other State, local, and voluntary services, and narrative material.

3. *Study group on organization.*—The reports of the Advisory Councils on public assistance and on child welfare services, the President's task force on social security and the ad hoc committee on public welfare should be reviewed and evaluated with regard to recommendations for program and function. The administration's public welfare program can then be developed for presentation to Congress.

Having determined program and function, an organizational structure can be devised to carry it out. This should be undertaken by competent staff within the Department. One suggested method is that followed recently by the Study Group on Mission and Organization of the Public Health Service. In this instance, staff of the Public Health Service were detached from other duties, assigned the specific job of preparing a plan and submitting recommendations for changes in organization and were given sufficient time and facilities to do a thorough job.

The use of Department staff has many advantages. Most of the reports referred to above were made by other than those in the Department. While Department people were relied upon for facts, data, suggestions, and staff service, there was not the same degree of staff involvement as contemplated here. In the long run the career employees must "live with" the organization. They will do so more readily if they have had a chance to participate in organizational planning where their competence and experience can be brought to bear.

In light of all the suggestions, recommendations, and rumors of the past few months regarding reorganization of the Bureaus and the Social Security Administration, it is a real tribute to the career service people that employee morale has not been damaged more than it has. An activity of the kind suggested would be very helpful to the Department and its personnel.

4. *Grant-in-aid audits and the merit system.*—When the Social Security Act was adopted, States were in varying stages of public welfare development. Some had well-organized departments with many years of experience in administration of old age, blind, widow and orphan, and general assistance programs. Others had none.

The Social Security Board undertook many activities to strengthen State administration. In some instances Federal people were in constant attendance, of necessity, at the time of initial organization and during the early formative years of State welfare departments. That their efforts have paid off is shown by the generally good administration enjoyed by all States today.

Times change, progress is made, and administrative know-how develops. It is no longer necessary to "hold hands" with the States. They can be trusted with administrative details so long as general program, practice, and development are assured. The Department should raise its sights to this level rather than continue to concentrate on the minutiae of day-by-day State operations.

This is particularly true insofar as grant-in-aid audits are concerned and in certain practices of the merit system. Everyone agrees to the necessity for proper accountability of public funds. But the detailed reporting requirements and tracing of fund matching, particularly in administrative expenditures, does not warrant the time spent.

The merit system has made one of the greatest contributions to public administration in history. The requirement for the merit selection of public welfare personnel has stimulated the establishment of local and State civil service systems all over the country. Nevertheless, it is timely to review merit system practices and requirements in the light of current personnel developments to be certain nothing stands in the way of effective program operation.

5. *Aid to dependent children research.*—Governors, Congressmen, legislators, county supervisors, and the general public are interested in results where tax funds are concerned. Some unanswered questions developed from the public's concern over welfare are, "What are the results of the aid to dependent children's program? Has it made good adult citizens of children who were deprived and dependent? Has it restored mothers to self-sufficiency when their children became too old to qualify for aid? Has it really strengthened family life? Has it restored disabled fathers to useful, productive lives?"

Supporters say "Yes" and can justify their answers by citing a few case examples. Detractors say "No" or leave the question unanswered and thus raise more suspicions. Unfortunately, no one knows the answers for any substantial part of the caseload. Studies have been made at various points in time regarding the current recipients of aid, but no study has ever attempted to measure results or to gather information about the family after the case has been closed.

Now that the Social Security Administration has funds for cooperative research, it is possible to investigate the results of the aid to dependent children program in light of the stated purposes and objectives.

6. *Research into medical care.*—The 1960 amendments to the Social Security Act directed the Secretary to develop guides and standards of medical care and services for use by the States, require reports from States, and to publish data and other information relating to medical care.

Since medical care is the fastest growing part of the public assistance program, the 1960 amendments, cited above, are very important in order to secure information as to what is taking place, and to provide States with guides and standards for services. Also because the Kerr-Mills bill is gradually going into effect in several areas and there is a possibility of medical care being provided under social security, the necessity for review of the current status of public medical care throughout the country is urgent.

The reporting as to kinds of medical services available, a quantitative tabulation of persons served, etc., is helpful. But the real measure of a medical care program lies in its quality, scope, adequacy, and availability. These factors vary widely throughout the United States, but there has never been a comprehensive study and analysis of them, particularly in relation to public assistance medical care.

The services for crippled children and for maternal and child health have earned a fine reputation in the States and with the medical profession generally because of the insistence of the Federal Government upon a high quality of care. The quality of public assistance medical care remains an unknown.

For the purpose of strengthening medical service to public assistance recipients, the Department should undertake a research program which will measure quality, scope, adequacy, and availability of such service. Then the Department will be in a position to assist the States to extend the scope and content, and improve the quality of medical care and services for needy and low-income individuals everywhere.

7. *Reduction of dependency.*—As an extension of the Federal leadership role, a clear-cut statement of program, purposes, and objectives should be adopted by the Department for the public welfare program. This statement should reflect the purposes as stated in the statutes with strong emphasis on the service component.

The reason for such a statement would be to announce to the public a firm position of aggressive determination to improve programs, to help needy and dependent people, to encourage self-care and self-support, to restore self-respect, and to strengthen families. Just as important, the statement would serve as a basic declaration for guiding departmental efforts along lines which will prevent and reduce social and economic dependency.

8. *Caseload management.*—Under the Secretary's authority for "proper and efficient administration," he may require a number of actions. One of these is the proper deployment of State and local staff resources. According to the 1960 manpower study, only 4 percent of the public assistance workers and only 30 percent of the public child welfare workers have completed 2 years of graduate school social work training. The total output of these schools in 1960 was only 2,000 graduates for the entire field. It will be many years before supply can equal demand.

Additional measures are necessary to conserve the admittedly inadequate social worker supply. One method now being used by some States and localities classifies cases by the degree of severity of problems involved. Having diagnosed the cases, they are then assigned by ratio of severity and inversely by quantity to the most qualified personnel. Intensive casework service, other services and supervision are thus concentrated on cases which require the most attention and offer the best potential for improvement.

Those cases requiring little or no service other than meeting income maintenance needs are assigned in larger numbers to less well qualified personnel.

This concept of caseload diagnosis, treatment, supervision, review, and subsequent reassignment of cases has been developed as a result of the successful methods followed by the medical profession in the use of paramedical personnel to perform subprofessional medical functions.

The Federal Department can require the same sort of efficient and effective use of State and local staff in public welfare. The scarcity of trained professional social workers requires Federal action to be sure program objectives are obtained throughout the country by proper assignment of staff.

9. *Services in problem cases.*—Public indignation over program abuses calls for Federal leadership in directing States to concentrate intensive casework and other services on cases involving serious socioeconomic and behavioral problems. Federal plan requirements could call for specific provision of rehabilitative, preventive, and protective services in those case situations warranting them.

The kinds of cases which call for action are those of illegitimacy; fraud; misuse of assistance payments; neglect and abuse of children; child misbehavior such as persistent stealing, truancy, and conflict with the law; and adult and child idleness. It does no good to explain that public welfare does not cause these problems; the public wants to know what will be done about them.

Obviously public welfare people and programs alone cannot solve these problems, but a number of actions can be taken which will improve the situation while safeguarding the rights of individuals. Services must be tailored to the

needs of the individual case. The following are examples of services which are being provided by some States and can be developed by others:

(*a*) Proven mismanagement: The mother in an ADC case may be a poor homemaker, spends her money unwisely and neglects her children. Casework services for behavior problems, such as alcoholism, drug addiction, or mental illness may be necessary. The payment of assistance in weekly increments instead of in a monthly sum, or the provision of vendor payments for that part of the grant which exceeds the Federal share, are possibilities. Homemaker services, training in money management, nutrition, buying methods, group work services, adult education courses, etc., are other aids to case improvement.

(*b*) Illegitimacy: Use all available resources to improve parential functioning and adverse housing and home conditons. Seek support from the putative father and his assumption of parental responsibilities. Develop alternate plans for foster care, adoption, or placement with relatives. Involve other community services and groups, e.g., churches or community centers, to develop facilities and assistance for parents and to provide children with opportunities for healthy development and growth.

(*c*) Fraud: Refer all cases to appropriate law enforcement agencies for investigation and possible prosecution. Determine the cause of the fraud and seek to correct conditions which led to it. Provide casework services for helping with problems of conflict in the family, mental or physical health, or physical surroundings.

(*d*) Delinquency behavior: Intensive casework services should be available to children and youth with behavior problems. Protective services are needed for children who have been neglected or abused, or found to be in situations endangering their health and welfare. Foster care services, including foster family homes, group homes, day-care centers, institutions, and other group facilities should be available. Protection of the courts, guardianship, and probation services may be required.

(*e*) Idleness: Every effort must be made to find jobs for employable adults and older children. Services for vocational training, retraining, additional education, and part-time work should be developed. Much can be done by arranging for mutual babysitting or group child care to free mothers for employment. The use of recipients' homes as substitute foster care facilities, especially for minority groups where recruitment of homes is difficult, can provide good child care and enable some mothers to accept employment outside their homes.

10. *Work for relief.*—The advantages of employment for all who can work need not be dwelt upon here. The concept of work is so ingrained in our culture that when the public sees their tax funds used to maintain public assistance recipients in idleness, their reaction is understandable.

Unemployment insurance is properly the first line of defense against the hazards of job loss. Public assistance supplements these benefits as necessary. It is at this point, however, that public interest is aroused when people are not kept busy.

The Social Security Board adopted a ruling in 1936 to the effect that payments made to the aged, blind, and dependent children should not be "worked out" on work relief projects. This action was proper at the time. States had primary responsibility for unemployment relief, the WPA provided work relief opportunities for many employables, and the Federal Government was engaged in a large program of public construction projects as well.

Circumstances have changed. The addition of care for the children of unemployed parents to the Social Security Act makes a decision regarding work for relief necessary. Meanwhile many States and localities have continued to operate work programs for employable general assistance recipients ever since the 1930's. Any program of work for relief should comply with the following principles:

(*a*) Flexibility: States should be required to establish statewide standards but permit local determination as to the necessity for work projects.

(*b*) Statewide standards: Work for relief must insure employment on useful public projects under sponsorship of public agencies which does not displace regular employees. The prevailing hourly wage on a 40-hour weekly basis must be paid, or relief at this rate must be worked out. Recipients must be assigned to suitable work within their competence. Appeal to the State agency must be authorized. Aged, blind, disabled

mothers with young children or without child care arrangements, and other unemployable recipients cannot be referred to work for relief projects. The Secretary, in light of the foregoing, should revise the 1936 ruling of the Social Security Board and authorize approval of State plans for work for relief which meet Federal requirements.

11. *Training for recipients.*—There is every indication that an increasing number of young people and older workers who have been displaced by technological changes, automation, and plant removal will remain a public charge in the years to come. Work for relief will help to maintain work habits and skills, it will have therapeutic value, and it will contribute to civic improvements. But it is not a complete answer to the major problem of unemployment, which is to provide jobs for all who need them. Neither will a program of training or retraining for the unemployed solve the problem, but it will encourage an upgrading of skills, apprenticeship training, and maintenance of work habits.

State welfare departments should not operate training programs directly but they should be encouraged to work cooperatively with community agencies—schools, industry, and labor—in establishing and strengthening such programs. Under Federal guidance, States should provide assistance to individuals undertaking such training. They should offer social services and make referral to other services, such as vocational and employment counseling, in all instances where this help is necessary.

State departments should take the lead in organizing and stimulating statewide and local organizations and agencies to provide training programs with preference to be given appropriate welfare recipients.

12. *Incentives for employment.*—One of the deterrents for public assistance recipients to accept employment is the interpretation of the law that "all income and resources must be taken into consideration" in determining the grant of assistance. It is human nature for people to expect to receive some benefit from their work effort. If they receive no net gain as compared to sitting at home, they will do the latter.

For a long time the Department construed the law very narrowly because it didn't wish to encourage a pension program in public assistance. Later regulations allowed an employed recipient the cost of transportation expenses, union dues, uniforms, etc., in computing his grant, but since these are out-of-pocket expenses anyway there is not net gain to the individual.

Therefore, as an incentive to recipients to seek employment the Department should change its regulations to permit mothers who have appropriate child care facilities available, and adolescent youth particularly, to retain a part or all of their net earnings for future identifiable needs. These needs include school clothing, books or tuition, better quality clothing for office employment, cosmetics and other aids to appearance in seeking better jobs, etc.

These changes in regulations should be disseminated widely in order to encourage recipients to take employment and for better public understanding of the purposes and objectives of the program.

13. *Recruitment, training and utilization.*—The shortage of competent personnel in public welfare is well known and has been commented on above. Public welfare will have to rely on less than completely trained social workers for a long time to come. With this in mind, it is important to recruit the most intelligent and potentially competent persons available to the professional and subprofessional jobs in public welfare.

Most of the people seeking jobs in public welfare agencies do so after they have exhausted other employment possibilities. No real nationwide effort is made to interest high school or college students in social work careers. Efforts that are made currently are local in nature and are sporadic. While more colleges and universities are developing undergraduate curriculum in social work, efforts to encourage students to enter the field are not started early enough with high school and college guidance counselors, parents, the clergy, and others to channel young people into this work.

Federal leadership is needed to encourage State and local action along these lines. The Department should prepare recruiting materials, pamphlets, posters, speech outlines, slide films, radio scripts, and other means to assist public agencies in this effort. Regional field staff of the Department, in conjunction with State and local personnel, should participate in "career days," student assemblies, and meetings of school guidance people to further recruitment efforts.

The Department has done many things in the past to improve staff performance by encouraging training institutes, staff orientation, and staff development projects. Now that Federal funds are available for training, the Department will be able to step up its activity along this line and every encouragement should be given to do so.

Accompanying this suggestion are the recommendations above with reference to the effective deployment and utilization of staff, according to their competence.

14. *Identification of service.*—One of the reasons the 1956 amendments to the Social Security Act have never been fully implemented is that services and overhead administration are not clearly defined. In fact, States were only asked to report the services, if any, they planned to provide as a result of the amendments. No incentives were offered by the Federal Government to provide more services. Some States will continue to do very little as long as the Federal Government pays only 50 percent of their administrative costs as compared with as much as 75 percent of their assistance costs.

If the new Federal program is to emphasize services, these must be identified. A distinction has to be made between services which represent direct client benefit; i.e., social work salaries, homemaker services, etc., and overhead administration; i.e., State administrator's salary, office rent, etc.

A study must be made of the subject at the Federal level in order to establish uniform methods and procedures for cost allocation and claiming. Congress and the State legislatures, to say nothing of the administrators, will have then a clear picture of the cost of operations and the kind of services provided. They will be able to make informed judgments as to the level of support required for program development.

III. Legislative recommendations

1. *Family and services.*—A new category combining titles IV and XIV of the Social Security Act and to be called "Family aid and services," is proposed.

In keeping with the title and its purposes the new category should emphasize the necessity for State plans to include diagnostic, preventive, protective, rehabilitative, and consultative services for families and individuals. While the focus of the new category is on families, single persons who meet eligibility requirements would be included.

To meet needs not now covered, it is proposed that the new category include persons who are temporarily and partially disabled as well as those who are totally and permanently. The four States which provide disability insurance for temporarily disabled persons as a part of their unemployment compensation programs have effectively demonstrated the need for and the administrative know-how required for such a program. All States have had extensive experience in providing aid to the temporarily disabled through their general assistance programs.

A second needed group is proposed for inclusion. These are the 100,000 needy children who would be receiving aid to dependent children now except that they are not living in the home of a relative listed in the Federal act. They are needy children, "the forgotten children", living in licensed foster care homes and institutions.

The Federal Government has an interest in all needy children regardless of where they are living. This was borne out by the 1961 amendment to provide Federal aid for a few ADC children in foster family care homes. The new category should include all needy children, some of whom are the most dependent and deprived, socially and economically, in the country.

The aged and blind should continue as separate categories. They have special needs and interests which will require separate consideration.

The advantages of this proposal are: (a) it would strengthen the family, (b) it would have built-in emphasis for a wide range of services, (c) it would combine two categories into one and would cover most of the people receiving general assistance, and (d) it would leave the blind and aged categories undisturbed.

2. *Bureau of Social Welfare.*—It is proposed that the name of the Bureau of Public Assistance be changed to the Bureau of Social Welfare in accordance with the changed emphasis in providing services to families and individuals.

Public assistance denotes money assistance. While this is an important service, it is not the only one provided. The broad term "social welfare" covers other important services which are going to be strengthened. In keeping with the new category and the new emphasis, there should be a new name, Bureau of Social Welfare.

3. *Extension of temporary provisions.*—If the new category of "Family aid and services" is delayed or is not established prior to June 30, 1962, it is suggested that the temporary provisions of the aid to dependent children's program be continued indefinitely.

These temporary provisions which are due to expire next year provide assistance to the children of unemployed parents and foster home care for certain ADC children. Neither of these provisions has been on the statutes long enough for all States to change their laws in confromity with the Federal statute nor has there been enough time to evaluate State experience. Therefore these provisions should be continued without time limitations.

4. *Principles for financial formulas.*—The development of Federal financial formulas for the public assistance programs is an exceedingly complicated process. Certainly no attempt will be made in this report to develop such formulas. There are a number of principles which should guide formula makers, however, particularly with respect to the new category, "Family aid and services."

(*a*) Equity: There should be an equitable relationship between the Federal categories. Currently adult categories are favored over the children. In a family program, this should be rectified.

(*b*) Equalization: Some States with limited financial resources make substantial fiscal effort on behalf of public welfare. Others in a better economic position, do not. In order that high per capita income States carry their proper share and that low-income States are benefited, the Federal formula should reflect an equalization factor as between States.

(*c*) Services: States must be encouraged to provide services. Other recommendations have dealt with the identification of services. When States provide them, the formula should include additional Federal funds for such effort. Overhead administrative costs, i.e., office rent, should continue to be reimbursed on a 50 percent matching basis.

(*d*) Simplification: All Federal formulas should be simple, clear, and understandable to the lay person.

5. *Incentives to provide services.*—The necessity for identification of services as distinguished from overhead administrative costs has been discussed elsewhere in this report. Under present law the Federal Government reimburses all States 50 percent of their costs of administration regardless of the degree of State effort to supply services.

Some States receive as much as 75 percent of the costs of public assistance grants from the Federal Government. There is no incentive, however, for them to step up services when they are reimbursed only 50 percent for their efforts.

In fact, it may be easier to let people stay on relief than provide services to help them become self-sufficient, if the State receives as much as 75 percent for doing little or nothing and only 50 percent for increasing services.

Some States are quite proud of their low administrative costs. Invariably, they will point with pride to the fact that their costs represent only a very small ratio of the total costs of public assistance grants. This can be false economy. They are probably spending more for assistance than they should because they are not putting enough effort and resources into preventive and rehabilitative services.

Therefore, it would seem prudent to distinguish between administrative overhead and services. It is recommended that legislation be adopted which will encourage States to provide more services. This can be done by a formula which maintains the present 50-percent reimbursement for overhead administration, e.g., office rent, and gives a larger percentage of reimbursement for services, e.g., homemaker services.

6. *Appropriations for research and training.*—In 1956 Congress authorized as much as $5 million per year for cooperative research or demonstration projects and a similar sum for training grants for public welfare personnel. The authorization for training grants expires June 30, 1962.

Although the Department tried valiantly each year, Congress did not appropriate money for research until 1960 and for training until 1961. And the appropriations have been substantially below the authorization in each case.

The need for adequate factual information and demonstration of methods leading to a reduction or prevention of dependency is very well known. No activity of Government even remotely approaches the expenditure of $3½ billion per year but about which so little is known. Government has centered its research interest in the physical and biological sciences. It should do more, at least as much as it has authorized, for social science research.

Training needs, too, have been adequately demonstrated. While the Congress has been quite willing to provide other training grants in mental and physical health, education, and vocational rehabilitation, it has been reluctant to do as much for public welfare. Now that an initial appropriation has been obtained, it is hoped Congress will remove the expiration date and increase grants to meet the need for trained personnel.

7. *Appropriations for child welfare services.*—The history of Federal appropriations for child welfare services has been a steady progression of increases over a period of years. The 1958 amendments to the Social Security Act eliminated the requirement to provide services in predominantly rural areas and areas of special need, and changed the allotment formula.

As a result, child welfare services are more readily available throughout the States and the need for more adequate financing is apparent.

Currently the appropriation does not match the authorization of $25 million per year. Every effort should be made to increase the appropriation to the full amount if the needs of children are to be met.

8. *Residence requirements.*—Historically, States and localities have imposed a durational residence requirement as a condition of eligibility for public assistance. Upon adoption of the Social Security Act, States were permitted to impose residence requirements if they did not exceed 5 years' residence out of the preceding 9 in the adult categories and 1 year's residence in the aid to dependent children's category. Only three jurisdictions—Hawaii, Puerto Rico, and the Virgin Islands—have completely eliminated all durational residence requirements for general assistance and the four categories, although all States have been free to do so.

The facts of a highly mobile population, easy transportation, and the concept of "national citizenship" require a revision of the residence requirements. As long as States pay a substantial proportion of assistance costs, it will be impractical to completely eliminate permissive residence requirements in the Federal laws.

Therefore it is recommended that the Federal statutes permit States to require not more than 1 year's State residence as a condition of eligibility in all categories.

9. *Vendor payments.*—Vendor payments for the purchase of medical care for public assistance recipients were authorized by Congress in 1950. This was the first time Federal participation was allowed in other than money payments made directly to the recipient. All States having a medical care program make all or a substantial part of these payments as vendor payments. They have also continued to use vendor payments in general assistance cases and a few categorical aid cases (as a result of which the Federal Government does not participate in them financially).

States thus have had long experience with vendor payments and have found them a useful device under certain circumstances.

With the new Federal emphasis on services, States should be encouraged to use a wide battery of such services geared to the protection and rehabilitation of the individual case. There should be no Federal bar to the use of such services.

The payment of aid in the form of money is important to assistance recipients in our money economy. Relief recipients should not be treated differently from other people. Their self-respect should be maintained and their eventual return to self-care and self-respect should be encouraged.

Not all relief recipients, however, are capable of managing money in their own or their families' best interest. Through lack of education or opportunity, they have not learned to adequately handle cash assistance. They and their children need protection, guidance, service, and help with their socioeconomic problems.

Unfortunately, there are some people in every community who would like to punish assistance recipients for their shortcomings, both real and imagined. The rights of every individual must be preserved and protected. The rights of public assistance recipients must continue to be assured as they have been in Federal and State laws.

Therefore it is recommended that vendor payments be permitted in cases involving proven mismanagement and social maladjustment. State plans must insure statewide standards which include criteria for determining the type of case needing this sort of protection and service. There must be provision for services to each case, periodic review of the situation, State approval of the action, periodic reports of case progress, and prompt action on individual appeals.

10. *Work for relief.*—It may not be feasible to establish "work for relief" projects without legislative action. If such is the case, the findings and conclusions in support of recommendation No. 10 under "Administratice Actions" will apply to this recommendation.

11. *Incentives for employment.*—Recipients of aid should be encouraged to become self-sufficient. One of the means of encouragement is to provide an incentive for accepting full- or part-time work. Present law is interpreted to require States to "consider all income and resources" in determining the grant of assistance. Federal requirements do not permit States to offer incentives for work, such as the retention of a part of the earnings for the individual's own use.

It is claimed that to allow incentives would lead to a pension program and would not be fair to those recipients who are unable to work. Neither of these arguments is valid in face of an overriding desire to help people become self-sufficient. If the incentive program is well administered, it will not lead to a pension program which has no relation to needs and resources. If the idea of providing services based on individual need is accepted, then the need to work will be recognized as being just as important and necessary in some cases as the need for medical care is, for example, in other cases. No one believes that the medical care case is enjoying unfair advantage as compared to the case which does not need medical care, although the former is, in fact, receiving more special service than the latter. Employment is as much a needed service as medical care or any other service, and the case which needs employment should be encouraged to accept it.

There must be protections and services available to recipients who are encouraged to accept employment. There must be adequate child-care facilities for employable mothers, adolescent youth should work under protection of appropriate child-labor laws, and adults should be referred for suitable work as determined by State employment departments.

As an incentive to employment, recipients should be permitted to keep a basic sum, say $10, of net earnings without deduction from the aid grant. For each $2 of net earnings which exceeds the basic sum there should be an offset in the grant payment of $1. This type of graduated incentive has proved satisfactory in the old-age, survivors, and disability insurance program and should be equally effective in the public assistance program.

APPENDIX

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Secretary RIBICOFF. My personal conviction, based upon my years of experience as a Congressman, a Governor, and as a Secretary, is that new directions are urgently needed in welfare. Failure to confront head on this need for constructive change would be no service to the Nation as a whole or to the persons who depend upon welfare assistance. We must do everything in our power to make certain that the taxpayer's welfare dollar is spent in a way guaranteed to return full value in human resources.

We in the Department have welcomed new ideas from all sources and the discussions, criticism, research, and analysis which accompanied them.

All of this study and intense activity within and outside the Department culminated first in a series of changes within the Department and then in the legislative proposals which we presented to the Congress.

You are probably familiar with the series of administrative actions which I have announced in recent months. They were designed to promote rehabilitation services and to develop a family-centered approach to human needs and problems. They were intended to provide children with more adequate protection and support and an opportunity to become responsible citizens, and to develop a more efficient and effective operational structure to accomplish these objectives. I would like to submit for the record a summary of these administrative actions.

The CHAIRMAN. Without objection.

(The summary referred to follows:)

OFFICE MEMORANDUM, U.S. GOVERNMENT

DECEMBER 6, 1961.

To: Mr. W. L. Mitchell, Commissioner of Social Security.
From: Abraham Ribicoff, Secretary of Health, Education, and Welfare.
Subject: Administrative actions necessary to improve our welfare programs.

Revision of our welfare programs has been one of my principal objectives since becoming Secretary of Health, Education, and Welfare. At my confirmation hearing in January I told the Senate Finance Committee that these programs deserved a fresh, new look, that we would review existing laws and policies carefully during the year and that we would propose significant legislative revisions for consideration by the 2d session of the 87th Congress. I have discussed these matters with Chairman Harry F. Byrd and other members of the Senate Finance Committee and with Chairman Wilbur Mills and other members of the House Ways and Means Committee, and have been encouraged to move forward with this effort.

During this year we have sought and received advice and reports from several groups of distinguished individuals. The staff of this Department has carefully evaluated this material and contributed valuable suggestions.

What has emerged from this review is a clear recognition of the fact that today in 1961 the outlook of 1935 is not up to date. Born of depression emergencies, the original Federal welfare legislation well met the problems of that time. But the quarter of a century that has passed has taught us many new

things. We are not satisfied with our welfare programs, and we know there is much that can be done to improve them.

We must move toward two objectives: eliminating whatever abuses have crept into these programs and developing more constructive approaches to get people off assistance and back into useful roles in society.

Many revisions will require legislation. These will be presented to the Congress in January.

I wish to make several changes in our welfare programs that can be accomplished by administrative action. Some of the patterns of 1935 have got to be overhauled, and the steps we take today can make a substantial start in that direction.

In addition to moving more effectively against such problems as locating deserting fathers and fraud, these administrative changes are designed to (1) promote rehabilitation services and develop a family-centered approach, (2) provide children with adequate protection, support, and a maximum opportunity to become responsible citizens, and (3) reshape our administrative structure so it may be more helpful to the States in accomplishing these objectives. These changes will help carry out the purposes of title IV of the Social Security Act (the aid to dependent children program) which specifically include strengthening "family life" and assuring the "proper and efficient administration" of State public assistance plans.

The steps taken today are the first part of a broad action program for welfare revision. Legislative proposals early next year will carry this effort forward. Let me emphasize that the success of this revision will require close cooperation with State, local and voluntary welfare groups. I am anxious to work with all those in and out of Government who can help move forward this important endeavor. I would like you to proceed immediately to implement the following decisions:

1. *More effective location of deserting parents.*—One problem warranting prompt attention is the large number of welfare cases caused by the desertion of a parent. The number of desertions across State lines is increasing. Efforts must be spurred to locate parents who have deserted their dependent families. These efforts should involve the following course of action by the States:

Each State shall establish within its administrative organization for public assistance a special unit responsible for locating deserting parents of children who are applicants or recipients of public assistance. This unit will be separately identified and adequately staffed. It will assist law enforcement officers and others in their efforts to require effective discharge of family responsibilities. The objectives of this special unit will be to reunite families whenever feasible and to obtain financial support.

Among the responsibilities which this unit would help perform would be:

(*a*) Handling intrastate and interstate inquiries concerning deserting parents, and coordinating and supervising such activities of local public welfare agencies within the State;

(*b*) Reciprocal cooperation with other States in helping to locate deserters, obtain support from parents who live in States other than where their dependents are, and assess ways of restoring broken homes; and

(*c*) Establishing procedures for analyzing all desertion cases to make sure the agency is making every possible effort to locate the deserter.

2. *Administrative actions to reduce and control fraud.*—Control and prevention of fraud must be a constant objective of welfare administration. Information from administrative reviews and special studies by independent experts all indicate that the proportion of ineligible persons who receive assistance is not more than 1.5 percent. Those who receive it as a result of willful misrepresentation are a small part of that percentage. Nevertheless, effective steps and constant vigilance are necessary by Federal and State agencies both to prevent fraud and to deal effectively with it when it occurs.

"Proper and efficient operation" of State plans under titles I, IV, X, and XIV of the Social Security Act requires that provision will be made to assure that assistance by the States is provided only to those who are eligible for it. To this end State and local welfare departments already maintain extensive procedures for investigation and control of improper payments, but improvements can and must be made.

Existing administrative requirements should be strengthened by inclusion in the State plan of the following:

(*a*) A definition of fraud in accordance with State law as it relates to receipt of assistance payments;

(*b*) The administrative procedures by which the State will assure that it has proper and efficient methods for identifying, investigating, evaluating, and referring cases in which there is reason to believe there may be fraud by assistance applicants or recipients;

(*c*) Methods that will be used in investigation of instances of suspected fraud that are consistent with the legal rights of individuals;

(*d*) Designation of a point of responsibility within the State welfare department for the followup, and, if indicated, referral for legal action, of cases in which fraud appears likely;

(*e*) State supervision, review and control, by which the agency will assure that the plan provisions for dealing with cases of suspected fraud are carried out; and

(*f*) Keeping records and making periodic reports.

The States should make periodic reports to the Department of Health, Education, and Welfare on the nature and extent of the problem so that it can be kept under continuous and careful surveillance with a view to making any future administrative or legislative changes that may be indicated.

3. *Allowing children to conserve income for education and employment.*—Title IV of the Social Security Act provides that assistance be given only to dependent children who are in need. The existing policies make it clear that States may permit a child with income to use it to meet certain special needs without a deduction from the public assistance grant. These include costs for medical care, school expenses, extra clothing, and transportation needed for employment, etc. All of these needs for which the child's income may be used relate to something which is currently needed by the child. Not enough emphasis has been given, however, to the possibilities of recognizing certain additional needs of children that require expenses in the future for which their own income should be conserved. These needs include education, medical services and preparation for employment. We must not stifle incentives for children to earn money that will contribute to their future independence.

The present policy should therefore be modified to permit the States to develop their own arrangements under which income of children can be dedicated to appropriate future needs without a deduction from the public assistance payment. States should be encouraged to take full advantage of the opportunities this change in policy affords.

4. *Safeguarding the children in families of unmarried parents.*—In about one-fifth of all ADC families a parent is unmarried. These families face serious social problems, which are of concern not only to themselves, but to the entire community.

For all ADC families, but specially for this particular group of cases, receiving an assistance payment is not a complete answer. If we are going to avoid as far as possible more illegimate births, if we are going to help these families become responsible citizens, we have to render to this category of families special services that we have seen can be effective. Providing these special services will involve the following steps in each State:

(*a*) Careful examination of ADC families with an unmarried parent, and of the special problems they face, to see which families are most in need of special services and which problems can best be resolved by services;

(*b*) Placing the selected families in caseloads sufficiently small so that effective services can be provided to them and making sure that special services are in fact rendered;

(*c*) Assigning to these cases staff members who are best qualified by education and experience to provide the kind of services that are needed;

(*d*) Increasing the frequency of home visits to these families so that those with serious social problems are seen at least once every 3 months; and

(*e*) Coordination with the child welfare services program to assure the maximum use of child welfare staff in providing consultation and services for the special problems of these families.

Developing plans to provide these special services will require close cooperation between the States and the Federal Government. I therefore propose we proceed initially by issuing to the States within the next few weeks materials outlining these important responsibilities. This will enable the States to make an early start in coming to grips with these unusually difficult problems. Shortly thereafter we will meet with the State welfare administrators in Washington so that we can discuss with them whatever practical problems there may be in providing these special services. On the basis of this advice and the experience gained in

the coming months, we can expect to issue formal policies by the middle of next year.

5. *Safeguarding children in families in which the father has deserted.*—A second group of ADC families where special services should be provided are those in which the father has deserted. Desertion of a parent with the accompanying evasion of family responsibility is one of the serious indicators of family breakdown in our society. The families broken by desertion are faced, in most instances, by many serious social, economic, and other problems. This is particularly true within the period just after the desertion occurs.

Therefore, in addition to the steps outlined with respect to the location of deserting fathers, the same kind of standards should be established as to the identification of such families, caseloads of limited size, the provision of services by trained personnel and the provision of home visits at least once each 3 months, that are established for families in which the parents are not married. The procedure for developing these special services should be the same for this group of families as applies to the group discussed in paragraph 4.

6. *Safeguarding children in hazardous home situations.*—In addition to families in which the mother is unmarried and those in which the father has deserted, there are other family situations in which the physical and moral development of children is seriously threatened and where the home is in danger of becoming unsuitable for the children. Here preventive and protective services are clearly called for. While no single problem generally accounts for these threats to the development of children into responsible citizenship, we know there is a need to identify such situations at the earliest possible moment and to afford them the best appropriate services that we are capable of providing. These families may have special problems such as money mismanagement, or may have home conditions or conduct by the parents that is likely to result in inadequate care, inadequate protection or neglect of the children. Such families should be made a third group subject to the same standards of intensive casework service, using the best available personnel, that are established for the families whose problems arise from unmarried parents or desertion.

With respect to this third group, arrangements should also be made for including in the State plan (*a*) the conditions under which various protective methods will be used in making payments to such families when appropriate to the individual case, i.e., weekly and bimonthly issuance of assistance checks, use of legal representatives, and guardianship, and (*b*) a program for increased State and local leadership and participation in the development of community services for rehabilitation in these cases.

7. *Improvement of State staff training and development programs.*—The central core of proper and efficient administration is personnel—adequate in number and appropriately trained to do the job required. With the changing characteristics of the public assistance caseload, and the need to emphasize more and more the preventive and rehabilitative aspects of public welfare, the existence in each State of an adequate staff development program is imperative.

Studies show an alarming shortage, in the public assistance programs, of personnel with the necessary professional and technical training needed to deal with difficult problems such as illegitimacy, deserting fathers, and protective services for children and the aging. Federal financial participation is now available for the administration of staff development programs, including inservice training and educational leave, as a part of the costs of administering public assistance. However, States vary in their present implementation of a balanced and comprehensive staff development program.

Each State should have a statewide staff development plan which would include both inservice training and opportunities for professional and technical education.

In issuing new requirements in this area we must recognize that States will need time before they can be expected to have the fully developed training program which is contemplated. Accordingly, provision should be made for permitting the various steps to be implemented gradually, starting with the requirement for the submittal of a 5-year plan and at least one full-time training position in each State agency by July 1, 1962. An annual report should be submitted by each State indicating the progress made in implementing the plan it has developed.

8. *Developing services to families.*—Too much emphasis has been placed on just getting an assistance check into the hands of an individual. If we are ever going to move constructively in this field, we must come to recognize that

our efforts must involve a variety of helpful services, of which giving a money payment is only one, and also that the object of our efforts must be the entire family.

To emphasize these ideas the name of the Bureau of Public Assistance shall be changed to the Bureau of Family Services. This new designation will more accurately express the major emphasis in our activities and policies in the future.

9. *Encouraging States and localities to provide more effective family welfare services.*—There shall be established within the newly designated Bureau of Family Services, as one of its major units, a division to be known as the Division of Welfare Services. This Division will give special attention to activities carried on by the States in the reduction of dependency; services to children of unmarried mothers and deserting fathers; services to families with special problems arising from financial mismanagement or mental or physical inadequacy; studies of work relief activities and incentives to employment; and other activities of this nature which can contribute to the prevention and alleviation of dependency among aged, blind, and disabled persons, including the development of more effective legislative proposals to accomplish these objectives. This new Division will absorb the functions of the former Division of Program Standards and Development; additional staff will be shifted as required to the new Division of Welfare Services in view of its new responsibilities.

10. *Coordination of family and community welfare services.*—In order to assure that the maximum benefits are derived from our programs for the protection and well-being of children carried on by the Children's Bureau and the related ADC program administered by the Bureau of Family Services, there shall be established a new position of Assistant Commissioner in the Social Security Administration. The Assistant Commissioner will give full time directing the coordination of these programs and to the development and stimulation of welfare services that will involve the resources of community organizations, both public and private, in dealing with welfare problems. This effort should give special emphasis to all services and activities contributing to the strengthening of family life.

OTHER ACTION REQUIRED

The 10 actions outlined above involve, in my judgment, the beginning of a significant reorientation of our welfare programs. In order that we may be able to have the advice and full cooperation of the States, I am extending an invitation to all State welfare administrators to meet with me and our staff here in Washington on January 29, 30, and 31. Please make the necessary arrangements for this meeting with the view of obtaining the suggestions of the State administrators for any improvements, changes, or additions.

Please arraneg also for the further development by the staff of other possible changes in policy some of which have already been discussed but on which the staff work is not yet completed. I should like to have a further report on these items by not later than March 15.

Today I want to discuss with you six specific areas to which we in this Department intend to devote special attention in the days ahead. We recognize that problems exist. We want to do more to solve them.

These are the six points we intend to work on:

1. We want to eliminate all unnecessary paperwork

Our services to troubled people must expand. But the staff available to perform these services is in serious short supply. Until we have more such staff we must take every conceivable step to put what we have to the most constructive use. This effort is tangled too frequently in an administrative underbrush of forms and pieces of paper.

This is all wrong. There is too much paperwork in government. It stifles new ideas. It eats up time. It frightens away topnotch workers; it leaves their tasks to the pedantic and the unimaginative.

The social welfare worker especially must deal with people, not percentages. He cannot waste his time with irrelevant pencil pushing and envelope stuffing. He must have energy and hours to devote to those who need him.

For this reason I have directed the Commissioner of Social Security to organize a work group of technically qualified people from the States and localities to work with our Department. This group will make a determined, forthright effort to simplify and improve all our welfare forms and procedures. It will eliminate every unnecessary piece of paper that now burdens us.

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Its job is clear: To see that casework no longer bows to paperwork. I am confident we can make substantial progress. I recognize, of course, that good records serve many useful purposes—not only to insure against abuses but also to provide essential information to tell us the progress our programs are making and where we must do more. But I cannot believe that every item on every form filled out by every caseworker is essential. I am sure improvements can be made, and I ask each and every one of you administrators from the 50 States to give us the benefit of your experience. I want you to review your own forms, and the Federal forms as well, and let me know which ones you believe can either be cut in length or eliminated completely without loss to the integrity of the program.

2. We are initiating more effective services for children and youth

Our children are our investment in the future. They need help; they must have it. If they can be provided with opportunities, we must assure them these opportunities. To fail to do so is to flirt with fate, both theirs and our own. We are taking action to make all relevant social and educational services available to our Nation's children, including those on our welfare rolls.

I have directed the establishment of two staff units on youth development in the Department—one in the Children's Bureau and one in the Office of Education.

These new units wil help develop local community programs to combat juvenile delinquency. However, it will be their continuing responsibility to take a broad approach to the problems of all the underprivileged youth in our land, in order to give them the maximum social, educational, and health services.

In the Children's Bureau, the Youth Development Unit is being set up in the Office of the Chief. Made up of youth workers experienced in community organization and development, the staff members will be available for consultation and technical assistance to State and local welfare agencies. They will be available also to local communities in planning for improved coordiantion of all welfare services for special problems of youth. Thus, we hope to encourage mobilization of all possible resources in our communities into a coordinated program providing services to children and youth, particularly those on the ADC rolls.

The Youth Development Section in the Office of Education will have special responsibility for working on the school problems of children and youth with particular attention paid to those who are on the welfare rolls and to the continuing formidable problem of school dropouts. The new unit will promote better coordination between the school authorities and the welfare agencies.

3. We are intensifying our efforts to combat illegitimacy

Disturbed by the rate of growth of illegitimacy in all segments of the society of our country, some people have jumped too easily from isolated instances to blaming the ADC program for the pattern. We know, of course, that illegitimacy accounts for 20 percent of ADC children—by no means all the children or even the majority.

But we know, too, that we urgently need more precise and penetrating information on the exact causes of illegitimacy and the most effective methods of dealing with it if its sad increase is to be halted. I am concerned that there are many communities in which we are not applying even such resources of knowledge and skill as we have to meeting the problem of illegitimacy. Therefore, I am asking the Commissioner of Social Security to establish a work group to review existing programs, see where further study is needed, highlight the most promising areas of research, and develop programs that will help combat illegitimacy and the dependency it fosters.

4. We will increase our emphasis on research and demonstration to reduce dependency

We must know where we are succeeding and where we are failing short—which methods work and which do not—if our public welfare program is to succeed.

Progress is now being made in stimulating grants for research and demonstration projects in a number of fields. The Social Security Act authorizes such grants for projects relating to the prevention and reduction of dependency which will aid in effecting coordination of planning between public and private welfare agencies. I wish to encourage and accelerate work in these two important areas.

Starting with a modest $350,000 in 1961, funds for cooperative research in the Social Security Administration's appropriation were doubled in 1962, and our present request in the 1963 budget will add more than another million dollars to these funds.

Child welfare funds were first made available for research or demonstration projects in 1962 in the amount of $275,000. Our request for 1963 is for $795,000.

Our related program of research and demonstration in vocational rehabilitation continues to be expanded with our request for the current year totaling $10,200,000. We are particularly eager for vocational rehabilitation and public assistance agencies to engage more widely in cooperative projects for restoring more disabled persons from the welfare rolls to employment.

However, I am concerned that we are not realizing our full potential for research in the social welfare field, and I believe that the recommendations made last year by the distinguished advisory group who reviewed the research program of the Social Security Administration provide a sound basis for further planning and action. To implement those recommendations, I have authorized the expansion of the research facilities of the Social Security Administration in order to assure continuing attention to the development and carrying out of studies in the broad field of human resources and social welfare. I have also authorized the appointment of a continuing committee on research development to help carry out our research planning responsibilities and especially to find ways to reduce dependency and to stimulate self-care and self-support.

5. We will strengthen vocational rehabilitation services for disabled recipients of public assistance

State vocational rehabilitation agencies have been working with State and local public welfare agencies in a cooperative effort to prevent public dependency and to rehabilitate disabled people receiving public assistance. Figures for 1960 and 1961 indicate that about 16 percent of the total number rehabilitated had been receiving public assistance each year. Of the 92,500 disabled men and women rehabilitated into employment in 1961, about 15,000 were persons who had been fully or partially dependent upon public assistance. In addition, another 4 percent, or 3,700, in institutions, had been supported from public funds.

Miss Switzer, the Director of the Office of Vocational Rehabilitation, shares my belief that the vocational rehabilitation program can do even more. I have asked her to establish a task force to determine what administrative steps can be taken under present laws to further expand and improve vocational rehabilitation services for disabled persons on welfare rolls. This task force is considering current policies and priorities in acceptance of disabled applicants; the opportunities for joint State training institutes for personnel of the two agencies; new uses of demonstration projects in more communities; and other specific steps to make full use of the authority and funds now available to restore more public welfare recipients to productivity and self-sufficiency.

6. We plan more effective training of public welfare personnel

The need for more trained personnel in public welfare is obvious to all of us who are connected with the administration of the program. The President has requested in the budget $3.5 million for the fiscal year 1963 for grants to the States for a program of training in professional and technical fields relating to public assistance. This is an important item which I hope will be adopted this year. The budget estimate will permit increasing the number of trained personnel by providing for about 600 fellowships and traineeships. Provision is also made for training through short-term study groups or seminars for about 800 employees of State or local agencies.

Because of the need to train more social workers, the deans of the schools of social work have established a committee to consider ways to assist in training more social workers for public welfare. I have directed our staff to consult with this committee of deans and with State welfare agencies, so that we can assist in taking all necessary and proper means to increase the supply of adequately trained personnel for public welfare.

Secretary RIBICOFF. However, legislation is now required to move further ahead. Members of the Congress have proved, over the many years, their own deep interest in meeting human needs by repeated amendments to the Social Security Act. We have a firm foundation on which to build.

The reasons behind the urgent need in 1962 for new advances are numerous and widely known. In fact, they are to be seen by each of us in our everyday life.

We are no longer the Nation we were in the 1930's, at the time of the great depression and the birth of social security. At both ends of our lifespan the numbers of persons are rapidly growing. We live much longer than we did, so the number of those over 65 is constantly increasing. Many of them will, we know, require our help not only to keep body and soul together but to benefit from other resources which will make their later years more healthful and useful.

The numbers of children are increasing, and a proportion of them will continue to be born into circumstances where they are threatened by economic and social hazards. Whether these dependent children—our future citizens—will become mature and responsible adults or live lives which repeat the problems their own parents faced will depend to a considerable degree on what welfare services can do for them.

When the social security program originated, the overriding problem was provision of financial support to the vast numbers of unemployed and their families. Since then the country has undergone profound change. There is continual movement of people from one part of the Nation to another, following industry developments in search of work or a better life. Family ties are often weakened by separation and social pressures. There is a trend toward early marriage, often before emotional maturity is reached. Desertion and divorce have increased.

Many persons are crowding into urban centers without any previous experience or understanding of the complexities of city life. Unskilled, uneducated workers, who used to find simple labor, now see their job opportunities eaten up by the onrush of automation. Costs of many necessities, including medical care, have outstripped resources to pay for them.

Such factors as these, which could not have been fully anticipated when the historic Social Security Act was passed, have brought to our welfare departments new kinds of problems which they have often been unable to handle successfully. In addition to the physically handicapped whom we all recognize as plainly in need and deserving of help, we must answer the often unspoken appeals of the people who have not learned to adjust to the complicated, industrial urban society we live in. Unequipped for opportunities which do exist, and often denied these opportunities for reasons beyond their power to control, bewildered by strange problems, isolated from the mainstreams of community life, they live without hope in the midst of a society which has proved its ability to provide abundantly for most of us.

The vast majority of these fellow Americans of ours want desperately to leave the welfare rolls. They want self-respect and a contributing role in our world. If we don't try to accomplish this, we commit ourselves to an endless cycle of dependency.

THE ROAD TO REHABILITATION

We would all like to see the day when public assistance would become completely unnecessary. We realize that this day may never come. But we can make our public assistance programs a tool for reducing the size of the problem. No bill which might be drawn could guarantee a quick or easy victory in this struggle against dependency. But in its emphasis on extending social services, this bill promises new and renewed effort in every State and county along lines which we know, from local experiences, will pay dividends.

The President in his welfare message to the Congress observed that communities which have attempted to save money on welfare expenditures through ruthless and arbitrary cutbacks have met with little success.

He said:

> * * * but communities which have tried the rehabilitative road—the road I have recommended today—have demonstrated what can be done with creative, thoughtfully conceived and properly managed programs of prevention and social rehabilitation, in those communities, families have been restored to self-reliance, and relief rolls have been reduced.

What do we mean, Mr. Chairman, by rehabilitative social services? It refers to specific, long-term help which can be extended by properly trained workers through frequent home visits, guidance, counseling, and use of all available community resources in health, education, and welfare. It means bringing to bear on troubled families all the knowledge and skills which a community possesses. Most of the families on welfare rolls are unaware of ways to help themselves. But a skillful social worker, devoting his or her time to helping them break whatever chains bind them to their lives of poverty and dependency, can identify their problems.

A woman abandoned by her husband and the father of her children may be overwhelmed by her first experience of having to manage a family alone. Her children become uncontrollable. She has no experience with handling money, budgeting, or planning ahead. She may have the ability to work if her small children can be properly cared for with outside help. The interest and knowledge of a welfare worker can lead her out of apathy, despair, and worsening problems to a new life of order and hope.

A man may be continually defeated in attempts to find steady work to support his wife and children. As is often the case, he may have had little formal education. He may be unable to read or write well enough to apply for a job or to hold the kinds of jobs which might turn up through an employment service. He may work for a few months and live on public assistance between jobs, a pattern that can be repeated through a lifetime. A welfare worker can help the mother learn how to run the home more successfully, and direct the man to a vocational school where he can get training in a skill which has some value in the job market today.

This kind of service has been extended successfully to welfare recipients in many communities where caseloads have been reduced and workers given a chance to spend sufficient time and effort on individual families. Unfortunately these attempts have been limited by the shortage of workers and the lack of State and local funds. But we

know from the results they have yielded that such efforts can produce astonishing long-range savings.

An experimental family restoration unit in Chicago using 5 able welfare workers reported 163 families—one-third of its caseload—ready to leave the assistance rolls within 7 months. It was also possible to reduce grants in 29 other cases and to keep 8 families from requiring public assistance at all. The savings from this one-team operation was $182,000 a year.

In Arizona, a special family casework unit of 1 welfare department reported, after 5 months, that the efforts of its 5 selected workers, serving 40 families each, had made it possible to suspend, or close entirely, aid to 46 of the original 200 families, at a saving to the welfare program of more than $28,500 for the period.

An 11-month project in Allegheny County, Pa., using the services of professionally trained social workers assigned to small caseloads, resulted in the closing of 98 out of 349 cases. These were families with physical, social, and mental disabilities, no skills and no experience. The agency estimated its savings in dollars alone at $28,000.

Despite high unemployment rates in Niagara County, N.Y., 17 families out of 41 on assistance for 5 or more years became self-supporting within 8 months after highly skilled social workers were assigned to them. More than half the families took concrete steps to improve their own capacities for jobs. In Lake County, Ind., intensive counseling services with 125 chronically dependent families resulted in savings of more than $16,500 in welfare costs in the first year, and more the next.

This kind of program is both realistic and profitable—in terms of actual dollar savings—and compassionate, for it produces a more lasting result in stronger, happier, more capable and productive human beings.

The bill before you would stimulate the extension of services in the assistance programs of all our States. For many years, the Federal Government has paid one-half of the costs of administration of the public assistance programs. Under this bill, the Federal share of the most urgently needed services would be increased to three-fourths, while the Federal share of other administrative costs would be left on the present 50–50 basis.

TRAINING OF WELFARE WORKERS

Through this bill, we are attempting to assure substantially more constructive services to the people supported by public assistance. As I have indicated, we will never be able to move recipients in important numbers off the welfare rolls—away from dependency and toward self-sufficiency—unless we have more skilled welfare personnel to help them help themselves.

A major obstacle which must be overcome is the acute shortage of adequately prepared social workers. In public assistance agencies today, only about one welfare worker in eight has had any professional training at all, and only a fraction of that number has been graduated from a school of social work.

In most places, efforts are made to equip new employees with the skills they need after they arrive on the job. But these inservice training programs have been relatively inadequate in many States and

frequently have not contributed as much as they could to the development of at least the basic skill which would enable a worker to help resolve the enormously difficult human problems burdening many of the assistance families she sees.

In carrying out the purposes of this bill, therefore, we face a training problem of emergency proportions. We must quickly find ways to upgrade the skills of workers already employed in welfare agencies.

The administration proposals include two types of provisions designed to stimulate training. One would be an increase in Federal participation in training efforts undertaken by the States. The other would authorize the Secretary of Health, Education, and Welfare to provide, either directly or through contracts or other arrangements, for the training of skilled staff to reduce dependency.

I urge the enactment of these provisions in the administration proposals. We believe them to be the most direct and effective way of attacking the problem.

Short-term training of public welfare staff will be an immediate objective under our proposals. We recognize that short-term training is not a substitute for full professional training. But the social welfare manpower crisis today is of such dimensions that training of any kind is urgently needed.

Under our proposals, training would be offered to groups for whom it is difficult for individual States to provide programs. These would include personnel who could be prepared to teach other staff members, top administrators and supervisors, and persons in key positions such as casework supervisors. All of these persons would provide leadership in their welfare departments.

The States are handicapped in trying to furnish training for these groups by the scarcity of teachers and technical material. The Federal program would thus be a service to the States to supplement their own general staff training efforts, but not to duplicate them. It would also be broad enough to permit grants to schools to help them improve their resources and facilities so that they can fill their important role in meeting the need for trained staff.

I would like to make clear that the training grants in other departmental programs, such as vocational rehabilitation and public health, which have been implemented by appropriations are made by the Department, so that Federal training funds can be made available through our universities. I recommend a similar program for the training of public welfare personnel.

In addition, we also strongly support the concept of Federal aid to the States for training, with the Federal Government contributing 75 percent of the administrative costs of the State staff development programs. These programs include both inservice training and provision of stipends or scholarships for school attendance.

PREVENTION OF PROBLEMS

The focus of most of our administrative actions and legislative proposals is on those programs reaching our dependent and often neglected children. For we believe strongly that, while helping persons to overcome problems is a profitable investment, preventing those problems from arising in the children of the coming generation is bound to assure even greater returns.

Therefore, the administration recommended that the provision enacted last year for aid to dependent children of unemployed parents be made permanent. In March of this year, the last month for which we have figures, more than 284,000 needy persons benefited from this program in 15 States. A study made by our Department of the first months of operation of the program fully justifies the recommendation which we made. I would like to submit a copy of that report. H.R. 10606 would extend the program for another 5 years.

(The report referred to follows:)

ADMINISTRATION OF AID TO DEPENDENT CHILDREN, FOR FAMILIES OF UNEMPLOYED PARENTS, UNDER PUBLIC LAW 87-31, IN 13 STATES, 1961

Department of Health, Education, and Welfare, Social Security Administration, Bureau of Family Services, March 1962

ADC-UP FROM MAY TO NOVEMBER 1961 [1]

Aid to dependent children (ADC) was extended to children of unemployed parents (ADC-UP) in May 1961 by an amendment to title IV of the Social Security Act (Public Law 87-31).

Until then, Federal grants to States were available only to children lacking support or care because of death, absence, or disability of a parent.

The extension was part of the administration program to ease the effects of unemployment. It represented a significant change in Federal welfare policy. For the first time, the Federal Government shared the cost of assistance to families of the needy unemployed. The measure was temporary, scheduled to expire June 30, 1962.

In November 1961, 13 States made payments under the program extension: Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, New York, Oklahoma, Pennsylvania, Rhode Island, Utah, Washington and West Virginia.[2]

Additional States may consider it if the amendment is made permanent. In the other States and territories the major reasons for not acting to be inadequate State funds, lack of interest or a belief that unemployment is not sufficiently severe to justify an extended program.

A study of the administration of ADC-UP in its first 7 months of operation (May-November 1961) was made by the Bureau of Family Services. Practice was reviewed in 45 localities in the 13 States (North Carolina and Oregon had not yet started to make payments) where ADC-UP was in effect in September 1961. More than 1,800 individual case records of public assistance recipients were read. The selected localities were urban centers with substantial unemployment or other areas where unemployment was relatively high.

The study also included examination of characteristics of the relevant State plan provisions and analysis of monthly statistical reports of the States. Discussions were held with officials of two other Federal agencies involved in the program—the Bureau of Employment Security of the Department of Labor and the Division of Vocational Education of the Office of Education.

In the May-November study period, 12 of the 13 States[3] received 86,300 applications for ADC-UP, processed 80,400, and granted assistance to 66,100 or 82 percent.

Assistance payments totaled $33.3 million during this period. Cash payments accounted for about 95 percent of the total and vendor payments for medical care the other 5 percent.

In November alone, ADC-UP payments totaling $6,719,000 reached 43,200 families with 157,000 children.[4] The vast majority—95 percent of these families—lived in 6 of the 13 States (Connecticut, Illinois, New York, Pennsylvania, Washington, and West Virginia). The average monthly payment per family was $155, and the average monthly payment per recipient (based on the total

[1] Prepared in the Bureau of Family Services.

[2] North Carolina and Oregon have put programs into effect since November.

[3] Washington data was not available except for numbers of families and children and amounts of payments.

[4] In January 1962, more than 55,500 families with more than 200,800 children received total payments of $8,300,000, according to the BFS Division of Program Statistics and Analysis.

number of children and one parent or other adult relative where the needs of at least one such adult were considered in determining the grant) was $34.

Individual State payment averages in November ranged from $90 in Delaware to $250 in Illinois per family and from a low of $18 in Delaware to a high of $48 in Illinois per recipient.

Of the 14,800 applications that were denied or disposed of for reasons other than approval during the May–November period, only 4 percent were rejected because the parent refused to accept suitable employment. Other reasons for denying ADC–UP included failure to meet the State's definition of unemployment (10 percent); failure to meet the State's residence requirements (2 percent); presence of income in excess of need according to the State's assistance standards (21 percent); possession of resources other than income in excess of State standards (3 percent). Partial information on the remaining 60 percent indicates that relatively large numbers withdrew their applications or failed to keep appointments with the agency, perhaps because employment was obtained. Some applicants failed to give required information and, in some instances, eligibility was established under the incapacity provision of ADC, instead of the unemployment provision.

The proportion of approved applications to total applications disposed of ranged among States from a low of 57 percent in Maryland to a high of 94 percent in Rhode Island. (Oklahoma is excluded from this consideration because of the small numbers involved—20 applications disposed of with 7 approved.)

Nearly half (46 percent) of the 66,100 applicants approved were receiving general assistance at the time they were accepted for ADC–UP. The proportion of such cases among States ranged from 1 percent in West Virginia to 95 percent in Delaware and Illinois. All of the 13 States except West Virginia and Oklahoma had general assistance for unemployed families statewide or in some localities.

Unemployment compensation benefits were being received by 12 percent of the applicants at the time of their approval for ADC–UP. Another 20 percent had unemployment compensation claims pending and 68 percent were neither receiving benefits nor had claims pending. The latter group included 19 percent who had received unemployment compensation benefits within 6 months before their approval for ADC–UP and 48 percent who had not.

The turnover in the ADC–UP caseload was rapid. By the end of November, 25,800 cases, 37 percent of those approved for assistance or transferred to ADC–UP, had been closed. In most cases (68 percent), the parent—usually the father—had obtained a job. The proportion of closings because of employment ranged from 15 percent in Maryland to 73 percent in Rhode Island. (In Oklahoma, the one closed case was due to employment.) Among the 68 percent who were successful in returning to work, 23 percent went back to their former jobs, 3 percent obtained employment through employment security referrals, and 42 percent found work through their own initiative or with the help of friends and relatives. Administrative review reports for the 13 States indicated that most unemployed fathers were searching for work day in and day out and in other communities as well as in their own.

Other cases were closed because there was no longer an eligible child in the home, 1 percent, and refusal to accept a suitable job, 2 percent. Partial information on the rest indicates many received unemployment compensation, moved and left no forwarding address or failed to comply with requirements.

In addition to the 66,100 applications approved for ADC–UP, another 2,900 families who had been receiving ADC for reasons other than unemployment, became eligible under the unemployed parent provision, usually when an absent father returned to the home. These families would have been ineligible for ADC without the extension of the program in the States where they lived.

One of the most important factors affecting the number of families who qualify for ADC–UP is the definition of unemployment, which varies from State to State. Broad program coverage is permitted by the definitions in Delaware, Hawaii, Illinois, New York, Pennsylvania, Rhode Island, Utah, and Washington. Coverage under this definition is restricted in Oklahoma and limited in Connecticut, Maryland, Massachusetts, and West Virginia.

In a broad program, ADC–UP would include children or parents who have been in the labor market but are not currently employed, have not been in the labor market but are currently seeking work, are employed part time, or have been self-employed.

A limited program might exclude farm laborers, odd-jobmen, seasonal workers, domestics, and the self-employed. It also might eliminate jobless persons who had worked full time within 3 months before application, or those receiving or eligible for unemployment compensation.

All States, under the Federal requirement for receipt of grants-in-aid, require the unemployed parent to accept suitable work. Five (Connecticut, Illinois, Maryland, Pennsylvania, and West Virginia) also require him to be "actively seeking work."

Practice in ADC-UP was reviewed in October 1961. None of the 13 States had more than 4 months' actual operating experience, and most had less in a new and complex area of public welfare. The full potentials of the extension for achieving the legislative objectives of returning unemployed parents to self-support and providing financial assistance and social services to their families are not known. Further experience might modify the present findings.

The most significant services which ADC-UP offered the recipient families were found to be the prompt and regular provision of cash support and the prevention of family breakup.

Opinion in most States agreed that congressional recognition of the need for assistance and services had been helpful and that ADC-UP had sharpened awareness of the needs of families hit by unemployment. The experience further indicated the necessity for more and better qualified assistance staff and a mobilization of community resources or organization of them where they do not exist to meet the basic social and economic problems.

Three general groups of unemployed parents emerged from the study:

(1) Those who remained jobless only for short periods. These were fathers under 45, capable of work and with stable work records, who had been unemployed less than 3 months. They were often steel, construction, or other seasonal workers. In some cases, such fathers obtained work before the agency had acted on their assistance applications. Roughly, one-fourth of the caseload at the end of September probably fell into this group.

(2) Those whose chances for returning to work depended upon broadened economic opportunity, training or retraining, and other special services. This group included school dropouts and young persons recently discharged from military service who had no work experience or skills. Often these were younger workers, with limited education and talents who had moved from one short-term job to another with no vocational goal. Older men, 30 to 55 years of age, with large families and education below eighth-grade level, were also in the group. The skills they might possess are not transferable to existing jobs. About half the caseload were believed to be in this category.

(3) Those whose qualifications and potentials make reemployment extremely difficult. Among them were unemployed, unskilled laborers who in addition to limited education and poor work experience had physical, mental, or emotional handicaps. At least one-fourth of the caseload appeared in this group.

The 1961 amendment required cooperative agreements with State employment services and State vocational education agencies. The cooperative arrangements were provided to assist retraining of those with limited ability or displaced by technological changes from jobs they once held.

Very few ADC-UP fathers (1 in 20 of those who returned to work, in fact) were placed in jobs through public employment offices. These parents as a whole have less education and less skill than other job applicants. Unless they are given preferential treatment, the placement service is not apt to be effective for them. They cannot compete on an equal footing with other job registrants. A few welfare agencies have established their own employment divisions.

Seven of the 13 States (Delaware, Hawaii, Illinois, New York, Pennsylvania, Utah, West Virginia) elected to include ADC-UP recipients in their work relief program.

Federal matching funds could not be claimed on that portion of assistance payment for which work was performed.

The extent to which ADC-UP recipients took part in work relief programs could not be determined precisely. Available data indicated a relatively small number was included in most States.

In nearly all States courses were given in such occupations as practical nursing, food supervision and handling, machine operation, sewing, and typing. The lack of training resources, however, was a problem common in all States.

APPENDIXES

1. State staff views.
2. Map showing States in which the ADC-UP extension was in effect in September 1961; families receiving assistance under the extension and percentage of total ADC families.
3. States' activities to implement aid to dependent children of unemployed parents, February 12, 1962.
4. Special characteristics relating to unemployment of a parent, September 1961.
5. ADC-UP. The 13 States and 45 local units included in the review.
6. ADC-UP. Number of cases reviewed in each State, by type.
7. Month in 1961 in which ADC-UP became effective in 13 States.
8. Statistical tables 1-8. Aid to dependent children of unemployed parents, November 1961 by State (data on applications, active cases, discontinuances, and assistance payments).
9. "Employment service cooperation with public assistance agencies on 'dependent-child' program," U.S. Department of Labor, Bureau of Employment Security, May 10, 1961.
10. "Providing vocational training of unemployed parents," U.S. Department of Health, Education, and Welfare, Office of Education, Division of Vocational Education, May 18, 1961.

APPENDIX 1. STATE STAFF VIEWS

Views of State welfare agency staff members, the persons charged with making the law come to life, were collected informally during the review of practice. The opinions on the future of ADC-UP which were heard most frequently are summarized here.

The ADC program should be broadened to include all needy families with children, regardless of the cause of their deprivation. For one reason, with the extension of ADC to children of the unemployed, nearly all families with children now are eligible. The discontinuance of special groupings of families according to reason for need would simplify the determination of eligibility process and carry out the principle of assistance for all families with needy children.

Two groups of families are not covered by present assistance programs. These are couples and individuals who are unemployed but without children and families with children in which the wage earner is fully employed but cannot earn enough to support his family completely.

In the meantime, continuation of ADC-UP on a permanent basis was recommended.

Social services to families of unemployed parents, including training and counseling for reemployment and services to prevent dependence in families not receiving assistance, should be broadened in scope.

Residence requirements should not be permitted for ADC since such restrictions limit the mobility of workers in going to localities with greater economic opportunity.

Too much State and local agency staff time is now spent on administrative detail which distracts attention from service to ADC families. Any reduction in detail and complexity of paperwork, whether introduced at the Federal, State, or local levels, would free staff for service so long as it did not reduce administrative efficiency.

The unemployment insurance program should be further extended wherever possible to meet more adequately the financial needs of the unemployed.

APPENDIX 4

AID TO DEPENDENT CHILDREN
SPECIAL CHARACTERISTICS RELATING TO UNEMPLOYMENT OF A PARENT, SEPTEMBER 1961

(The eligibility requirements in a State apply also to families in need as a result of the unemployment of a parent. See Characteristics of State Public Assistance Plans.)

State	A. Requirements concerned with unemployment		
	Definition of unemployment	Registration with Employment Service	Acceptance of bona fide employment
Connecticut	Either or both parents, actively engaged in labor market within 2 years prior to application, now available for employment, employable, and in search of work; totally unemployed on date of application or date assistance is authorized, or employed only part time (less than 5 days a week and/or 35 hours a week, or less than number of hours considered full time by industry for job performed.) Can apply to one parent when other is unavailable for work because of regular full-time school attendance other than planned vocational education under this program.	Must register with State Employment Service on date of application or within 5 days of issuance of emergency assistance and keep registration active by re-registering every 30 days.	Must seek employment, respond to request for an employment interview, accept a suitable offer of employment, and report for work which has been secured Ineligible if without good cause parent refuses to accept suitable offer of employment. Criteria for "good cause" include distance from job, transportation, working conditions which violate labor laws, mental or physical inability to do the job, and illness of the worker making him temporarily unavailable. Additional criteria are: (1) illness of a family member dependent on the worker for care and inability to make other provision for such care; (2) earnings for full-time work are less than unemployment compensation benefits, or (3) for a skilled or experienced worker, an unreasonable period of time has elapsed since he became unemployed for him to secure a job in his own field. May not refuse work because wages are below previous earnings unless it would (a) require crossing picket line in labor dispute in which applicant is involved, (b) endanger his life, (c) seriously handicap his future employability, (d) disadvantage him for employment in his own field in which potential for re-employment exists, (e) be below minimum wage, or (f) promote substandard employment practice. Physical or mental examination is required if refusal is based on health reasons and doubt exists. Extent of ineligibility: For as long as parent persists in refusing to accept work. May reapply upon determination that he is willing to accept suitable work opportunity or, if none available, to search diligently for and accept work when offered.
Delaware	Either parent; formerly in labor market but not currently employed, or not previously in labor market but currently seeking work; unemployed for at least 1 week, or employed only part time (less than 40 hours a week unless the number of hours he is employed is considered full-time employment by industry for his particular job), available for full-time employment and seeking additional work. Includes parents not working because of direct involvement in a strike, who are actively seeking work and registered at Employment Service. Can apply to one parent in a family when the other is employed.	Must register with Delaware State Employment Service and keep his registration active by re-registering at 6-week intervals.	Must accept bona fide offer of employment, i.e., offer of a specific job which is or will be open, including a date when parent can start, and statement of hours, wages, kind of work, and what skills or tools, if any, employee is to provide. May accept or reject "offer of an opportunity to work", i.e., an offer that excludes one or more of the foregoing factors (for example, an offer of work for room and board without wages). Ineligible if without good cause parent refuses to accept bona fide offer of employment. "Good cause" includes (1) inability or incapacity to perform duties, (2) hazardous or dangerous work for which parent is not trained or for which proper protections are not provided, (3) payment of less than going wage, or (4) unreasonable travel distance. Extent of ineligibility: For as long as bona fide offer of employment remains open and parent continues to refuse it. Eligibility later can be established only if employment is no longer available and evidence exists that parent has made efforts to find, is seeking, and intends to accept work.
Hawaii	Either or both parents; must be able-bodied, not working, or employed only part time (less than 173 hours a month), and available for full-time employment.	Must register with State Employment Service for placement and other services and re-register at least once each month.	Must accept suitable employment offered through State Employment Service or directly by any private employer. Ineligible if without good cause parent refuses to accept a bona fide offer of employment, i.e., a specific job actually offered to the parent. "Good cause" exists when a job (1) is beyond his technical ability or physical capacity, (2) is dangerous or hazardous and does not have adequate safety measures or equipment, (3) pays less than the State minimum wage, or (4) is excessively distant and transportation facilities are inadequate. Extent of ineligibility: For as long as parent refuses, without good cause, to accept a bona fide offer of employment.

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State	A. Requirements concerned with unemployment		
	Definition of unemployment	Registration with Employment Service	Acceptance of bona fide employment
Illinois	Either parent (natural or adoptive); employable; (1) unemployed (neither self-employed nor working for an employer, actively seeking work, or undergoing vocational education or retraining to enable him to obtain gainful employment) or (2) employed only part time (less than 40 hours a week or less than the number of hours considered full time by the industry for the particular job). A person who is self-employed or seasonally employed may be "unemployed" when consideration is given to his past practice or employment pattern. Can apply to one parent when the other is employed full time if income and available resources do not meet family needs.	Expected to register with State Employment Service and re-register every 30 to 60 days or more, depending on employment situation in different areas. Expected also to initiate and maintain registration with local private employment agencies if they have jobs within his competence and charge no fee. Includes step-parent, whether or not he has children of his own in the family group.	Expected to (1) accept any suitable and available employment, either part- or full-time, and (2) report immediately to county department all bona fide offers of employment and his acceptance or rejection of them. Work considered "suitable" when it is within parent's physical and mental capacity and wage rate is standard or above community rate. Is "available" when suitable jobs are known to exist within his community or within reasonable distance of it, or plans can be made to commute or move family to another community. Medical examinations provided, if necessary, to determine [illegible] physical capacity. Ineligible if without good cause parent refuses to accept a bona fide offer of employment. "Good cause" exists if employment is not "suitable" or "available." "Bona fide offer" is offer of specific job known to exist and offered direct to parent orally or in writing. Includes work relief. Extent of ineligibility: not specified.
Maryland	Father only; has no work at all or is employed only part time, i.e., less than number of hours which is customary for the particular job and for like jobs in the area; is actively seeking work. Unemployed parent is one who is "able-bodied but without full-time gainful employment". May include a situation where father is unemployed and mother is employed.	Must be currently registered for placement with the State Employment Service.	Must accept employment offered by a public or private employment service or another employer. Ineligible if without good cause parent refuses such employment. "Good cause" determined on individual basis, considering whether (1) individual was or was not vocationally equipped to do the work, (2) there was undue danger or hazard in it, (3) distance was excessive, (4) wages were not comparable to those paid for like activities, or (5) physical or mental capacity prevented him from doing the work. Medical information will be required if question exists concerning physical or mental capacity. Extent of ineligibility: Refusal not permanently disqualifying. Father may meet technical requirement if State Employment Service has no suitable opening and he is making every effort to secure work on his own.
Massachusetts	Both parents (natural or adoptive); unemployed, employed only part time, or not eligible for unemployment benefits because they (1) have exhausted such benefits, (2) have not sufficient coverage, or (3) have not worked in covered employment. Ineligible if parent (a) is receiving unemployment benefits or (b) is unemployed because he was discharged from job for "good cause" or left employment without "good cause". An individual is deemed to be unemployed in any week in which he performs no wage-earning services, or works less than the normal weekly hours for his regular occupation and therefore has insufficient earnings to support his family.	Must register with Division of Employment Security and report weekly thereafter for purpose of seeking to obtain employment.	Must accept employment at suitable work. Ineligible if without good cause parent refuses to accept suitable employment offered through Employment Security or by another employer if offer is determined by Board of Public Welfare to be bona fide. "Good cause" determined by Board, considering (1) ability and physical capacity to do the job, (2) dangers or hazards of the employment, (3) substandard wages, or (4) other reasons that would make refusal reasonable. Extent of ineligibility: not specified.
New York	Either parent; (1) totally unemployed on date of application or (2) employed less than 5 days per week and/or less than 35 hours per week.	Must register for employment at State Employment Service and re-register at regular intervals.	Must explore all job possibilities in community and accept any available job he is capable of doing. Ineligible if without good cause parent fails to (1) report for job interview when notified or requested, (2) report results of job referral, (3) report for employment, or (4) accept offer of or referral to employment if wages, compensation, hours, or conditions are not substantially less favorable than those prevailing for similar work in locality, or are not such as tend to depress wages or working conditions. Extent of ineligibility: For as long as employable parent continues to refuse to accept bona fide job offer or referral thereto.

State	1. Requirements concerned with unemployment		
	Definition of unemployment	Registration with Employment Service	Acceptance of bona fide employment
Oklahoma	Either parent (including step- or adopted); physically and mentally able to work; ready, willing, and available to engage in suitable work. Excludes self-employed, domestics, and those normally irregularly employed as farm labor. Unemployment factor reviewed by State office. Ineligible if left previous job without good cause connected with his work, was discharged for misconduct connected with his work, or left job as a participant in a strike against his employer.	Must be currently registered with Oklahoma Employment Security Commission, and re-registered at least each 30 days, reporting to local welfare office with current identification card.	Must accept employment at "suitable work", i.e., work which applicant is qualified to do and physically able to perform. Consideration given to factors of health, safety, morals, and accessibility of job. Not expected to accept job paying less than prevailing wage for similar work. Ineligible if refuses to accept suitable work without good cause. Job not considered "suitable" if it is available because of a strike, lock-out, or other labor dispute. Extent of ineligibility: not specified.
Pennsylvania	Either parent; employable, unemployed, or without sufficient work to provide for the support of the children in his care or control. Employability determined on individual basis, considering capacity, suitability or acceptability in the existing labor market.	Must register for employment with State Employment Service and keep his registration active by re-registering every 60 days. Waived for person on strike since Bureau of Employment Security is prohibited by law from giving employment services to persons on strike.	Must seek, accept, and retain employment within the level of his capacity. If employed but employment does not provide for himself and family, must seek and accept additional or more remunerative work consistent with his capacity and the opportunities for such work. Medical examination may be provided, if necessary, to determine physical, mental, and emotional factors. Ineligible if parent fails to report for referral within specified time, or without good cause refuses to accept referral to suitable work, accepts such referral but does not report to employer or informs him he will not accept job, or accepts job but does not report for work. "Suitable work" and "good cause" determined on individual basis, considering (1) capacity, (2) wages, (3) travel distance, (4) hours of work, (5) provision of proper protective devices for hazardous work, or (6) whether job is strike-bound. Extent of ineligibility: Until employable person demonstrates to satisfaction of County Assistance Office that he is making a sincere effort to get and hold employment.
Rhode Island	Either parent; unemployed or employed part time and available for work. Includes persons who have been self-employed. Can include situation where both parents are available for work, one employed full time and the other unemployed or employed part time.	Must register periodically with Department of Security and give evidence of other efforts to obtain work.	Must look for and accept work which he is mentally and physically able to perform. Physical examination will be offered in doubtful cases. Ineligible if without good cause refuses to accept bona fide offer of employment, i.e., one which parent has ability to perform, travel distance is within reason, and wages, hours, and working conditions are within the minimum established by law. Extent of ineligibility: For as long as parent refuses, without good cause, to accept employment in which he is able to engage if offer is determined by welfare agency to be bona fide. In that situation assistance is denied for 1 month, after which employment status will be reconsidered. In reconsideration, if no job offer currently available and parent is making efforts to find work, children will be eligible.
Utah	Both parents; formerly in labor market but not currently employed, not previously in labor market but seeking work, or currently employed only part time (less than 30 hours per week). If both parents employed part time, combined hours of work must be less than 30 hours per week.	Must register with the State Employment Service, Department of Employment Security.	Must accept employment at suitable work. Ineligible if without good cause parent refuses to accept bona fide offer of suitable employment. "Good cause" determined on individual basis, considering (1) physical capacity to do the job, (2) dangers or hazards of the employment, (3) payment of less than going wage, (4) hours of work, (5) excessive travel distance. Medical examination may be provided if applicant claims physical inability to work. "Physical inability" can include also mental health factors. Extent of ineligibility: Refusal not permanently disqualifying. Reconsideration of employment status and reinstatement can be made at end of 30 days.

State	A. Requirements concerned with unemployment		
	Definition of unemployment	Registration with Employment Service	Acceptance of bona fide employment
Washington	Either or both parents (natural, adoptive, or step-); employable but unemployed, i.e., not working full time for an employer or as a self-employed person; provided, however, that such parent shall be considered unemployed if he is self-employed but his net income is less than he could reasonably be expected to earn as an employee of another person or firm.	Must be currently registered with State Employment Service as an applicant for employment.	Must accept a bona fide offer of employment. Ineligible if without good cause parent refuses to accept a bona fide offer of employment which is reasonably available to him, is within his competence to perform, and compensation for which is equal to the community rate for the type of work involved. "Available" employment may include any area in the State where employment is reasonably available for more than a temporary period as determined by county office. Extent of ineligibility: For 90 days from date of refusal or until parent accepts available employment, whichever is the lesser.
West Virginia	Either parent; employable but unemployed, i.e., (1) has not been employed full time for 3 months prior to application, (2) is not receiving or is not eligible to receive unemployment compensation, (3) is not working full time (150 hours a month, or number of hours considered full time by industry for the particular job), (4) is actively seeking work, (5) has not refused a bona fide offer of employment without good cause within the past 30 days. Can apply to either parent, but employability of the mother is not considered an eligibility factor if her employment would prevent the father from going to work or actively seeking work.	Must register for work with the State Employment Security office of his choice and re-register every 90 days.	Must accept a bona fide offer of employment, i.e., (1) any offer through Employment Security office or Emergency Employment Program, or (2) an offer through or by any other employer if County Department of Welfare worker determines that a job actually exists, work will be available at a specified time and place, and hours of work and wages are commensurate to those of other workers in same job. Ineligible if without good cause parent refuses to accept a bona fide offer of employment. "Good cause" means job (1) is found to be beyond mental or physical capacities, (2) requires skills and training parent does not possess, (3) is dangerous or hazardous, (4) is located so far from home that family would receive little benefit from parent's employment. Examinations may be provided to determine physical or mental capacities. Extent of ineligibility: For the month in which a bona fide offer is refused without good cause.

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[illegible]

State	A. Requirements concerned with unemployment		
	Definition of Unemployment	Registration with Employment Service	Acceptance of bona fide employment
North Carolina	Either parent (natural, adoptive, or step-) is employable but without regular employment. Must be living in North Carolina. Must come to Social Security [illegible] (does not apply to men retiring between 62 and 65 and receiving old-age insurance).	Must be currently registered with Employment Security Commission in an effort to find work.	Must accept any bona fide offer of employment from any source, including sources other than Employment Security Commission. Offers from sources other than ESC considered "bona fide" when employer gives welfare agency a statement that (1) he offered parent a job, specifying time and date, or (2) he has employment available. Statement should explain nature of employment, hours of work, rate of pay, date employment was or is available, transportation needed if any, and any tools to be furnished by parent. Ineligible if parent refuses to accept a bona fide offer of employment. Agency determines whether refusal was with "good cause" considering (1) ability and physical capacity to do job (2) hazards or hazards of the employment (3) payment of less than going wage rate, and (4) excessive travel distance that makes refusal reasonable. Physical examinations may be required to determine ability, including [illegible] factors. Extent of ineligibility: Refusal without good cause is not permanently disqualifying. If later determined that parent is still registered with employment service, is still making effort on his own to obtain employment, and employment previously offered and refused is no longer available to him, his application may be considered.
Oregon	Either parent; able to work and seeking work whether or not he has ever been employed; able to work but receiving training considered essential to future support of his dependents; or unemployed, i.e., having less than $[illegible] per month earnings from employment ($21 per week) but in no case having more than 35 hours per week of employment. Work on a work relief project not considered employment. Unemployment factor determined on individual basis. Includes parent unemployed as a result of a labor dispute, under specified conditions.	Must (1) register with State Employment Service and re-register at least once every 30 days (includes parent referred to work relief projects), and (2) report for available employment or offer as requested by County Department of Public Welfare in the light of labor market and seasonal activities. Applies also to employable dependents included in assistance application "when circumstances permit."	Must take any work within his capacity, regardless of his customary employment. May be (1) work referral offered through State Employment Service or (2) work offered direct by another employer. Offer must be verified to County Department of Public Welfare, specifying the job offered, wage, and date offered. Ineligible if during the preceding 30 days parent has refused without good cause to accept work which he is able to do. "Refusal" includes quitting a job. "Good cause" exists when (1) physical or mental condition prevents his doing the work, (2) work is unusually dangerous, (3) wages are less than going rate, (4) travel distance is excessive, or transportation cannot be arranged and to move closer is impractical. In questionable cases unemployment compensation rulings on "good cause" apply, except that parent is expected to accept any job offer within his capacity. Medical examination authorized if necessary. Extent of ineligibility: Ineligibility on sole basis of refusal of work without good cause continues only for period of 30 days.

STATES WITH PLANS APPROVED SEPTEMBER 1961—continued

State	E. Special Requirements				
	Work for relief	Unemployment compensation	Special treatment of resources	Referral to Vocational Education	Frequency of contact or review
Connecticut	No requirement.	Must apply for unemployment compensation. Under Connecticut Unemployment Compensation law strikers are not eligible for benefits.	No provision. Same as regular ADC program.	Must accept training or retraining referral to Vocational Education Division of Department of Education, when recommended by State Employment Service.	Review of continuing eligibility must be made every [illegible] months; more frequently when changing circumstances in case require it.
Delaware	No requirement.	No requirement regarding receipt of unemployment compensation; any amount received from this source considered as income in determining need.	No provision. Same as regular ADC program.	Must accept training referral to Vocational Education. Ineligible for as long as training offer remains open and parent continues to refuse it. Eligibility later can be established only if parent agrees to accept next available referral for such training and requests a referral from Delaware State Employment Service.	Review of continuing eligibility must be made every [illegible] months; more frequently when changing circumstances in case require it.
Hawaii	No requirement. May be permitted to work on a Temporary Labor Force project when a family's total requirements exceed the Federal matching maximum for ADC if (1) social worker determines that such assignment would be beneficial, and (2) that portion of the family's requirements over the Federal matching maximum is paid from General Assistance funds.	No requirement regarding receipt of unemployment compensation; any amount received from this source considered as income in determining need.	No provision. Same as regular ADC program.	Must be willing to make use of vocational training or re-training courses offered through the Division of Vocational, Post High and Adult Education.	Re-determination of continuing eligibility shall be made at least once every [illegible] months; more frequently when changing circumstances in case require it.
Illinois	Must accept assignment to work project unless he is able to furnish evidence of prospects for re-employment in 30 days, is receiving vocational training, or would be required to work less than 3 days. Assignments are equivalent to 60% of ADC assistance payment or 15 days' employment each month, whichever is the lesser.	No requirement regarding receipt of unemployment compensation; any amount received from this source considered as income in determining need.	Same as regular ADC, except that final decision regarding (1) disposition of property, (2) status of nonessential motor vehicle with cash value not to exceed $[illegible], and (3) adjustment of loan on family's life insurance policies is to be deferred for 90 days on assumption that unemployment is temporary. Extension for additional [illegible] days may be granted if parent has bona fide prospect of early employment, including return to seasonal employment.	Expected to accept vocational counselling or re-training if training in a new skill is indicated.	Contact is to be maintained at least once each month. Regular income must be verified at least once every [illegible] months. Parent must submit "Income Report" once each month.

State	B. Special Requirements				
	Work for relief	Unemployment Compensation	Special treatment of resources	Referral to Vocation Education	Frequency of contact or review
Maryland	No requirement.	Not eligible if he is receiving unemployment insurance benefits.	No provision. Same as regular ADC program.	Does not specify. Cooperative agreement for referral of individuals for re-training is now under discussion with Maryland State Department of Education, Division of Vocational Education.	Review of continuing eligibility must be made every 3 months, more frequently when changing circumstances in case require it. Technical factor of unemployment of father must be reviewed every month.
Massachusetts	May not be required to work in return for assistance under ADC.	Not eligible for any week in which he receives unemployment compensation benefits.	May retain tools, equipment, or other effects used in normal employment or trade. Value thereof not included in evaluation of personal property. Not required to adjust life insurance until it is established whether assistance will be of short- or long-term duration.	May be referred to State Division of Vocational Education for re-training.	Continuing eligibility must be re-determined at least every 3 months. More frequently if change in family situation so indicates.
New York	May be required to accept assignment to work relief project, at rate paid to work relief recipients, for as many hours per month as may be required to meet need beyond the amount of the ADC payment for which Federal matching is available ($30 multiplied by number of dependent children plus one dependent relative).	Must apply for unemployment insurance benefits.	No provision. Same as regular ADC program.	Must attend course of vocational training or re-training when considered necessary by welfare agency to further possibility of his return to employment.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.
Oklahoma	No requirement.	If applicant was eligible for unemployment compensation benefits, has exhausted such benefits.	No provision. Same as regular ADC program.	Must accept any opportunity for training or re-training offered by the Vocational Education Agency of the State.	Review of continuing eligibility must be made at least every 3 months. Review of employment factor is made by Division of Field Service (State) at least every 60 days.
Pennsylvania	No requirement. Father may be required to work on Relief Work Program up to number of hours which, when multiplied by hourly wage, equals the "State only" part of assistance payment, as determined by State formula. Ineligible if he fails (1) to report for work or (2) to continue working without "good reason" (illness, seeking private employment, excessive travel distance, substandard wages, other substandard working conditions). Remains ineligible until he agrees to accept reassignment or reports for work on an available job.	No requirement regarding receipt of unemployment compensation; any amounts received from this source would be considered as income in determining need.	No provision. Same as regular ADC program.	Must accept referral for vocational training. During such training may receive work credits (for State-only portion of assistance payment) in same manner as if he were employed on Relief Work project. Ineligible if parent refuses to report for pre-referral interview, accept referral, or attend classes.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.

State	B. Special Requirements				
	Work for relief	Unemployment Compensation	Special treatment of resources	Referral to Vocational Education	Frequency of contact or review
Rhode Island	Not required or permitted.	No requirement regarding receipt of unemployment compensation; any amount received from this source would be considered as income in determining need.	No provision. Same as regular ADC program.	Does not specify. Cooperative agreement with Department of Education regarding vocational education will be completed by January 1. 1962.	Continuing eligibility will be determined as indicated in the individual situation but at least once monthly.
Utah	May be referred to a work project. Not mandatory. Limited to 24 hours and $28 per week or the monthly equivalent, to be paid weekly. Amount earned on a work project shall be deducted from needs budget or legal maximum and the difference shall be the amount of money payment issued each month as in all other ADC cases.	No requirement regarding receipt of unemployment compensation; any amount received from this source considered as income in determining need.	Exception to the lien (required for all public assistance categories on excess real property) may be authorized when recipient is assigned to a work project. An assignment agreement must be executed on real estate contracts (involving property which applicant has sold) when value exceeds the legal maximum property limitation.	Does not specify. Cooperative agreement for referral of individuals for re-training is being worked out with State Department of Education.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.
Washington	Since employable parent receives aid through General Assistance, he is subject to assignment to General Assistance work relief projects where established by local political sub-divisions. Failure to report without good cause or failure to cooperate on the project may result in denial or suspension of assistance. No provision for work relief relating directly to ADC payment for needs of caretaker and eligible children.	Must apply for unemployment compensation benefits.	No provision, except that General Assistance for employable persons permits retention of resources necessary to restoration of independence.	No requirement. May be referred to Non-Disabled Program of Division of Vocational Rehabilitation.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.
West Virginia	Will be referred to Emergency Employment Program for placement on suitable work. Hours of work and wages paid will be determined by the coordinator of that agency. Wages will be considered as income in determining amount of assistance payment.	Must apply for unemployment compensation benefits. Not applicable to parents who (1) were self-employed, (2) have worked primarily in agriculture, (3) are domestics, and (4) were employed by State and local governmental units since they are not eligible for such benefits.	No provision. Same as regular ADC program.	May be referred by Department of Employment Security to Division of Vocational Education for training or re-training.	Re-determination of eligibility will be completed every 3 months. If change in family circumstances is reported, must be followed up within 30 days.

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SUPPLEMENT--STATES WITH PLANS APPROVED EFFECTIVE OCTOBER 1961

State	B. Special Requirements				
	Work for relief	Unemployment compensation	Special treatment of resources	Referral to Vocation Education	Frequency of contact or review
North Carolina	No requirement.	Must have (1) received unemployment compensation and (2) exhausted all such compensation to which he is entitled, including temporary extended unemployment compensation.	No provision.	No requirement. May be referred to local industrial education center, if such center is available in community, for increased training or re-training, as provided in cooperative arrangement between State Board of Public Welfare and Vocational Education Division, State Department of Public Education.	Review of continuing eligibility must be made at least once within each 3-month period.
Oregon	No requirement. In counties with Work Relief Program unemployed parent may be referred to General Assistance work relief project. Maximum hours for referral are based upon specified items assigned to GA budget. Wages paid as General Assistance considered as income in determining amount of ADC payment. Refusal to work on a project results in denial of assistance to the entire family for 30 days. In counties without Work Relief Program, full needs of unemployed parent included in ADC assistance payment.	Must accept unemployment compensation benefits if eligible therefor. Ineligibility for ADC for any month in which parent draws unemployment compensation for any or all weeks of the month.	No provision.	No requirement. Referrals made on individual basis. If prospects for steady employment are poor due to insufficient skills, consideration is given to vocational education facilities available in area. If County Department of Public Welfare considers vocational education essential to prevention of future dependency and suitable plan can be arranged, assistance may be continued during training period provided other eligibility conditions are met.	Re-investigation required every 3 months.

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State	B. Special Requirements				
	Work for relief	Unemployment Compensation	Special treatment of resources	Referral to Vocational Education	Frequency of contact or review
Rhode Island	Not required or permitted.	No requirement regarding receipt of unemployment compensation; any amount received from this source would be considered as income in determining need.	No provision. Same as regular ADC program.	Does not specify. Cooperative agreement with Department of Education regarding vocational education will be completed by January 1, 1962.	Continuing eligibility will be determined as indicated in the individual situation but at least once monthly.
Utah	May be referred to a work project. Not mandatory. Limited to 20 hours and $28 per week or the monthly equivalent, to be paid weekly. Amount earned on a work project shall be deducted from needs budget or legal maximum and the difference shall be the amount of money payment issued each month as in all other ADC cases.	No requirement regarding receipt of unemployment compensation; any amount received from this source considered as income in determining need.	Exception to the lien (required for all public assistance categories on excess real property) may be authorized when recipient is assigned to a work project. An assignment agreement must be executed on real estate contracts (involving property which applicant has sold) when value exceeds the legal maximum property limitation.	Does not specify. Cooperative agreement for referral of individuals for re-training is being worked out with State Department of Education.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.
Washington	Since employable parent receives aid through General Assistance, he is subject to assignment to General Assistance work relief projects where established by local political sub-divisions. Failure to report without good cause or failure to cooperate on the project may result in denial or suspension of assistance. No provision for work relief relating directly to ADC payment for needs of caretaker and eligible children.	Must apply for unemployment compensation benefits.	No provision, except that General Assistance for employable persons permits retention of resources necessary to restoration of independence.	No requirement. May be referred to Non-Disabled Program of Division of Vocational Rehabilitation.	Review of continuing eligibility must be made every 3 months; more frequently when changing circumstances in case require it.
West Virginia	Will be referred to Emergency Employment Program for placement on suitable work. Hours of work and wages paid will be determined by the coordinator of that agency. Wages will be considered as income in determining amount of assistance payment.	Must apply for unemployment compensation benefits. Not applicable to parents who (1) were self-employed, (2) have worked primarily in agriculture, (3) are domestics, and (4) were employed by State and local governmental units since they are not eligible for such benefits.	No provision. Same as regular ADC program.	May be referred by Department of Employment Security to Division of Vocational Education for training or re-training.	Re-determination of eligibility will be completed every 3 months. If change in family circumstances is reported, must be followed up within 30 days.

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State	B. Special Requirements				
	Work for relief	Unemployment compensation	Special treatment of resources	Referral to Vocational Education	Frequency of contact or review
North Carolina	No requirement.	Must have (1) received unemployment compensation and (2) exhausted all such compensation to which he is entitled, including temporary extended unemployment compensation.	No provision.	No requirement. May be referred to local industrial education center, if such center is available in community, for increased training or re-training, as provided in cooperative arrangement between State Board of Public Welfare and Vocational Education Division, State Department of Public Education.	Review of continuing eligibility must be made at least once within each 3-month period.
Oregon	No requirement. In counties with Work Relief Program unemployed parent may be referred to General Assistance work relief project. Maximum hours for referral are based upon specified items assigned to GA budget. Wages paid as General Assistance considered as income in determining amount of ADC payment. Refusal to work on a project results in denial of assistance to the entire family for 30 days. In counties without Work Relief Program, full needs of unemployed parent included in ADC assistance payment.	Must accept unemployment compensation benefits if eligible therefor. Ineligibility for ADC for any month in which parent draws unemployment compensation for any or all weeks of the month.	No provision.	No requirement. Referrals made on individual basis. If prospects for steady employment are poor due to insufficient skills, consideration is given to vocational education facilities available in area. If County Department of Public Welfare considers vocational education essential to prevention of future dependency and suitable plan can be arranged, assistance may be continued during training period provided other eligibility conditions are met.	Re-investigation required every 3 months.

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APPENDIX 5

ADC-UP: The 13 States and 45 local units included in the review

State	Local agencies reviewed	State	Local agencies reviewed
Connecticut	Bridgeport district. Waterbury district. Norwich district.	New York	Erie County. Oneida County. Clinton County. Fulton County.
Delaware	Kent County. New Castle County.	Oklahoma	Tulsa County. Pottawatomie County.
Hawaii	Oahu County. Hawaii County. Maui County. Kauai County.	Pennsylvania	Philadelphia County. Schuylkill County. Cambria County. Clearfield County.
Illinois	Cook County. Franklin County. Marion County. St. Clair County. Kankakee County. Macon County.	Rhode Island	Providence area. Woonsocket area.
		Utah	Salt Lake County. Utah County. Carbon County.
Maryland	Baltimore City. Cecil County. Washington County.	Washington	Grays Harbor County. King County. Spokane County. Yakima County.
Massachusetts	Boston City. Salem City. Springfield City. Chicopee City. Holyoke City.	West Virginia	Cabell County. Logan County. Wood County.

APPENDIX 6

ADC-UP: Number of cases reviewed in each State, by type

State	Total	Receiving assistance	Denied applications [1]	Closed cases [2]
Total reviewed	[3] 1,876	1,006	353	517
Connecticut	160	60	54	46
Delaware	89	54	0	35
Hawaii	112	69	6	37
Illinois	344	175	90	79
Maryland	104	73	13	18
Massachusetts	70	35	18	17
New York	206	100	47	59
Oklahoma	15	6	7	2
Pennsylvania	238	120	38	80
Rhode Island	97	48	16	33
Utah	143	81	19	43
Washington	167	101	31	35
West Virginia	131	84	14	33

[1] The sample was selected from applications denied because the definition of "unemployment" was not met and because of the parent's refusal to accept a job offer. In 7 States, some denials for other reasons were also reviewed.

[2] The sample was selected from those closed because the parent obtained employment and because of the parent's refusal to accept a job offer. In 7 States, some closings for other reasons were also reviewed.

[3] For the cases reviewed in which the unemployed ADC parent had been assigned to work relief, case information relative to this assignment was secured in addition to the material obtained for all cases. Such assignments had been made in Hawaii, Illinois, New York, Pennsylvania, Utah, and West Virginia.

APPENDIX 7

Month in 1961 in which ADC-UP became effective in 13 States

State	*Month effective*	*State*	*Month effective*
Connecticut	July.	Oklahoma	May.
Delaware	Do.	Pennsylvania	Do.
Hawaii	Do.	Rhode Island	Do.
Illinois	May.	Utah	June.
Maryland	Do.	Washington	July.
Massachusetts	Do.	West Virginia	Do.
New York	Do.		

AID TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS, NOVEMBER 1961

The attached tables summarize available information on the unemployed-parent segment of aid to dependent children. States were enabled to extend their aid to dependent children programs to cover children of unemployed parents by Public Law 87-31, which was effective May 1, 1961. The unemployed-parent segment of aid to dependent children is an integral part of the overall program of aid to dependent children, and data for this segment of State programs are included in all data pertaining to the State programs as a whole.

Tables 1 and 2 of the attached set are included in the "Advance Release of Statistics on Public Assistance, November 1961," as tables 6 and 17, respectively; table 1 will also be published in the Social Security Bulletin. Because of difficulties encountered in initiating separate reporting for this segment of the caseload, some items of information covered by the attached tables are currently incomplete for some States. U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Family Services, Division of Program Statistics and Analysis, January 18, 1962.

APPENDIX 8

TABLE 1.—*Aid to dependent children of unemployed parents: Recipients and payments to recipients, November 1961* [1]

State	Number of families	Number of recipients		Payments to recipients		
		Total [2]	Children	Total	Average per—	
					Family	Recipient
Total	43,215	199,337	157,139	$6,719,338	$155.49	$33.71
Connecticut	1,117	4,897	3,817	226,940	203.17	46.34
Delaware	340	1,684	1,345	30,597	89.99	18.17
Hawaii	186	1,057	872	27,848	149.72	26.35
Illinois	*5,738*	*30,003*	*24,279*	*1,432,290*	*249.61*	*47.74*
Maryland	*395*	*1,987*	*1,592*	*65,368*	*165.49*	*32.90*
Massachusetts	277	1,206	950	36,255	130.88	30.06
New York	10,254	49,508	40,926	1,757,379	171.38	35.50
Oklahoma	5	21	16	836	[3]	[3]
Pennsylvania	12,595	55,786	43,219	1,630,518	129.93	29.34
Rhode Island	441	2,088	1,647	77,961	176.78	37.34
Utah	465	2,026	1,561	44,789	96.32	22.11
Washington	1,617	7,212	5,595	155,811	96.36	21.60
West Virginia	9,785	41,862	32,220	1,226,746	125.37	29.30

[1] Payments for children of unemployed parents under aid to dependent children were authorized by Public Law 87-31. Data for this segment of the program, shown separately here, are included in data for the total program. Figures in italic represent program under State plan not yet approved by the Social Security Administration. All data subject to revision.

[2] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

[3] Average payments not computed on base of fewer than 50 recipients.

TABLE 2.—*Aid to dependent children of unemployed parents: Applications and cases, by State, November 1961* [1]

State	Applications			Cases		
	Received during month	Terminated during month	Pending at end of month	Added during month	Closed during month	Continued to next month
Total [2]	10,487	9,784	6,134	7,335	4,308	40,622
Connecticut	402	418	48	354	183	1,013
Delaware	144	135	65	96	55	341
Hawaii	65	56	22	43	36	230
Illinois	1,287	1,041	2,509	592	220	5,045
Maryland	352	284	157	184	120	490
Massachusetts	109	92	49	85	52	240
New York	2,951	2,790	1,054	2,046	1,574	9,369
Oklahoma	3	4	7	0	1	5
Pennsylvania	3,084	2,810	810	1,996	1,447	12,258
Rhode Island	98	92	12	82	111	431
Utah	213	213	10	101	112	524
Washington	(2)	(2)	(2)	(2)	(2)	(2)
West Virginia	1,779	1,849	1,391	1,696	397	9,761

[1] Payments for children of unemployed parents under aid to dependent children were authorized by Public Law 87-31. Data for this segment of the program, shown separately here, are included in data for the total program. All data subject to revision.
[2] Data not available for Washington.

TABLE 3.—*Aid to dependent children of unemployed parents: Number of applications terminated during the month by reason of termination, by State, November 1961*

State	Total	Assistance authorized	Denied or otherwise disposed of						
			State's definition of unemployment not met	Refused to accept suitable management		Residence requirement	Income exceeds determined need	Resources other than income exceed State's standards	Other
				Employment security referral	Other source of employment offer				
United States [1]	9,784	7,335	281	36	68	35	464	53	1,512
Connecticut	418	354	11	3	2	0	15	5	28
Delaware	135	96	1	1	1	1	0	0	35
Hawaii	56	43	0	0	1	0	2	1	9
Illinois	1,041	592	60	0	3	6	134	12	234
Maryland	284	184	24	0	0	0	2	0	74
Massachusetts	92	85	2	0	1	0	0	1	3
New York	2,790	2,046	103	15	30	0	118	23	455
Oklahoma	4	0	3	0	0	0	0	0	1
Pennsylvania	2,810	1,996	28	3	25	22	175	8	553
Rhode Island	92	82	0	0	0	0	0	0	10
Utah	213	101	11	0	0	1	2	0	38
Washington	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
West Virginia	1,849	1,696	38	14	5	5	16	3	72

[1] Data not available for Washington.

TABLE 4.—*Aid to dependent children of unemployed parents: Cases added during the month, classified by general assistance and unemployment compensation benefit status, by State, November 1961*

State	Total	General assistance		Unemployment compensation benefit status			
						No claim pending	
		Receiving general assistance	Not receiving general assistance	Receiving unemployment compensation benefits	Claim pending	Benefits received within past 6 months	Benefits not received within past 6 months
United States [1]	7,335	1,020	6,315	647	1,719	1,438	3,446
Connecticut	354	59	295	41	160	75	78
Delaware	96	93	3	8	46	12	30
Hawaii	43	1	42	7	15	5	16
Illinois	592	500	92	62	26	146	358
Maryland	184	5	179	0	70	49	65
Massachusetts	85	19	66	(1)	(1)	(1)	(1)
New York	2,046	236	1,810	255	690	276	825
Oklahoma	0	0	0	0	0	0	0
Pennsylvania	1,996	67	1,929	242	629	453	672
Rhode Island	82	34	48	9	28	11	34
Utah	161	0	161	4	50	13	94
Washington	(1)	(1)	(1)	(1)	(1)	(1)	(1)
West Virginia	1,696	6	1,690	19	5	398	1,274

[1] Data not available for Massachusetts and Washington.

TABLE 5.—*Aid to dependent children of unemployed parents: Cases closed during month, classified by reason for closing, by State, November 1961*

State	Total	Parent obtained employment			Parent refused to accept suitable employment		No eligible child in home	Other reasons
		Returned to former employment	Employment security referral	Other source of employment offer	Employment security referral	Other source of employment offer		
United States [1]	4,308	740	158	2,042	49	110	29	1,180
Connecticut	183	18	18	76	1	0	1	69
Delaware	55	6	1	31	1	1	0	15
Hawaii	36	2	1	13	1	1	0	18
Illinois	220	38	10	130	0	6	7	29
Maryland	120	3	4	4	0	0	0	109
Massachusetts	52	18	4	12	1	0	1	16
New York	1,574	308	74	784	21	39	9	339
Oklahoma	1	0	0	0	0	0	0	1
Pennsylvania	1,447	260	21	773	0	2	2	389
Rhode Island	111	12	19	50	2	0	0	28
Utah	112	16	0	28	0	0	0	68
Washington	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
West Virginia	397	59	6	141	22	61	9	99

[1] Data not available for Washington.

TABLE 6.—*Aid to dependent children of unemployed parents: Number of applications received and disposed of, 12 States,[1] May-November 1961*

State	Total applications received	Approved for assistance	Denied or otherwise disposed of	Percent of applications denied or otherwise disposed of for specified reasons								Pending at end of period
				State's definition of employment not met	Refused to accept suitable employment			Residence requirement	Income exceeded determined need	Other resources exceeded State's standard	Other	
					Total	Employment security referral	Other source of employment offer					
Total	86,315	66,128	14,325	10	4	1	3	2	21	3	60	[2] 6,134
Connecticut	2,407	2,003	356	25	5	2	3	2	29	6	33	48
Delaware	736	554	117	5	2	1	1	3	3	1	87	65
Hawaii	422	356	46	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	22
Illinois	11,741	7,006	2,286	13	3	1	2	1	28	3	51	2,509
Maryland	1,451	742	551	20	1	1	(4)	(4)	1	1	76	157
Massachusetts	560	482	62	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	49
New York	22,671	17,775	4,020	14	8	3	5	0	19	4	56	1,054
Oklahoma	27	7	13	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	7
Pennsylvania	30,466	24,368	5,288	2	3	(4)	2	3	24	1	67	810
Rhode Island	1,003	929	62	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	12
Utah	1,442	1,151	281	32	2	1	1	1	7	2	57	10
West Virginia	13,389	10,755	1,243	14	5	3	2	5	13	3	61	1,391

[1] Data for Washington not available. Data shown partly estimated for some items for some States.

[2] Differs from total received less numbers approved and denied or otherwise disposed of because of reporting adjustments.

[3] Data not computed on base of less than 100.

[4] Less than 0.5 percent.

TABLE 7.—*Aid to dependent children of unemployed parents: Status of cases approved for assistance with respect to receipt of general assistance and unemployment compensation benefits at time of approval, 12 States,[1] May–November 1961*

State	Total cases approved for assistance	Percent of cases		Percent of cases[2]				
		Receiving general assistance	Not receiving general assistance	Receiving unemployment compensation benefits	With claim pending	With no claim pending		
						Total	Benefits received within past 6 months	Benefits not received within past 6 months
Total	66,128	46	54	12	20	68	10	48
Connecticut	2,003	36	64	15	34	51	21	30
Delaware	554	95	5	11	39	50	16	34
Hawaii	356	26	74	14	31	55	5	50
Illinois	7,006	95	5	9	4	87	16	70
Maryland	742	13	87	0	34	66	27	39
Massachusetts	482	37	63	(2)	(2)	(2)	(2)	(2)
New York	17,775	49	51	21	22	56	10	47
Oklahoma	7	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Pennsylvania	24,368	52	48	12	29	59	30	29
Rhode Island	929	70	30	14	21	65	13	52
Utah	1,151	25	75	2	16	82	7	75
West Virginia	10,755	(4)	100	1	1	98	15	83

[1] Data for Washington not available. Data shown partly estimated for some items for some States.
[2] Based on totals excluding Massachusetts; data not available.
[3] Percentages not computed on base of less than 100.
[4] Less than 0.5 percent.

TABLE 8.—*Aid to dependent children of unemployed parents: Reasons for closing cases, 12 States,*[1] *May–November 1961*

State	Total cases closed	Percent of cases closed because—								
		Parent obtained employment				Parent refused to accept suitable employment			No eligible child in home	Of other reasons
		Total	Returned to former employment	Employment security referral	Other source of employment offer	Total	Employment security referral	Other source of employment offer		
Total	25,763	68	23	3	42	2	1	1	1	29
Connecticut	1,005	55	12	6	38	2	(2)	2	1	42
Delaware	211	70	23	2	45	2	(2)	2	1	27
Hawaii	129	34	9	3	22	6	4	2	0	60
Illinois	1,078	69	18	3	48	2	1	2	3	26
Maryland	342	15	3	4	8	4	3	(2)	(2)	82
Massachusetts	210	64	26	6	32	1	1	0	1	34
New York	8,623	73	25	5	44	3	1	2	1	23
Oklahoma	2	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Pennsylvania	11,833	71	25	2	44	(2)	(2)	(2)	(2)	28
Rhode Island	522	73	14	12	47	1	1	(2)	(2)	26
Utah	648	61	25	2	34	1	(2)	(2)	1	37
West Virginia	1,169	35	12	1	22	9	2	6	2	54

[1] Data for Washington not available. Data shown partly estimated for some items for some States.

[2] Less than 0.5 percent.

[3] Percentages not computed on base of less than 100.

APPENDIX 9

U.S. DEPARTMENT OF LABOR,
BUREAU OF EMPLOYMENT SECURITY,
Washington, D.C., May 10, 1961.

EMPLOYMENT SERVICE PROGRAM—LETTER No. 1175

To: All State employment security agencies.[1]
Subject: Employment service cooperation with public assistance agencies on "dependent-child" program.

Public Law No. 87-31, approved by the President on May 8, 1961, amends title IV of the Social Security Act to provide, for the period beginning May 1, 1961, and ending June 30, 1962, aid to dependent children of unemployed parents. Under the provisions of the law, the program will be administered by State public assistance agencies. However, in order to qualify for this assistance an unemployed individual must, among other things, be registered at a public employment office and must not have refused without good cause to accept an offer of employment made to him through the public employment office or directly by an employer. We have developed a basic understanding with officials of the Department of Health, Education, and Welfare concerning this program, and of the respective responsibilities of the State public assistance agencies and of the State Employment Services. The following guidelines are for your information.

The language of Public Law No. 87-31 provides that the plan of the State public assistance agencies include "(A) provisions for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment of the unemployed parents of such children, including appropriate provision of registration and periodic reregistration of the unemployed parent of any such child and for maximum utilization of the job placement services and other services and facilities of such offices, and (B) provisions to assure that aid to dependent children is not provided to any such child or relative, if, and for as long as, the unemployed parent refuses without good cause to accept employment, in which he is able to engage, which (i) is offered through such public employment offices, or (ii) is otherwise offered by an employer if the offer is determined by the State agency after notification by such employer to be a bona fide offer of such employment * * *."

Participation in the program will be a matter for individual State determination. For those States which do participate a cooperative agreement is contemplated between the State public assistance agency and the State Employment Service. Pertinent to such an agreement is the following understanding between the Department of Labor and the Department of Health, Education, and Welfare of the respective responsibilities of the State public assistance agency and the State Employment Service:

(1) Public assistance applicants not already registered by the public employment office will be directed by the public assistance agency to the local employment office for such purpose. In most States employment service identification cards with current validation can serve as evidence of registration.

(2) Applicant sent to the local employment office by the public assitance agency will be given the same treatment and consideration as other applicants in the registration, selection, and referral processes.

(3) In making referrals, all employment service policies shall apply, including the policy of selecting qualified applicants for job openings, i.e., selection and referral of individual applicants will be based on individual qualifications to perform the job and not on other factors.

(4) The local employment office will notify the public assistance agency when applicants are placed in jobs or when they fail or refuse to take action requested of them in relation to employment.

(5) The public assistance agency will make all determinations as to whether the individual applicant will be given assistance payments.

A number of State employment services already have cooperative agreements with public assistance agencies, and the arrangements already in effect in these States will probably not be altered appreciably by the introduction of this new program.

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[1] Transmitted to State agencies administering approved public assistance plans by State letter No. 483 dated May 26, 1961.

It is expected that the workload under this program will be relatively light. Experience in certain States, however, indicates that the load from this type of program may be heaviest initially, and that consideration should be given to having the public assistance agencies schedule applicants to visit the local employment offices in the late afternoon or during other periods when workloads are relatively light. The normal State policy and practice for deferring the taking of written applications for certain categories of applicants should be explained to the public assistance authorities, so that the employment service's identification card can serve as evidence of registration where a full application card is not completed. Public assistance authorities should also be advised as to the length of the validity period.

With reference to the required determination as to whether a public assistance applicant has refused an offer of work for good cause, the public assistance agencies may request some guidance from unemployment insurance officials, particularly information on precedent and policy. It is not expected however, that the workload for this activity will be such as to constitute a burden to any State headquarters or local office.

To avoid possible misunderstanding that recipients of assistance under this new law will receive any priority or special treatment, it would probably be well to explain to the public assistance authorities the pertinent employment service policies, including the policy requiring the selection of qualified applicants for referral to job openings, i.e., selection and referral based on qualifications to perform the job.

Forms and procedures for notifying public assistance agencies of job refusals can be patterned on those used for unemployment insurance claimants, as much the same information is needed to determine eligibility for each type of payment. It is also suggested that for ready identification the application cards of public assistance applicants be marked with an appropriate symbol in one of the selection factor blocks. Arrangements should also be made for identifying the application cards of previously registered employment service applicants who become recipients of public assistance under this law. Then, in the event a public assistance applicant is placed, fails to answer a call-in, or refuses a job offer of an employer, the public assistance agency should be notified. Notification should include such pertinent information as the applicant's name and occupational classification, employer's name and address, title and wages of job offered or in which applicant is placed, and probable duration of job. Other factors on which the public assistance agency may desire information include distance of employment from applicant's residence, transportation available, working conditions, and any significant relationship between the job offered to the applicant and his skills, training, and experience.

Determinations on eligibility for assistance under this program are entirely the responsibility of the public assistance agencies. Questions on eligibility as well as requests for general information about the program should be referred by employment service personnel to the appropriate public assistance office.

The State employment services may be requested to provide information on public assistance applicants as an aid to the public assistance agency in encouraging the retraining of certain individuals. The amendment to title IV provides that the plan of the State public assistance agency include a provision "for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the State * * * to encourage the retraining of individuals capable of being retrained." Information regarding counseled public assistance applicants' vocational plans or information on their ability to profit from a training course as indicated by aptitude tests given for specific selection purposes will likely be useful to the public assistance agency in encouraging training or retraining. Arrangements for providing this information, if requested, should be kept as simple as possible.

The act provides that a State may, at its option, deny all or any part of the aid made available under the act if the unemployed parent is in receipt of unemployment insurance. Welfare agencies normally procure information directly from the recipient as to his financial resources. Therefore it is unlikely that the employment security agencies will be asked to furnish unemployment insurance information to the welfare agencies on any significant number of cases under the new act.

Four copies of the agreement between the State employment service and the State public assistance agency should be transmitted as an amendment to the State plan of operation, in accordance with instructions contained in section

1206(A), part I of the Employment Security Manual. This will insure that the national and regional offices of the Bureau are notified of the participation of a State agency.

The estimate of financial requirements for the remainder of the current fiscal year indicates that most States can absorb any costs in connection with this program. If, however, individual States will need funds for this purpose during fiscal year 1961, a supplemental request should be submitted. Instructions to be followed by State agencies in submitting 1962 budget requests for this purpose will be issued in the near future.

Sincerely yours,

ROBERT C. GOODWIN, *Director.*

APPENDIX 10

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF EDUCATION,
DIVISION OF VOCATIONAL EDUCATION,
Washington, D.C., May 18, 1961.

Sent to: State directors of vocational education.[1]
Sent by: James H. Pearson, Assistant Commissioner for Vocational Education.
Subject: Providing vocational training of unemployed parents.

Public Law 87–31 approved by the President May 8, 1961, provides for an extension of Federal grants to the States for aid to dependent children for the period of May 1, 1961, to July 1, 1962, to include those children who are in need because of the unemployment of a parent. Hitherto children were eligible for aid if one of their parents was dead, incapacitated, or absent from the home. This program extension was proposed by the President as one of the measures to deal with the current high rate of unemployment. A copy of the text is enclosed.

For those States which wish to implement this amendment to the Federal law, certain conditions will need to be fulfilled. Among these is the following addition to the requirements for the approval of State plans for public assistance:

"* * * provision for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the State, looking toward maximum utilization of available public vocational education services and facilities in the State in order to encourage the retraining of individuals capable of being retrained."

The State agency referred to in this provision is the State board for vocational education. You may expect, therefore, that in those States which decide to take advantage of the new Federal legislation (it is not expected that all the States will do so), the director of the State welfare agency will be discussing with you how this requirement can be fulfilled. The cooperative arrangement referred to in the Federal law should include provision for the State welfare staff to become familiar with the training resources available to the State and an orderly plan for the referral of persons to the facilities you have for training or retraining of adults.

This will offer an opportunity for you to become familiar with the training needs of the recipients of public assistance and to make such modifications as may be needed in your training plans to meet the needs of this group.

Secretary RIBICOFF. Our present law permits recognition of payments made by States, in families with dependent children, to the children and one adult relative with whom they are living. In homes where incapacity or unemployment is the cause of need, two parents may be living. A majority of the States do recognize the needs of the second parent in the budget, but there is no Federal financial participation on the basis of his inclusion as a recipient. We believe that both parents should be included with full Federal participation in such cases, and we believe that this change would help to strengthen family life and prevent undue hardship.

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[1] Transmitted to State agencies administering approved public assistance plans by State letter No. 488, dated May 26, 1961.

In a few situations, children may be removed from their parents' home because conditions in the home endanger their well-being. We recommended, and the House agreed, that the limited provision enacted last year for Federal sharing in the cost of foster home care of such children be made permanent. We also recommend that payments be permitted for care in child-care institutions to permit placements in institutions if they are found more desirable for an individual child.

Foster care is a relatively small activity under the temporary provision. Only some 1,120 children receiving aid to dependent children support were in foster families in March. But provision for this kind of help is an important part of our total effort to give needy children care and protection.

PROTECTIVE PAYMENTS

Nearly all welfare recipients have proven their ability to make the very small sums of money available to them stretch to cover food, shelter, and clothing, and to care for their children. Some few, however, have difficulty in handling their funds so that there children receive the full benefit of the money made available by the States. Current provisions of the aid to dependent children program have some limitations in dealing with these situations. Federal financial participation is now confined to assistance given in the form of money payments. Although States have been free to pay assistance in other forms, and many have done so, the fact that Federal funds could not be used in these payments has been considered a handicap by some people to the effective protection of children whose parents or other relatives are not giving the children the benefit of the payment made.

The Administration in its legislative proposals offered a new protective payment method for dealing with these problem situations. This involved the identification of situations which required such special handling and the payment of the welfare grant to a third person who is interested in the welfare of the recipient family while the agency worked with the parent to remedy the situation.

The method incorporated in section 108 of the House bill provides safeguards which would assure fair treatment and protect the rights of the recipient families while also protecting the interest of the dependent children. In situations where it is clear that the problem cannot be solved in this fashion, legal guardianship or other arrangements would be an alternative solution.

We believe that this position is sound and I strongly recommend its adoption. The House saw fit to raise the maximum number of families which might be included under this provision from our recommended one-half of 1 percent of the case load to 5 percent. We would not object to that change.

The bill as it passed the House contained not only the provision for "protection payments," section 108, but also an additional provision in section 107(a) which I cannot recommend. The House-added provision would enable States to give advice and counsel to recipients on the management of their money and to advise them that continued failure to use the payment in the best interest of the child would

result in payments other than money payments. Many such actions could have been and very likely are now being taken by States. However, I see no serious objection to its inclusion. In addition, however, the House provision said that the States might take "any other action authorized under State law in behalf of the child," except the denial of assistance to the child.

This language added by the House is not necessary for dealing with money management problems. The "protective payments" provision is a specific answer to the problem and it has essential safeguards and fair-play provisions. These not only protect recipients against arbitrary action but also give the States the assurance that the payments are being made only in instances in which they are needed. I can foresee serious difficulties if the House added language relating to "any other action authorized under State law" becomes a part of the Federal law. This can lead to serious administrative difficulties and considerable friction in Federal-State relations.

This wording makes it possible for States to take undesirable and unsound action in dealing with suspected cases of mismanagement. Among the kinds of action States could take would be use of voucher payments directly to landlords, grocers, and other merchants. Each of these methods has been extensively used in the past in the administration of public assistance. They have been found unsound because they are humiliating, increase dependence instead of encourage independence, and are costly.

The most economical and effective way to administer public assistance is by a money payment. Variance from this method must be considered an exception justified only by special circumstances. The additional cost and planning for these exceptional cases must be accepted as necessary to protect the children in the home. The House language does not recognize the exceptional nature of the problem and would permit actions to be taken in cases without limitation as to number and without any of the safeguards which I am confident most people would regard as essential.

The House language, furthermore, has no outer limits. It is anything authorized under State law—other than denial of assistance. It is not possible to foresee at this time all the possible actions States might take. The goal of protecting children against the relatively few instances of neglect through money mismanagement can be reached by the enactment of the proposal on protective payments in section 108 of the bill.

IMPROVEMENT IN CHILD WELFARE SERVICES

To provide a wider range of constructive welfare services for children, we urge the expansion of child welfare services to reach all areas of the country. The ceilings authorized for annual appropriations for child welfare grants would be increased gradually for this purpose. Beginning with 1963, the ceiling would be raised to $30 million, and would reach $50 million for the fiscal year 1969 and thereafter.

At the outset, the additional money would be used to encourage the establishment of day care facilities and services. There are about 4 million children under 6, and another 5 million children between the ages of 6 and 11 years, whose mothers are now working.

Many mothers of these children must work because of sheer economic necessity. The lower the income of the husband, the more likely that his wife is working. For example, one out of every four married women who have children under 6 and whose husband earns less than $3,000 a year is in the labor force. In sharp contrast, the proportion is 1 out of 10 when the husband's income is $7,000 or more.

Many employed mothers have no husband in the household. About 5½ million children are living with a mother only. Nearly half of these children have a mother who is working. Undoubtedly, many if not most of these mothers are maintaining their families independently, thereby supporting themselves instead of applying for financial assistance.

Day care services today are grossly inadequate. A recent study has shown that 400,000 children under 12 years of age have no planned supervision while their mothers work full time. In the entire United States, the total number of all licensed day care facilities—including both day care centers and family day care homes—can provide care for only about 185,000 children.

Because of the urgent need for expanding and improving day care services, especially for children of working mothers, we recommend making funds available specifically for day care services. Up to $5 million would be earmarked for this purpose within the child welfare grants for 1963. The maximum earmarked for day care services would be $10 million, beginning with the fiscal year 1964. Through these funds, every State would be able to begin immediately to develop the necessary variety of day care services—toward the end that the well-being of children in need of day care would no longer be jeopardized through inadequate provision for their care and protection.

The balance of the additional money, through the increased ceiling for child welfare grants, would assist the States in extending and improving the preventive and rehabilitative services to children. At present, child welfare services are not available at all in some parts of almost every State, and where they are available the number of workers is insufficient.

Child welfare workers help children, regardless of their economic situation, who are neglected or abused, who are in broken homes, who are born out of wedlock, and children in need of care and protection away from their own homes. The administration proposal, as does H.R. 10606, contains provisions to assure full coordination of the services of the child welfare program and those for children receiving aid to dependent children. In this way, maximum use will be made of all the resources of public welfare agencies so as to provide services that will best promote the welfare of children and their families.

The administration proposal contained provisions, not included in H.R. 10606, to add authorization for grants for special projects for training personnel in the field of child welfare. These special projects could also include traineeships. This proposal would complement the provisions of the administration proposal for training of public assistance personnel.

A major roadblock in securing qualified personnel for child welfare and public assistance is the Department's lack of statutory authority for making grants directly to institutions of higher learning, thereby enabling them to increase the pool of trained personnel and expand and improve training resources. As a result, the public welfare program is at a competitive disadvantage in attracting available personnel and the latter are attracted to other fields of social work where there are greater opportunities for training. Moreover, the additional authority provided in the administration proposal would make possible experimentation in and demonstration of new and improved methods for training personnel already on the job and would contribute significantly to improving the quality of existing public welfare services.

THE CHANCE TO WORK

If asked to choose between a job and a relief check, most Americans would have no problem at all. The immediate answer would be "a job." But jobs are increasingly difficult to find for persons who lack skills or education, or who suffer some social or cultural handicap. The bill before you would make it possible for the Federal Government to participate for the first time under the Social Security Act in payments for work performed on a work or training project.

We believe that if the Federal Government is to share in these welfare payments these projects must be work and training projects which will give recipients a chance to do useful work and obtain training or retraining for future employment. State plans should assure that the prevailing wage will be paid, that health and safety standards will be observed, and that children are well taken care of if their mothers are working on such projects.

Present Federal policy permits States to take into account all costs of earning income in determining the assistance grant. Some do this and others do not. As a further incentive to employment, the bill requires States to consider such expenses.

RESIDENCE REQUIREMENTS

In its proposals to reduce the residence requirements for applicants of public assistance to 1 year in all categories of aid, the administration recognized that in this Nation people move with unparalleled frequency from one State or region to another in search of work or to be near members of their family. Separations and personal hardship sometimes occur, and these problems are worsened by the varying limits which have been set by States on the length of time an individual must have lived there to qualify for aid.

The Social Security Act does not stipulate a residence requirement. It does, however, permit State requirements up to 5 years out of the preceding 9—including the year immediately prior to an application—for public assistance programs serving the aged, the blind, and disabled. The Federal Government's share in the cost of these programs averages nearly 60 percent for the Nation as a whole and runs to nearly 80 percent in some States. This money is collected from persons in every State for the welfare of people in all States.

To simplify operations and prevent undue individual hardship, we recommend that the residence limitation be a maximum of 1 year for aged, blind, or disabled applicants. This requirement already is in effect for aid to dependent children. The majority of States—27 plus the District of Columbia—now require a residence of 1 year or less to establish eligibility. This limit also was recommended by the 1959 Governors' Conference.

Experience indicates that the 1-year maximum is not likely to have any significant effect upon program costs, nor has it proved an inducement to people to move from one place to another to receive assistance.

We also propose that a small increase in Federal funds be provided to any State which has no residence requirements for any of its federally aided programs. We believe that this would result in more equitable and improved welfare administration.

EXPERIMENTATION IN PROGRAMS AND ADMINISTRATION

There is much that we still do not know about the most effective and humane methods of providing welfare services, although knowledge of needs and resources increases daily. The bill before you would make it easier for States to embark on imaginative pilot or demonstration projects which could lead to improved operations.

The bill also would help streamline welfare administration by permitting the States the option of simplifying welfare administration by combining the plans for the aged, blind, and disabled welfare recipients and for medical assistance to the aged. Matching Federal funds under this optional combined category would be available for medical payments to the blind and disabled on the same basis as they are now available to old-age assistance recipients.

OTHER PROVISIONS

The administration recommended that the temporary increase of $1 in the maximum Federal matching payments for the aged, blind, and disabled be made permanent. The House has added another $4 to the formula for these three groups. In addition to the $20 million annual cost for extension of the existing temporary increase, the change represents an additional annual cost of $140 million. This latter increase was not recommended by the administration and is not included in the administration's budget. Therefore, it would present a serious fiscal problem.

The administration's bill proposed the removal of the dollar limitation on Federal grants for public assistance to Puerto Rico, Guam, and the Virgin Islands. When, as in the case of Puerto Rico, the applicable formula produces a result slightly above the limitation, the administrative problems involved for the jurisdiction and the Federal Government are very considerable. We believe it is both administratively desirable and equitable that the dollar ceilings be removed for these three jurisdictions. In recognition of the special status of these jurisdictions, we also recommended that the Federal sharing remain under the more limited formula than for the States. Essentially this means 50 percent participation in the assistance payments in the three jurisdictions.

CONCLUSION

As the comprehensive nature of this bill indicates, we are today at a major crossroads in public welfare. We are all aware that changes are essential if we are to meet our responsibilities to taxpayers and to the recipients. We cannot afford to rely in the future mainly on the provision of financial support to solve the problems which changing times have thrust upon us.

We can do much more to restore individuals and families to independence and self-support. The provisions I have outlined would take us a long way toward our goal.

Thank you, Mr. Chairman.

The staff and myself will be pleased to answer any questions.

The CHAIRMAN. Thank you.

Senator Anderson?

Senator ANDERSON. Mr. Secretary, at the very end of your presentation about the extra $4 you say this latter increase was not recommended by the administration and does not include the administration's budget. Therefore, it would present a serious fiscal problem.

Secretary RIBICOFF. That is correct, Senator Anderson.

Senator ANDERSON. Are you for or against it?

Secretary RIBICOFF. I am against the additional $4—the $140 million.

Senator ANDERSON. Now, would that $140 million, which would leave the provision the way it is; would that be the total cost? I had better give you the total history.

In the so-called Kerr-Mills bill money was made available for additional medical expenses but in the State of Massachusetts, for example, during the 15 months from October 1960, which was the first month that Kerr-Mills became effective, to December 1961, 63 percent of the 29,000 cases opened were transfers, which were already being taken care of by Massachusetts.

And all we did, we gave Massachusetts an additional $1,600,000 while they spent $1,100,000 less in local and State money and had a half million dollars to put back in their treasury.

Do you think that was the purpose of the so-called Kerr-Mills resolution?

Secretary RIBICOFF. I do not. I don't think that was intended at all. What would happen here frankly would be the Federal Government would be assuming an additional $140 million cost. There is no assurance and there is no requirement that the States pass on this $4 to the recipients today. The States could give the same amount of money——

Senator ANDERSON. Precisely.

Secretary RIBICOFF. And lower their budgets and their own expenses to their own State treasuries.

Senator ANDERSON. And then they could take the $120 million and match it for Kerr-Mills purposes.

Secretary RIBICOFF. I suppose they could do it.

Senator ANDERSON. You are supposing. You know they could do it.

Secretary RIBICOFF. That is true.

Senator ANDERSON. They could take it to match Kerr-Mills and make $250 million or thereabouts additional Kerr-Mills money available.

Secretary RIBICOFF. That is true.

Senator ANDERSON. You may not regard that as the purpose of the legislation but I do. I don't want to commit you to it. But there is no provision of any kind in there, is there, that this be passed on to the recipients?

Secretary RIBICOFF. None whatever.

Senator ANDERSON. None whatever.

Secretary RIBICOFF. There is no requirement or condition that this money be passed on to the recipient and while some States might many States won't.

Senator ANDERSON. Yes.

Now, in the case of MAA the money that was spent in February 1962 was some $15 million, of which $8,123,094 went to New York; $3,589,639 went to Massachusetts, $1,484,989 went to Michigan, and $1,312,804 went to California.

Have you any idea how much that represents against total expenditures?

Secretary RIBICOFF. I would say it represents a little over 80 percent as going into 4 States.

Senator ANDERSON. Did any of that go into the great State of Virginia?

Secretary RIBICOFF. Virginia got nothing.

Senator ANDERSON. Any go to New Mexico?

Secretary RIBICOFF. Nothing to New Mexico.

Senator ANDERSON. I am just trying to get the chairman to where he tries to get something for Virginia.

The CHAIRMAN. As a matter of fact, Virginia doesn't ask for much, either.

Senator ANDERSON. Fortunately, it doesn't need much.

Senator BENNETT. Maybe, Mr. Chairman, that is why a famous editorial written many years ago had to reassure your Virginia there is a Santa Claus because you don't get any benefits.

Senator ANDERSON. Santa Claus is there. Virginia just didn't take advantage of it.

What about the pooling of these three funds? I am referring to the House Report, page 23, and you referred to that in your statement, about pooling these funds. Pooling these funds would make a little bit more money available too, for medical payments.

Secretary RIBICOFF. Yes, it would. It would make more money available and you would be passing on to the disabled and the blind the benefits of medical programs.

Senator ANDERSON. Do you have to pass it on?

Secretary RIBICOFF. What is that?

Senator ANDERSON. Do you have to pass it on? Could you use it for matching purposes?

Secretary RIBICOFF. That money is earmarked for medical, and it can only be used for medical assistance.

Senator ANDERSON. I realize it is medical but it is combined now.

Secretary RIBICOFF. That would combine it and enable them to pool it. This would give the States a break; would allow the States to administer these programs more effectively and more efficiently instead of having three separate programs, it would give them a

chance to pool their overall payments to get up to their averages, and it would give the States a break, yes, it would.

Senator ANDERSON. And would take a little money that the States——

Secretary RIBICOFF. We estimate that to do this, would cost $7.4 million in additional Federal funds.

Senator ANDERSON. Well, supposing they made a little of that available for matching under Kerr-Mills, then what would it cost? I read:

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

If they were a little high in ordinary medical work could not they bring this down?

Senator RIBICOFF. It wouldn't affect the Kerr-Mills because these people who are medically indigent could still come in and get payments under Kerr-Mills. I think we have done this, frankly, as a sense of fairness. Basically if a blind person requires medical attention, and if a disabled person requires medical attention, I would say they should receive it, in the same way that an old-age recipient should get it.

Senator ANDERSON. I am not worried about that, I am worried about a section of the report which says,

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

I wonder if you had your counsel examine that to see if they might not be changed.

I realize you think they aren't changed but there are people who think there is a little loophole there that might change it.

Are you sure you have checked it?

Mr. COHEN. Yes, I think we have, Senator Anderson. As far as the 1960 provisions of the medical assistance to the aged, while they are included in this optional single combined category no change is made in that part of the program, and the matching for that medical assistance would still be separate. So that I don't think that there could be any combination with that provision. The combination comes on the money part, the cash part for the aged, the blind and disabled or on the so-called vendor payment for medical care to the individual who is on the assistance rolls.

Senator ANDERSON. Well, I want to say, Mr. Secretary, and Mr. Cohen, that as I remember, and my memory may be badly at fault, I never saw the so-called Kerr-Mills provision discussed in the open hearings we had in the Senate. The only contact I had with them was over in the old Supreme Court Chamber when we were about to report out a bill and I would hate to get some new language written into this bill that again amended our procedure without an opportunity to discuss it in public. That is why I wanted to ask you what this section means. It may be that while there is a loophole in it we have enough legislative history that it can be used for that purpose

and we may be able to hold the line against the raids that might follow.

You would agree, though, if the States saved the $120 million as carried in this provision, they would be able to put this money into the financing of medical care for needy persons under the Kerr-Mills legislation?

Secretary RIBICOFF. That is correct.

Senator ANDERSON. There is nothing that requires that it be passed on to anybody?

Secretary RIBICOFF. There is nothing, no.

Senator ANDERSON. Therefore, it is easy free money to use as they wish?

Secretary RIBICOFF. Yes; what it is really is that you are putting the burden on the Federal Government and taking it away from the States.

Senator ANDERSON. Precisely.

It is exactly what we did in the State of Massachusetts. By giving them an extra $1,600,000 we permitted them to match and reopen cases, and well, New York State during the first 15 months, 41 percent of their 55,000 cases opened in the Kerr-Mills program were merely transfers from another program. We didn't give much to anybody else.

Secretary RIBICOFF. Not much any place.

Senator ANDERSON. We just transferred it. We did the same thing in Massachusetts except we enriched the treasury of Massachusetts by $500,000, and hurt the Treasury of the United States by $1,600,000; is that correct, Mr. Secretary?

Secretary RIBICOFF. That is correct.

This has been happening. In California out of a total number of cases of 12,539 you transferred 9,914 cases of old-age assistance over to them, over to the Government.

Senator ANDERSON. Yes.

That was done in order to let these poor States like New York, Massachusetts, and California get a little help, was it? Or aren't they poor States in your estimation?

Secretary RIBICOFF. Well, I would say every State has got financial problems whether they are rich or poor.

Senator ANDERSON. Well, I am willing to accept that, but the last time I saw a report on what New York State had in its treasury and reserves, it was in fairly good shape even as to unemployment compensation and almost every other thing.

Secretary RIBICOFF. New York, out of 64,000 total cases opened under Kerr-Mills, 23,826 were transfererd from old-age assistance.

Senator ANDERSON. That is 41 percent. I have a figure of 41 percent for New York.

Secretary RIBICOFF. That is about it.

Senator ANDERSON. Transferred.

So that this extra $4 provision need not and probably—well, it need not go to any aged person but could be a relief to the treasury of that State, of $120 million to all the States, or if turned to matching purposes, if they actually used it, could be a $120 million cost to the Federal Treasury?

Secretary RIBICOFF. You are correct, Senator Anderson.

Senator ANDERSON. Thank you.

That is all.

The CHAIRMAN. Senator Carlson?

Senator CARLSON. Mr. Secretary, hasn't it been the history of these past funds that the Federal Government has voted to be matched by States where we didn't put some limitation on it, these funds were available for any purpose a State wanted to use it for, not just particularly Kerr-Mills but any other phase of this legislation?

Secretary RIBICOFF. They release State funds that are then available for other purposes, that is correct.

Senator CARLSON. But generally speaking when we voted increases from the Federal Government to States, unless we wrote a provision in the act where it must be used, they were privileged to use it any way they wanted it?

Secretary RIBICOFF. That is correct.

Senator CARLSON. And that would be true at the present time?

Secretary RIBICOFF. You are absolutely correct, Senator Carlson.

Senator CARLSON. I am interested in a sentence in your statement that I think you might clarify for me:

You say:

> The bill before you would make it possible for the Federal Government to participate for the first time under the Social Security Act in payments for work performed on a work or training project.

And does that mean sort of a WPA or what are we going to do?

Secretary RIBICOFF. No; I mean what you have got at the present time we have cash assistance. There are States, and there are communities that have work programs. But these work programs have to be 100-percent State or local funds.

Under the law the Federal Government cannot contribute toward work programs.

Of course, it is my personal philosophy and I think it is important, that to the fullest extent possible to have people work instead of just drawing money without doing anything.

Now, it is my feeling, too, that if a person on assistance could do useful work that otherwise would not be done, then everybody would be the gainer, society would be the gainer, the community would be the gainer, the recipient would be the gainer, and I am for contributing Federal funds to a person who works on a community project, and to the community for putting across this project, and having them work instead of just handing them out a check.

Senator CARLSON. Do I understand some States, and, under the present situation, States only, can originate and pay for training programs under the act?

Secretary RIBICOFF. That is correct, but not under the Social Security Act.

Senator CARLSON. And it is your thought that the Federal Government then should participate in these State programs?

Secretary RIBICOFF. That is right.

Senator CARLSON. How many States do have that program?

Secretary RIBICOFF. Well, we have here, there are 27 States that have work programs.

Now, you take your State of Kansas, there were 16 local jurisdictions having work programs in Kansas, and the number of individuals employed are 336.

Throughout the United States 438 communities have work programs employing some 30,427 people.

Now, the States carry this burden on their own. The Federal Government cannot make a matching contribution. It is our feeling that we should encourage people to work on constructive projects and instead of having a person on welfare just sitting by doing nothing, that we ought to encourage the States to have more of these programs and to have the Federal Government contribute toward those work programs as they would toward payment of a welfare check when a person doesn't work.

Senator CARLSON. This is new to me, and, therefore, I am completely ignorant of it and I want to ask a question.

Secretary RIBICOFF. I am delighted to answer it.

Senator CARLSON. How much are you recommending that the Federal Government contribute on a nationwide basis for this type of work?

Secretary RIBICOFF. Well, they contribute the same amount as assistance.

As a matter of fact, as far as our budget is concerned we don't put anything extra in our budget for this. In other words, in this respect: John Jones is receiving a hunderd dollars on an assistance program from the State of Kansas or the State of Connecticut, and let's say, for simplicity, it is a 50-50 matching program so the State puts up $50 and the Federal Government puts up $50.

Suppose Kansas or the State of Connecticut puts John Jones to work on a community program that costs $100, the Federal Government would contribute $50 and the State $50. So basically it is not going to cost the Federal Government anything extra but the State and the community will be getting something worthwhile accomplished and the individual will be working which I think we ought to encourage.

Senator BENNETT. Will the Senator yield?

Senator CARLSON. Yes.

Senator BENNETT. The individual will still receive the same amount of the money; he will get his $100 but he will work for it.

Secretary RIBICOFF. He will work for it.

Senator BENNETT. He will not get $100 plus whatever he gets for work?

Secretary RIBICOFF. That is right.

In other words, he will be given whatever the budget of the welfare department calls for and what they will do, they will pay him a prevailing wage. He won't get double.

In other words, if he was to receive $100, he does $100 worth of work. He gets $100 but not an additional $100. He will get the same $100 but he will be working for it.

Senator CARLSON. May I inquire then, under the existing setup we have with the States, do they pay prevailing wages in every instance?

Secretary RIBICOFF. I would say some do and some don't. We are putting in a condition here that in order not to depress a labor market that they pay not the Federal prevailing wage, but the prevailing wage that may exist in that community, whatever it may be. If for a certain type of work it is $1.20 an hour you will give a man $1.20 an hour. If it is $1.50——

Senator CARLSON. Who would determine the prevailing wage? If you put it in the statute that the State will, receiving matching funds from the Federal Government or assistance based on employment on prevailing wages, who determines that?

Secretary RIBICOFF. The State.

Senator CARLSON. Each State.

Secretary RIBICOFF. In other words, each State will produce a plan for approval with the Federal Government and they will list the prevailing wage in *x* community for *x* job is $1.20 and for *y* job is $1.50. The State will make the determination of what is the prevailing wage in the community—not the Federal Government. This is carefully written in the bill.

Senator MORTON. Will the Senator yield for a moment?

What was the document, Mr. Secretary, from which you read the list of the 27 States?

Secretary RIBICOFF. I have them here, I will be pleased to put it in the record. Your State of Kentucky has two local jurisdictions with work programs employing 304 people. I will be pleased to put a copy in the record.

Senator CARLSON. I think, Mr. Chairman, it should be in the record. I think it would be rather interesting.

Secretary RIBICOFF. Yes, I will insert a copy for the record.

The CHAIRMAN. Yes, it will be inserted in the record.

(The list referred to follows:)

Work relief: Number of local jurisdictions with work relief and number of individuals employed, September 1961 [1]

State	Local jurisdictions with work relief	Number of individuals employed	State	Local jurisdictions with work relief	Number of individuals employed
United States	[2] 438	30,427	Montana	9	43
			Nebraska	2	11
California	12	2,512	New York	26	919
Connecticut [1]	7	233	Ohio	91	6,078
Delaware	1	71	Oregon	7	80
Hawaii	4	160	Pennsylvania	30	1,223
Illinois	79	6,373	Rhode Island [1]	3	74
Indiana [1]	15	673	Utah	17	547
Iowa	9	101	Vermont [1]	2	5
Kansas	16	336	Virgin Islands	1	1
Kentucky	2	304	Virginia	1	8
Maryland	2	87	Washington	24	20
Massachusetts [1]	13	275	West Virginia	(2)	1,229
Michigan	36	6,756	Wisconsin	18	1,949
Minnesota	11	353			

[1] Based on State reports covering all local general assistance jurisdictions in 42 States and complete reports for District of Columbia, Puerto Rico, and Virgin Islands; Guam did not report. For 8 States with very large numbers of local general assistance jurisdictions, inquiry covered only largest population centers having specified percent of State population as follows: Connecticut, 63 percent; Indiana, 48 percent; Maine, 53 percent; Massachusetts, 58 percent; New Hampshire, 61 percent; New Jersey, 50 percent; Rhode Island, 90 percent; Vermont, 56 percent. For Indiana 7 jurisdictions among those reporting work relief in a preliminary inquiry (17.3 percent of State population) supplied no detail and are not included in this table.

[2] No local jurisdictions included for West Virginia where State operates program; or for Alaska which reported 6 villages had work relief but supplied no further detail.

Senator CARLSON. Mr. Secretary, it is an interesting proposal but I would want to study it more before I would have any definite views on it. I share your views about putting people to work but I do like to keep it as close to the local communities where these people live and are employed and we will look this one over.

Secretary RIBICOFF. I am sure, Senator Carlson, when you examine the language of the House bill you will recognize they zealously guarded and were careful to insure that in all instances the local standard would prevail.

Senator CARLSON. That is all, Mr. Chairman.

The CHAIRMAN. Senator Gore?

Senator GORE. No questions.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Mr. Secretary, section 123 calls for Federal funds for training grants to the States for public welfare personnel with 80-percent Federal money and 20-percent State money.

Why are you coming to the Senate Finance Committee for this appropriation rather than to the Appropriations Committee?

Secretary RIBICOFF. This is a change in legislative authorization, it is not an appropriation.

Senator CURTIS. Well, isn't is true that for the fiscal year 1958 the Appropriations Committee turned down an 80–20 appropriation request?

Secretary RIBICOFF. Yes, they did.

Senator CURTIS. Who made the request?

Secretary RIBICOFF. They have always turned it down. The authorization now by this committee is 100 percent, but the Appropriations Committee still has turned it down. I think it is most unfortunate because what we have—we are desperately short of trained personnel, and if we are ever going to change the road of our welfare programs, the direction of our welfare programs, we are only going to do it by trained people and we have given you examples of what trained people can do.

Senator CURTIS. I am not raising the question of the value of training, but isn't it true that in May of that year the Congress authorized an increase, 80–20, and the Appropriations Committee turned it down?

Secretary RIBICOFF. They turned the request down, Senator Curtis.

Senator CURTIS. Would you approve a provision in the law which would enable a State to appeal a ruling by the new Bureau of Family Services which was formerly the Bureau of Public Assistance, with respect to a State plan for old-age assistance or any of the other free assistance programs?

Senator BENNETT. Where would they appeal it?

Secretary RIBICOFF. Of course, personally, constitutionally, I always feel that no executive agency should ever act arbitrarily, and so far as I am personally concerned, I have no objection to a State appealing a decision that is arbitrary or unfair.

Senator CURTIS. This morning I do not have in mind an appropriate individual or tribunal to suggest, but you would give consideration to that if we could come up with something?

Secretary RIBICOFF. I would.

Senator CURTIS. Now, on page 18 of your statement you recommend $5 million for day-care facilities for children of mothers who are self-supporting and working full time, and day care would be free to all.

In 1964 this would be increased to $10 million.

The way that is written, day care would be available to all regardless of their economic situation, would it not?

Secretary RIBICOFF. That is not so.

There is a set of priorities in the legislation—there would be fees for those who could afford to pay them.

On page 29 of the bill there was written in:

> (iv) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population and to geographical areas which have the greatest relative need for extension of such day care.

Senator CURTIS. That is a matter of priority.

Secretary RIBICOFF. That is right. And my assumption is that those mothers who could make a payment will make a payment toward this care.

Senator CURTIS. Is it in there?

Secretary RIBICOFF. On page 22, line 18, an advisory committee, then you provide for such safeguards as may be necessary to assure provision of day care under the plan which is in the best interests of the child and the mother and only in cases in which it is determined under criteria established by the State that a need for such care exists; and then there is a question for giving priority.

Now, I mean to give you an example of what I have in mind and I think the legislation encompasses this, Senator Curtis.

Let's say a mother who has a number of children, but who otherwise could get a job, and her earnings are such that she could handle the payments in support of her family if she had some place to leave the children during working hours, and it balances out. I don't imagine there would be any charge for such a mother because the State would have a substantial saving for what they would have to pay for support of the mother and children.

But let's say you have a mother who could be employed in part and her earnings were such that she ought to make some payments—that the State will set up criteria to charge her a fee for allowing the children to stay in those day-care centers.

Senator CURTIS. Is the fee specifically mentioned in here?

Secretary RIBICOFF. No, I think it is implied or inferred but I would have no objection to making the language clearer, to indicate that to the extent that the person leaving the child could afford to pay the fee that the State would have this sliding scale of fees because this is what we contemplate.

Senator CURTIS. You might have a situation of a career woman who may be a member of one of the professions or highly paid writer or technician, and no adult available in the home. She might make a showing that there is no privately operated day school in her community. There is nothing in this proposal to prevent such a person from sending her children to such a day-care institution, is there?

Secretary RIBICOFF. Well, I would say that on the basis of the priority, if in that community there was place for that child and she was not displacing a child of parents who could not afford it, then the community could take her in and charge her the full cost of that care.

But this would have to be determined in every community. I don't think that we should, here from Washington, tell each community the rules and regulations of a day-care center but it certainly is contemplated that people who could afford to pay a fee for the care of their children should be charged such a fee and should not be receiving any subsidy or any gratuity from the Federal Government. We don't contemplate that at all.

Senator CURTIS. Well now, on page 22 of the bill, line 23, would you object to the word "financial" in front of the word "need."

Secretary RIBICOFF. That is perfectly all right.

Senator KERR. Where is that, Senator?

Senator CURTIS. Line 23, page 22.

Secretary RIBICOFF. I would say while I have no objection——

Senator CURTIS. There might be a better word for it.

Secretary RIBICOFF. I think the wording could be, however, that if a person has a financial means to pay for such care they should do so.

In other words, let's say you had a community day-care center in X town, and you had room for 20 children and you had 15 needy children but you had a place for five children of working mothers who could afford to pay, well, I would say that if a working mother who could afford to pay the price you shouldn't exclude her but she should pay the full cost if her salary would be equal to it. We shouldn't exclude that child, but I don't think language is in that that those who can afford it should pay the fees.

Senator CURTIS. How much local participation is in this day care?

Secretary RIBICOFF. These would be set up on a matching basis.

Senator CURTIS. Matching basis?

Secretary RIBICOFF. Matching basis.

Senator CURTIS. What would be the matching basis?

Secretary RIBICOFF. If you will look on page 23 of the blue sheet before the committee——

Senator CURTIS. Have you followed those percentages in the last column?

Secretary RIBICOFF. The last column indicates the Federal share and the remainder would be the State share.

Senator CURTIS. Now, what provisions or requirements in this bill before us, H.R. 10606 become mandatory that were formerly suggestions or recommendations?

Secretary RIBICOFF. I would say that taking into account the additional expenses that are needed for a person to earn a living.

Senator CURTIS. Turning back to this blue comparison again, on page 8 a State would be required to do certain things that they have the option of doing now.

What does that relate to?

Secretary RIBICOFF. I think we list them right as you read along, Senator Curtis.

States would be required to make available to applicants and recipients at least the following services, to be prescribed by the Secretary of Health, Education, and Welfare: In the case of old-age assistance 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"—

may be made available at the option of the State. I think the first paragraph we have those that are requirements and the second paragraph we have those that are optional.

Senator CURTIS. And the existing law is——

Secretary RIBICOFF. It is optional.

Senator CURTIS. Now, on page 9 a State must provide for denying aid to families as long as the unemployed parent refuses for good cause to undergo such training.

Secretary RIBICOFF. That is right.

In other words, basically at the present time our feeling is we want to move people off the dependency rolls. If it is determined that a man could be trained for a job, and if he refuses to be trained so he can find work, we don't think he ought to be paid.

Senator CURTIS. Yes.

Now, on page 14 the bill before us requires that a State agency in determining need must take into account any expenses that may be reasonably attributable to the earning of income.

The requirement is new; it is not?

Secretary RIBICOFF. That is correct.

Senator CURTIS. Explain how that would work?

Secretary RIBICOFF. Well, basically, let us say that for a woman or a man to get a job he would have to take a train or a bus, and the transportation expenses might be $1 a day.

He would have to be given a credit for $1 a day or, let us say, he had a job where he had to get special goggles or special safety shoes, items of clothing or let's say he had a job where he was required to buy uniforms. He might have a job in a gas station or a hotel, where the uniforms had to be bought.

Senator CURTIS. A State can take those things into account now?

Secretary RIBICOFF. They can. But not all of them do. What we are trying to do, Senator Curtis, is do everything we can to encourage people to get a job and work and we feel it is important to encourage the States. By having this provision, the State will take into account these expenses so people will get jobs. I believe that the State should give them an allowance for those items that are necessary for them to get the job.

Senator CURTIS. Now, on page 18 of the same document near the center of the last column it says:

Same, plus new requirements:

(1) Plan must provide for coordination between services provided under it and services provided under the State's plan of 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.

That is mandatory, isn't it?

Secretary RIBICOFF. That is correct.

Senator CURTIS. Regardless of whether they are desirable or not, and I am not contending that they are all undesirable, it does put more mandatory requirements in the law, does it not?

Secretary RIBICOFF. That is correct.

Senator CURTIS. Are you familiar with the survey made in the District of Columbia on ADC program to ascertain abuses?

Secretary RIBICOFF. I know what I have read in the newspapers and our Department is looking into it at the present time and making a study but it has not completed the study.

Senator CURTIS. Who conducted that survey?

Secretary RIBICOFF. This was not done by us.

Senator CURTIS. Who conducted that?

Mr. COHEN. A special group in the District of Columbia Welfare Department.

Senator CURTIS. It was done by the welfare people.

Secretary RIBICOFF. Of the District, yes, sir.

Senator CURTIS. Did the General Accounting Office have a part in it?

Secretary RIBICOFF. Yes, they did, I don't recall exactly what it was, but they did.

Senator CURTIS. It was a governmental survey?

Secretary RIBICOFF. Yes.

Senator CURTIS. What did it show?

Secretary RIBICOFF. I don't remember the statistics. But it did show that there were a number of individuals who did not, as I recall, comply with what the District's written policy was. In terms of their general policy on a man in the home, there was some evidence that there was a man in the home, and therefore, under the District policy the children were not eligible for assistance, as I recall it.

Senator CURTIS. Percentagewise, what did it show? Out of every hundred cases what percentage was shown to have abuses existing?

Secretary RIBICOFF. It was a large proportion. I don't remember the exact one.

Senator CURTIS. Does anyone in the room know?

Secretary RIBICOFF. I don't believe it is concluded yet.

Senator CURTIS. But it was close to 50 percent.

Secretary RIBICOFF. Based on their preliminary studies, yes, sir.

Senator CURTIS. Fifty percent of the cases were found to contain abuses.

Secretary RIBICOFF. Well, that is the question, Senator, that has not yet been determined. There was a determination that in 50 percent of the cases that were reported, there was "a man in the home," but the big question of whether the man was the support of that family, still remains unanswered, that is what is being—that is the further information that is not available.

Senator CURTIS. Suppose they missed the mark by 100 percent; it would still be 25 percent abuses, wouldn't it?

Mr. COHEN. Well, I think you are, if I may say, making a determination when you use the word "abuse" there, because that is what we don't know.

There may have been a man in the home, they may have had an investigation and came in and found there was a man in the home. But the question in the District still is whether that man was the sup-

port of the family, and so I don't think you can determine from that fact whether there was abuse or not.

You need additional information to come to that conclusion.

Senator CURTIS. What was defective about their survey?

Mr. COHEN. I think the thing that was defective is, let us say, going into the home and seeing some evidence there was a man in the house and from that presumption making a conclusion that he was the support of the family.

Senator CURTIS. Was that survey just limited to counting men, locating men?

Miss GOODWIN. There were some cases in which temporary employment of the mother was involved, or of someone else in the household.

Senator CURTIS. Did it involve temporary employment of the mother?

Did it involve use of the funds for proper care of the children in the survey?

Mr. COHEN. I don't think it did, Senator.

Senator CURTIS. Well now, maybe it was high, maybe the survey was erroneous but, it did run close to 50 percent. Is the ADC situation in the District of Columbia typical of the ADC program nationally?

Mr. COHEN. Well, I think it not typical, because they do have this plan which is what, in effect, this temporary legislation attempted to overcome. If I may put it this way: The problem that is presented, Senator, is that under the ADC program since the very beginning, eligibility for ADC has been based on the absence of a parent from the home due to the death, disability, or other absence of a parent.

Now, to the extent that that means that when there is an employable man, the family is not eligible for assistance—that was one of the reasons why the recommendation was made to provide assistance where there was unemployment in order that an eligibility condition of absence from the home would not encourage men to leave the home in order to make their families eligible.

In the District of Columbia they have a rule if there is any evidence, as I recall it, that there is a man in the home, then the family is not eligible for assistance, so the question really, as far as the District is concerned, and I am sure there are some other States, is a factual one, is whether there is a parent who is supporting the family.

Senator CURTIS. Well, my question is it was reported there are abuses in about half the cases in the District of Columbia.

Is that typical of the program nationally?

Mr. COHEN. No, sir, no, sir.

Senator CURTIS. Why isn't it?

Secretary RIBICOFF. I think other surveys which have been made indicate that a fraction of the cases—abuses are a fraction of that amount.

Let me say this, so far as I am concerned there is no justification for any abuse or any fraud no matter how small, and one part of the administrative rulings that were made by me not requiring legislation, No. 2 of the administrative ruling was that requiring administrative actions to reduce and control fraud. Control and prevention of fraud must be a constant objective of welfare administration.

We require the States to do the following things:

To come up with—

(a) A definition of fraud in accordance with State law as it relates to receipt of assistance payments;

(b) The administrative procedures by which the State will assure that it has proper and efficient methods for identifying, investigating, evaluating, and referring cases in which there is reason to believe there may be fraud by assistance to applicants or recepients;

(c) Methods that will be used in investigation of instances of suspected fraud that are consistent with the legal rights of individuals;

(d) Designation of a point of responsibility within the State welfare department for the followup, and, if indicated, referral for legal action, of cases in which fraud appears likely;

(e) State supervision, review and control, by which the agency will assure that the plan provisions for dealing with cases of suspected fraud are carried out; and

(f) Keeping records and making periodic reports.

We are requiring each State to tighten up on its own procedures, and then on December 8, we issued a State letter setting out what we require the States to do to go into and check fraud.

(The letter of December 8, 1961, follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Washington, D.C., December 8, 1961.

STATE LETTER NO. 540

To: State agencies administering approved public assistance plans.
Subject: Recipient fraud.

This letter transmits a new handbook section IV-2600, "Recipient Fraud," as part of the official interpretation and requirements for State plans under titles I, IV, X, and XIV governing eligibility for assistance payments, to become effective April 1, 1962.

Charges of widespread ineligibility, recipient fraud and agency failure to apply safeguards gain easy public acceptance if factual reassurance is not easily forthcoming. Many times such charges are based on differences of opinion about who should receive assistance, rather than any knowledge of ineligibility. Information from the Bureau's administrative reviews, State agency reviews, and special studies all indicate that the proportion of ineligible persons who receive assistance may be about 1.5 percent. Those who receive it as a result of willful misrepresentation are, of course, an even smaller part of this total.

Because of the special concern of the public about improperly granted assistance, everyone concerned with the administration of public assistance programs needs to understand what constitutes fraud in its legal aspects, the kind of action to be taken in case fraud is suspected, the functions of specific staff members in regard to such cases, and methods and procedures for performing these functions.

State public assistance agencies must be able to demonstrate that they have taken reasonable precautions to prevent fraud and have developed clear and just methods for dealing with fraud when it occurs. This can be accomplished through the development of policies and procedures which define the duties of staff, and provide for mandatory records and making periodic reports.

A statement, "Development of Policies and Procedures Relating to Recipient Fraud in Public Assistance," has been prepared by the Bureau to assist State agencies in this area of administration. A copy is enclosed and additional copies may be requested through the regional offices.

We will be happy to receive any comments or suggestions you may have about this policy statement.

Sincerely yours,

KATHRYN D. GOODWIN, *Director.*

Instructions for handbook maintenance.—Insert in part IV the enclosed handbook pages, IV-2600, IV-2620, page 2; and IV-2630, page 3; immediately following pages 2520-2531, dated August 14, 1953.

HANDBOOK OF PUBLIC ASSISTANCE ADMINISTRATION

PART IV. ELIGIBILITY AND PAYMENTS TO INDIVIDUALS

2000-2999—Eligibility—December 8, 1961

2600. *Recipient Fraud*
2610. *Provisions of the Act (See IV-2110, Provisions of the Act)*
2620. *Interpretation*

The provisions of the Social Security Act set forth the scope of responsibility in grant-in-aid programs of public assistance. They impose an obligation on State agencies to provide assurance with respect to the eligibility of recipients of public assistance. Such assurance necessarily rests on the efficiency, thoroughness and integrity of the total processes by which initial and continuing eligibility are determined. These involve legal, financial, and social safeguards. They are discussed in other sections of the Handbook.

Public assistance applicants and recipients have the same basic human qualities that are found in the general population and may be subject to the special pressures of social and financial insecurity. The great majority of applicants and recipients will be honest in their dealing with public assistance agencies, insofar as they understand pertinent regulations. However, some persons will attempt to obtain assistance through fraud. It is expected, therefore, that methods of administration be provided not only to minimize the opportunity for fraud, but also to place responsibility for referring to the proper authorities those situations in which there is reason to suspect that fraud may exist.

Fraud, in all of its aspects, is a matter of law. The definition of fraud that governs between citizens and governmental agencies is found in the general statutes of all States. Prosecution therefor and the imposition of a penalty, if the individual is found guilty, are prescribed by law and are the responsibility of the law enforcement officials and the courts. All such legal action is subject to due process of law and to the protection of the rights of the individual afforded by this process. The State agency should seek the help of its legal authorities in defining fraud according to the interpretation of the State law, and establishing criteria for determining when there is valid reason to suspect that fraud has been practiced in order to obtain assistance.

Although agency action must be taken in either case there must be clear distinction between misrepresentation with intent to defraud the Government and misstatements due to the individual's understanding of eligibility requirements or of his responsibility for providing the agency with information. Similarly, distincton must also be made between intent to defraud by the individual, and omission, neglect or error by the agency's representatives in securing and recording information. Methods of securing facts necessary to support the agency's decisions with respect to eligibility and amount of payment, and/or referral to law enforcement officials should be consistent with principles recognized as affording due process of law.

Because of the special concern of the public about improperly granted assistance, responsibility for identification, investigation, and legal action should be clearly designated. There must be clearly defined procedures for determining whether the agency's facts are to be referred to law enforcement officials for their decision as to prosecution. Some States may wish to retain responsibility for all such decisions in the State office; others may delegate it to local agencies under specified conditions. At either level a position or individual should be designated as handling responsibility. These decisions may depend on whether necessary prosecution will be carried out by the State or local law enforcement officials.

The State agency is responsible for supervision, review, and keeping informed of action in cases of fraud, irrespective of methods of State and local agency organization and assignment of duties. Everyone concerned with the administration of public assistance programs needs to understand what criteria are used to refer for decisions as to possible fraud; the kind of action to be taken in case fraud is suspected; the functions of specific staff members in regard to such cases; and methods and procedures for performing these functions. The agency's responsibility does not include, and may not infringe upon, the functions

of the State's law enforcement officials and its courts in prosecuting and adjudicating with respect to fraud.

2630. *Requirements for State Plans*

Effective April 1, 1962, a State plan under titles I, IV, X, or XIV must set forth the legal base and the administrative procedures by which the State will assure that it has proper and efficient methods for dealing with facts that present suspicion of fraud by applicants for or recipients of public assistance. Specifically, the State plan must provide for:

1. A definition of fraud in accordance with State law as it relates to receipt of assistance payments.
2. Identification of cases in which there is reason to suspect fraud, in accordance with clear criteria.
3. Methods that will be used in investigation of instances of suspected fraud that are consistent with the legal rights of individuals.
4. Designation of official positions that are responsible for decisions that individual case situations are to be referred to law enforcement officials.
5. State supervision, review and control, by which the agency will assure that conditions and criteria for dealing with cases of suspected fraud are fulfilled.
6. Keeping records and making periodic reports.

2631. *Federal Financial Participation*

Federal financial participation is available in payments to or in behalf of individuals found eligible by the State agency, provided the agency has acted in accordance with the conditions specified in Handbook IV-2232, Federal Financial Participation—Determination of Eligibility, and IV-5512-5518.2, Federal Financial Participation—Eligibility in Relation to Payments.

Federal financial participaton may not be claimed in payments in which assistance has been obtained through fraud unless the State agency has taken prompt action on indications of ineligibility as specified in the above cited sections.

Development of Policies and Procedures Relating to Recipient Fraud in Public Assistance[1]

Department of Health, Education, and Welfare, Social Security Administration, Bureau of Public Assistance, Division of State Administrative and Fiscal Standards, December 1961

Introduction

It is necessary that a State public assistance agency carry out to the best of its ability all the responsibilities given it by the legislation governing the administration of the public assistance program. This applies to the State's responsibility to deal with those persons who deliberately contrive by concealment, misrepresentation or other dishonest means to cause erroneous payment to be made. Before a State agency can carry out its obligations in this area, it must have a clear understanding of the nature of its responsibility when there is reason to believe that fraud may have been practiced in order to secure assistance.

The purpose of the statement is to assist States in clarifying the role of the public assistance agency in dealing with fraud and in distinguishing the agency function from that of the law enforcement authorities. Specific suggestions are made with respect to (1) the content of State agency policies and procedures for handling cases of suspected fraud; (2) methods for developing policies and procedures; and (3) measures for preventing recipient fraud.

The kind and extent of responsibility that can be properly exercised in this area are not a matter which a State agency is free to decide for itself. To find the answer to this question it is necessary for the State agency to look to its legislation governing fraud and interpretations, and decisions thereof by appropriate legal authority. There must also be cooperative planning between the public assistance and the law enforcement agencies to establish a clear understanding of the role and responsibilities of each, methods of referral and exchange of information, and what each agency may expect of the other. The law enforcement officials will be able to advise as to the types of situations suitable for prosecution, appropriate investigative practices, the kinds of substantiating in-

[1] See Handbook of Public Assistance Administration, IV-2600, "Recipient Fraud."

formation which will be required, and the form in which evidence is to be submitted. The public assistance agency can interpret to the law enforcement officials the requirements of the programs its administers and the legal safeguards which have been established to protect the rights of clients.

Once these matters have been clarified, the State agency can proceed to develop policies and instructions so that everyone concerned with the administration of the public assistance programs can understand what constitutes fraud; the kind of action to be taken in case fraud is suspected; the functions of specific staff members in regard to such cases; and methods and procedures for performing these functions.

All administrative requirements of the agency should be kept in balance, so that procedures to be employed when there is reasons to suspect the possibility of fraud do not outweight overall administrative effort directed toward accomplishment of the agency's objectives.

One of the basic objectives in public assistance is the conservation and development of human resources. These human resources have a direct relationship to economic resources. Their conservation involves consideration of such matters as health, employment skills, the desire and ability to manage one's own affairs, family solidarity, and the parental care of children who are the future workers and parents. This objective can be attained through social work methods where there is sufficient staff and skilled supervision to apply them to overcoming the hazards that threaten needy individuals.

Experience through the years has shown that the agency is faced with a minimum of uncertainty or suspicion as to its determination of either eligibility or ineligibility when it does two things; first, it establishes clear policy statements, requirements, and procedural guidelines concerning eligibility establishment; second, it implements these with staff through a continuing inservice training program.

Policies, requirements, and recommendations should be established on a sound and logical premise that public assistance applicants and recipients have the same basic human qualities that are found in the general population. A fundamental premise of democratic government is the recognition of the right of an individual to avail himself of government services and the companion responsibilities which he assumes by virtue of exercising this right. A major responsibility in this respect is that of honesty in his dealings with government agencies. The Bureau has always accepted and fully endorsed the concept that people are essentially honest in their dealings with their public agencies. No reasons to support a change in this principle have ben brought forward. As a consequence, the Bureau has encouraged State agencies to develop their policies and administrative procedures in line with this major premise.

On the other hand, the Bureau has recognised that there are exceptions to this general principle among persons applying for or receiving public assistance even as exceptions to it are found in the general population. To protect against this small minority, the Bureau requires State agencies to adopt and exercise the proper controls against the opportunity to commit fraud.

A. Content of State agency policies and procedures for handling cases of suspected fraud

1. *Local agency responsibility for investigation.*—(*a*) Definition and interpretation of fraud: Before staff can be expected to perform their functions in a responsible manner, the State needs to define those actions which, if proven, constitute fraud. The definition of fraud in a State's law is the basis for the development of this interpretation. The definition in the State law, however, usually needs interpretation to public assistance staff with respect to the "willfulness" of the misrepresentation, or withholding of information of significance to the receipt of assistance. The State agency, with the help of its legal adviser, will want to make a clear distinction between deliberately fraudulent concealment or representations by an individual and incorrect omissions or representations made because of mistake or lack of understanding of eligibility requirements or of his responsibility for providing the agency with information. Similarly, distinction needs to be made between willful misrepresentation and agency omission, neglect, or error in securing and recording information. Experience of staff in dealing with various types of cases of suspected fraud, whether or not these proved to be fraudulent, will be helpful to the State agency in formulating a definition of the actions that would constitute fraud in public assistance. Furthermore, this experience should be

useful in developing criteria by which staff can apply such interpretation in specific cases.

(*b*) Responsibility of staff when intent to defraud is suspected: Even with clear criteria as to actions likely to be adjudged fraudulent, it will sometimes be difficult to determine whether there is reason to suspect fraud in the individual case. Therefore, manual material should also include instructions to staff as to how to proceed when indications of possible fraud come to their attention. This might cover such points as a more intensive investigation around the particular eligibility factor involved and review of the facts with the case supervisor, both to evaluate the significance of the information obtained and to plan next steps in the investigation process.

(*c*) Facts necessary to support a finding of fraud: Whether fraud on the program has occurred is usually by law a question for the courts to adjudicate. However, the public assistance agency is responsible for determining whether there is a basis for belief that fraud may have been committed. Certain kinds of facts are necessary in making this determination. For example, intent and mental competence are important elements and therefore staff will need guidance in the kind of evidence necessary to establish an individual's motives when intent to defraud is suspected. This is an area which the State agency's legal adviser or law enforcement officials will be able to make clear.

(*d*) Review of questions by State office: The instructions to local staff should make clear who in the agency will be responsible for decisions that there is intent to defraud. Some States may wish to place such responsibility in the State office for all cases; others only until such time as it is apparent that local staff are secure in their understanding of policies.

State instructions should explain why these decisions are being made in the State office and should include criteria governing the selection of cases for review by the State office. The State field staff will be helpful in teaching local staff to understand and use the criteria in determining which cases or types of cases will need to be reviewed by the State office and whether there is sufficient information to support the belief that fraud has been committed.

Cases where it is clear that the problem is one of misunderstanding or mistake of the client or agency error will need to be handled in accordance with other agency policies. Instructions should be specific regarding the responsibility of recipients and staff in case assistance is received due to misunderstanding, failure to report facts promptly, or agency error. Clear instructions covering improper payments should help staff to deal with various situations involving improper payment in an objective fashion.

Agency policy should provide for the continuing of assistance if current eligibility of recipients is clear, while facts are under review by the State office or the law enforcement authority.

2. *Responsibility for referral to law enforcement authorities.*—(*a*) State agency: If the State decides to place in the State office decisionmaking responsibility for referring cases for possible prosecution, the instructions should (1) give the reason why this is being done, (2) indicate the extent of authority to be exercised by the State office, (3) designate who in the State office will carry out this responsibility, and (4) include the methods and procedures to be followed. After these methods have been decided upon, staff need to be trained in their use.

Any action taken by the State office should not infringe upon the function of the State's law enforcement agencies. Thus, any action taken by the State agency should consist of a determination as to whether the facts in each case might support a finding of fraud by law enforcement authorities. This principle may result in the State office taking one of three different courses of action. If, after thorough review, there is reason to believe that fraud may have been committed, the State office would decide in accordance with established criteria whether to refer the case to the appropriate law enforcement authorities, and the latter would decide whether prosecution or other forms of legal action should be undertaken. If it is clear to the State office that fraud is not involved, the action would consist of making this known to the local office with an explanation as to why this decision was reached, and some advice as to how to work further with the case. In the event the State is unable to reach a decision because of inadequate information, State office action would consist of requesting the local office to furnish additional specified information, giving the reasons why such information is needed.

The State agency will designate the State staff member or members who will exercise the authority outlined above. The agency's legal adviser should play an important part in this decision, for his training and experience will be useful in determining whether the facts might support a finding of fraud. In States where cases would be referred to State law enforcement officials, the instructions should include procedures to inform the local office of the progress and outcome of such referrals.

(*b*) Local agency: In States where responsibility for legal action will be carried by the local law enforcement authorities, it will be necessary for the local office to determine whether the facts support a belief that fraud has been committed and to refer cases to the authorities for appropriate action. This responsibility must be carried out under State supervision in accordance with State policies and procedures. The local office will need to review carefully each case before a decision is reached. As part of this review, the local office may want to consult the local board or a designated board member, the State field supervisor, the agency's legal adviser, or the local law enforcement officials. In cases where it is difficult to reach a decision, the local office may find it helpful to submit these cases to the State office for advice. This would afford an opportunity to have difficult cases reviewed by the State's chief legal officials before referral, as well as by State office personnel.

It should be clear to everyone in the local office participating in these decisions that the role of the public assistance agency is limited to a determination whether referral to the law enforcement authorities for legal action is justifiable. It should also be clear that the public assistance agency does not have the authority to prescribe punishment.

3. *Responsibility for continuing work with individuals referred to law enforcement authorities.*—The local agency will need clear instructions as to what its responsibilities are when cases have been referred to the law enforcement authorities for evaluation as to evidence of fraud. If the latter decides that prosecution should not be undertaken, the local agency will need help in understanding and accepting the decision and in carrying on its service to the individual under regular policies and procedures.

B. Methods for developing policies and procedures

A State's policies relating to recipient fraud should be designed to cope with the kinds of situations faced by local staff in the day-to-day administration of the public assistance programs. Policies can be developed in accordance with the realities of the State situation by securing illustrations of the kind of cases in which staff believe there was intent to secure assistance through fraud. Distinctions can be made between such intent and occasions when there is some reason to suspect the veracity of applicants or recipients but no demonstrable intent to defraud.

To facilitate the development of criteria to identify the first type, an agency may wish to review illustrations of the various types of cases in which fraud was believed to have occurred, and borderline cases in which it was later decided that any assistance improperly received was due to agency error or to misunderstanding by the recipient of his responsibilities. This might include illustrative cases that have developed in the past year or two, and some current cases. Information should be furnished by the local agency in support of its belief that fraud was intended. Analysis of these cases will be valuable to the State agency in identifying the kinds of problems workers and clients have in understanding each other. Policies should be formulated to help the staff to clarify its responsibility and discharge it effectively.

The State should collect information on the number of cases of suspected fraud, the circumstances under which intent to defraud appears to arise, the kind of action taken by the agency, the client, the law enforcement officials and the courts, etc. The State agency's instructions should be specific about the kind of information required, who is responsible for reporting, and methods of reporting.

The State agency, in making an analysis of such reports may wish to draw upon the experience and skill of both agency staff members and its legal adviser. This might be accomplished through the establishment of a committee which could include staff responsible for policy development, field supervision, supervision of local workers, and the agency's legal adviser. Such a group might set forth some of the essentials of staff training in contributing to the understanding and proper application of these policies. These are recognized as highly impor-

tant, particularly since it is possible that relationships may be strained when State decisions are made which do not correspond with the views expressed by the local offices. These differences can be reduced to the extent that there are clear and comprehensive instructions which are understood all along the line.

C. Measures for preventing recipient fraud

Taking positive measures to prevent the occurrence of fraud is a part of the basic responsibility of every public assistance agency for proper and efficient administration. It is only when preventive measures fail, as they will in some cases, that measures to protect the interest of the agency and public should come into play.

It is highly important to develop a positive program to prevent fraud through policies and procedures designed to strengthen the determination of initial and continuing eligibility. A preventive program based on this principle will promote efficient and economical administration, establish a basis for good relations with the public, and, most of all, give applicants and recipients the opportunity of working with the agency on a basis of mutual understanding of their respective obligations and responsibilities. These are some of the elements of administration which are considered essential to the development of a positive program of fraud prevention.

1. *Sound program objectives.*—The agency's objectives, as expressed in policies and staff practices, should be positive and constructive, reflecting concern for people, recognition of human rights, and the intent that assistance will be granted promptly, adequately, and equitably to all eligible persons. A climate of suspicion, arbitrary action, and harassment of recipients will discourage the kind of cooperative relationship between worker and client necessary to mutual exploration of his resources and potentialities for a better life.

2. *Competent staff.*—Staff competence is an essential element in enabling a public assistance agency enlist client cooperation so as to carry out the complex operations of determining initial and continuing eligibility and the proper amount of payment in such a manner as to reduce to a minimum the opportunities for improper payments of all kinds. Staff must be able to help each client understand and accept the agency's policies governing eligibility. Staff must be able to apply these policies to individual cases. Skill in establishing relationships and in interviewing demands, some knowledge of the motivations of people and how these motivations influence the behavior of people in trouble. The aim of supervision and staff training should be to help staff develop the competence needed for proper administration of the public assistance programs.

3. *Clear policies.*—Continuing emphasis needs to be placed upon clear policies and instructions to staff regarding the objectives of the State's public assistance program. These instructions should set forth the specific responsibilities of staff in carrying out these policies in a way which is conducive to establishing a relationship with needy individuals in which facts can be secured and analyzed together and sound decisions reached that are based upon these facts.

4. *Methods of investigation.*—The methods of investigation should be suited to the widely varying situations of individuals and to the different eligibility factors. However, they must also be subject to provisions of law safeguarding the civil liberties of individuals. The methods of investigation may not result in any infringement of these rights by agency staff, such as invasion of the privacy of the home, unreasonable search and seizure, denial of due process of law, the right to legal counsel, use of confidential information for purposes other than administration of public assistance, etc. The necessity to amplify and verify information obtained from the applicant or recipient and the method of verification will depend upon the complexity of the eligibility factor itself and careful appraisal of the individual's understanding of what is needed and his capacity to secure it. One way to achieve this understanding is by meticulous explanation of eligibility requirements and of the individual's obligations to report all changes in his health, his income, his resources, his living arrangements, and other facts that affect his need for assistance. Agency instructions, supervision, and all aspects of staff development should be so directed that staff will always make these points clear in the initial interview and in all subsequent contacts with individuals receiving assistance.

Difficulties may be apparent when there is a reluctance on the part of the individual to give accurate and complete information or to assist the agency in securing facts pertaining to his eligibility. Such difficulties, if skillfully recorded will guide the agency in determining the number and nature of future contacts with these persons. Skilled interviewing will also furnish clues to in-

stances of possible misinterpretation which can then be appropriately handled under agency policies. These discussions should be supplemented with a leaflet summarizing the eligibility requirements and the responsibilities of individuals in connection with the receipt of assistance. In addition, a written statement might be mailed periodically with assistance checks to remind recipients of their responsibility to report changes in circumstances.

5. *Administrative supervision, controls, and analysis.*—All agency procedures should be scrutinized to assure that effective controls are established and are in operation to prevent improper payments at any time. Records should contain information regarding the precise facts which are specific to each eligibility requirement. Agencies should determine how frequently, within the minimum Federal and State requirements, reinvestigations of eligibility ought to be made and should establish criteria for the selection of cases for more frequent contact. Proper administrative controls should be established continuing eligibility and providing other services. Competent supervision is likewise essential in the development of these criteria and controls, in assuring that they operate properly, and in teaching staff how to use them effectively.

Periodic analysis of cases involving improper payments and the factors resulting in such payments can be helpful to determine if there is a relationship between misunderstanding or misrepresentation and specific eligibility requirements.

The effect of the frequency of investigation upon the extent of improper payments and of concentrated effort to help the recipient accept his responsibility for reporting changes can be studied in order to develop proper agency policy. This analysis may also throw light upon gaps or weaknesses in agency procedures or controls requiring corrective measures in order to strengthen the administration of the program and thereby reduce opportunities for misunderstanding or fraud.

6. *Public interpretation.*—State public assistance agencies should be able to demonstrate that they have taken reasonable precautions to prevent fraud and have developed clear and just methods for dealing with fraud when it occurs. The public should be informed of the nature and purpose of public assistance, how it differs from social insurance or pension programs, and the rights and responsibilities of recipients under the law.

Secretary RIBICOFF. Now, I think, Senator Curtis, the situation is this: That basically, as you know, the administration of these programs are State operations and the Federal Government matches. We don't run it.

Senator CURTIS. I understand that. But did the Department secure a copy of the survey for the District of Columbia, analyze it, and evaluate it?

Secretary RIBICOFF. My understanding is that it isn't finished yet.

Senator CURTIS. Well, I will confine my question to that part which has been completed.

Has the Department obtained a copy of it, and analyzed it and evaluated it?

Miss GOODWIN. We have not obtained a copy, Senator Curtis, because there is no copy, nothing has been written except the newspaper reports. We have had staff over in the District office reading parallel cases but not trying to interfere with the survey being made.

Senator CURTIS. Nothing has been reduced to writing?

Miss GOODWIN. Not that we have received. The survey is not complete.

Senator CURTIS. I understand that, but certainly these published reports are surely not a reliance on somebody's memory.

Secretary RIBICOFF. I think they are newspaper accounts of what the findings are at the present time. But as Miss Goodwin indicates, this investigation has not been completed by the District.

Senator CURTIS. Well, the General Accounting Office's activities in this wouldn't be confined to newspaper releases, would they?

Secretary RIBICOFF. I don't think they have had the reports.

Senator CURTIS. Or as I understand it, there was a governmental survey.

Well, I will go on to something else. I am disappointed that hasn't been followed through on.

In reference to old-age assistance, how many recipients are there per hundred people over 65 on a national level?

Secretary RIBICOFF. 13.4 percent.

Senator KERR. Let me be sure I understand it, Senator.

In the United States, recipients over 65 years of age, 13.4 percent are on the assistance rolls?

Senator CURTIS. On the old-age assistance rolls.

Senator KERR. Old-age assistance rolls.

Senator CURTIS. Read for me the highest five States and tell me what the figures are for those five.

Mr. COHEN. Louisiana, 50.8 percent; Mississippi, 42.3 percent; Alabama, 37.4 percent; Oklahoma, 34.8 percent, and Georgia, 32.1 percent.

Senator CURTIS. Now, read the five lowest and give the figures for those.

Mr. COHEN. Pennsylvania, 4.3 percent; Maryland, 4.1 percent; New York, 3.5 percent; Delaware, 3.3 percent; and New Jersey, 3.3 percent.

Senator CURTIS. What is it for Virginia and Nebraska?

Mr. COHEN. Virginia is 4.9 percent; Nebraska, 8.6 percent.

Senator CURTIS. The national figure is 13.4?

Mr. COHEN. That is correct, sir.

Senator CURTIS. I have a question about this comparison and as I understand it, it is not your publication?

Mr. COHEN. No, it was prepared by Mr. Arner and Miss Levingston.

Senator CURTIS. On page 6 it lists the States, plus Guam, Puerto Rico, and the Virgin Islands. What does that—for the record, what does that table refer to?

Mr. COHEN. You mean the long list of States?

Senator CURTIS. Yes.

Mr. COHEN. That is the Federal percentage that the State gets for medical payments.

Senator KERR. Is that not the percentage which the Federal Government pays?

Mr. COHEN. Yes, sir; that is. That is the Federal share of expenditures in medical payments.

Senator KERR. In the medical care payments for those on assistance?

Mr. COHEN. That is correct.

Senator KERR. Is this under the Kerr-Mills feature or under the regular medical care for the aged for those on assistance?

Mr. COHEN. This is the medical assistance for the aged.

Senator KERR. For the aged on the old-age assistance rolls.

Mr. COHEN. Well, this table here is the MAA and the OAA beyond the maximum.

Put it that way: These are the percentages——

Senator KERR. Sir?

Mr. COHEN. These are the percentages under what is popularly known as the Kerr-Mills program.

Senator KERR. Well, is that percentage the same as it is under the regular medical care aid?

Mr. COHEN. It is the same percentage for the excess of payments under those payments but the Federal share for most medical payments goes from 50 to 80 percent, also. But then for payments——

Mr. HAWKINS. Within the $15. If it is above the $66.

Senator KERR. Let's get it Senator; you want to get it accurate. I think this is a percentage with reference to a part of the program and for all of the Kerr-Mills program.

Mr. COHEN. That is correct. It is for that part which is in excess of the Federal maximum, medical payments in excess of $66 for medical payments to people who are on assistance and then also under the Kerr-Mills for medical payments to people who are not receiving cash assistance.

Senator KERR. And the one with reference to those over $66 is only such States as have a program in which both assistance and the regular medical exceeds the $66?

Mr. HAWKINS. That is where this percentage would be applicable.

Senator KERR. That is where this percentage would be applicable?

Mr. COHEN. That is correct.

Senator CURTIS. Let me ask you this; prior to enactment of Kerr-Mills, in what categories did the Federal Government match for the payment of medical expenses?

Mr. COHEN. You mean immediately prior to Kerr-Mills?

Senator CURTIS. Yes.

Mr. COHEN. Because there were some changes previously.

Senator CURTIS. Yes.

Mr. COHEN. For medical care.

Senator CURTIS. Yes.

Mr. COHEN. Immediately prior to the Kerr-Mills the only medical payment that was matchable was the Federal share on payments to individuals on assistance up to $6, was it not? Up to $6?

Senator CURTIS. That is an average of $6?

Mr. COHEN. Yes, that is an average on $6.

Mr. HAWKINS. That provision dropped out in 1958 about the $6. Medical payments from 1958 to 1960 were exactly like other assistance, the same Federal participation in them.

Senator CURTIS. What categories were reached by medical assistance before Kerr-Mills in which the Federal Government paid a part?

Mr. HAWKINS. Old-age assistance, aid to blind, aid to permanently and totally disabled, and aid to dependent children.

Senator CURTIS. In other words, prior to the enactment of Kerr-Mills, the Federal Government would participate on the medical expenses of all the people who were under welfare programs?

Mr. HAWKINS. On exactly the same basis as they would participate in other payments.

Senator CURTIS. Where it stated a program?

Senator KERR. Where it stated a program for them in which the Federal Government would participate.

Mr. COHEN. I think the problem, Senator, we have to make clear is that immediately before Kerr-Mills there was no earmarking of medical expenses for vendor payments.

Senator KERR. By the Federal Government.

Mr. COHEN. By the Federal Government.

There had been between 1956 and 1958 an earmarking of, as I recall, $6 on the average for the aged, the blind, and the disabled, and $3 for the children for that 2-year period between 1956 and 1958.

Then in 1958 that was eliminated and it was brought in with an increased average payment for the total program.

Senator KERR. Let me ask you if this isn't a correct statement of it. In 1959 and 1960 medical care was recognized by the Federal Government as having the same status in securing Federal participation as subsistence.

Mr. HAWKINS. Exactly.

Senator KERR. The sum total of the two, however, could not exceed the maximum set forth in the law in which the Federal Government would participate?

Mr. HAWKINS. That is right.

Senator KERR. The Federal Government did not require that in order to get that maximum; any part of it had to be a medical care program?

Mr. HAWKINS. That is correct.

Senator KERR. But if the State had a medical care program, it was recognized by the Federal Government, participated in with matching funds by the Federal Government, just the same as though it had been matching funds by the State for subsistence, without medical care, is that correct?

Mr. HAWKINS. That is right, Senator.

Senator CURTIS. Now, then, this table reflects the percentage of matching for the program just described by the Senator from Oklahoma.

Mr. HAWKINS. No, sir.

Senator KERR. Do you want me to tell you what this is, right here; I can tell you in very simple terms, I think.

Senator CURTIS. All right.

Senator KERR. No. 1, this is the matching formula for money used for Kerr-Mills which is entirely separate and apart from the money we furnish for medical care to those on the assistance rolls.

Mr. HAWKINS. That is right.

Mr. COHEN. That is right.

Senator KERR. That is No. 1.

No. 2, under the present law in old-age assistance the Federal Government will go above the $66?

Mr. HAWKINS. That is correct.

Senator KERR. And match exclusively for medical care for those on the old-age assistance rolls, up to a total average monthly accumulation of $15.

Mr. HAWKINS. That is right.

Senator KERR. Per old-age recipient per month.

Mr. HAWKINS. That is right.

Senator KERR. And where the Federal Government is participating, aside from Kerr-Mills, in an amount in excess of $66, which amount is being used for medical care for the aged on the assistance rolls, the Federal Government's participation is as identified in this formula; is that correct?

Mr. COHEN. That is a correct statement, Senator.

Senator CURTIS. All right.

Now, what were the national costs, Federal costs, for ADC last year? I presume the fiscal year is the easiest way to ascertain it.

Mr. COHEN. For the fiscal year ending June 30, 1961, the total cost for the aid to dependent children's program was $1,118,991,000.

Senator KERR. Total Federal cost?

Mr. COHEN. No, total Federal, State, and local cost.

Senator CURTIS. I want just the Federal cost.

Mr. COHEN. The Federal cost was $655,872,000.

Senator CURTIS. What was it for, say, the 9 prior years?

Mr. COHEN. I have a table here we can put in the record or I can put the whole table in the record.

Senator CURTIS. What period does the table cover?

Mr. COHEN. It covers 1936 to 1961.

Senator CURTIS. All right, you can put the table in if the committee will consent and then tell me offhand what was the cost 5 years ago?

Senator KERR. That would be 1957.

Mr. COHEN. In 1957 it was $412,701,000.

Senator KERR. Federal share?

Mr. COHEN. Federal share, yes, sir.

Senator CURTIS. Increased about 50 percent.

Senator KERR. From 1957 to 1961.

Mr. COHEN. Yes, sir.

Senator CURTIS. What was it 10 years ago?

Mr. COHEN. In 1951, it was $288,769,000.

Senator CURTIS. A little more than doubled, then, in the last 10 years.

Mr. COHEN. Yes, sir.

(The table referred to follows:)

Aid to dependent children: Annual assistance payments and amounts from Federal funds, fiscal years 1936 to date [1]

Fiscal year	Total	Federal		Fiscal year	Total	Federal	
		Amount	Percent			Amount	Percent
1936 [2]	$22,853,000	$1,691,000	7.4	1949	$414,139,000	$176,363,000	42.6
1937	58,501,000	12,005,000	20.5	1950	520,330,000	227,216,000	43.7
1938	84,505,000	22,269,000	26.4	1951	567,683,000	288,769,000	50.9
1939	107,055,000	27,544,000	25.7	1952	547,268,000	285,512,000	52.2
1940	123,366,000	40,447,000	32.8	1953	562,039,000	317,486,000	56.5
1941	146,003,000	57,533,000	39.4	1954	561,111,000	325,500,000	58.0
1942	157,405,000	62,774,000	39.9	1955	620,555,000	355,981,000	57.4
1943	149,962,000	58,627,000	39.1	1956	639,476,000	362,753,000	56.7
1944	135,896,000	50,266,000	37.0	1957	700,268,000	412,701,000	58.9
1945	138,533,000	48,520,000	35.0	1958	815,196,000	486,118,000	59.6
1946	173,107,000	54,889,000	31.7	1959	956,380,000	574,351,000	60.1
1947	254,547,000	95,875,000	37.7	1960	1,021,097,000	611,177,000	59.9
1948	325,716,000	125,695,000	38.6	1961	1,118,991,000	655,872,000	58.6

[1] Beginning with fiscal year 1951, includes vendor payments for medical care.
[2] February–June 1936.

Senator CURTIS. Now, what were the Federal costs for old-age assistance last year?

Mr. COHEN. I have a comparable table for that, too.

Senator CURTIS. All right. Give me last year's costs and I will ask you about a couple of other years.

Mr. COHEN. Last year's cost for old-age assistance was $1 billion—the Federal share——

Senator CURTIS. Yes.

Mr. COHEN. $1,159,941,000.
Senator KERR. At the end of June 30, 1961?
Mr. COHEN. Yes, sir.
Senator CURTIS. What was it for 1957?
Mr. COHEN. 1957 it was $956,462,000.
Senator CURTIS. What was that increase?
Mr. COHEN. That increase would be roughly 200 and some million, about two-ninths, a little over 20 percent, I would say.
Senator CURTIS. What was it 10 years ago?
Mr. COHEN. In 1951 it was $794 million.
Senator KERR. $800 million.
Senator CURTIS. $700 million. What did you say it was this year?
Mr. COHEN. Roughly if you want a rought figure, 1.2 billion.
Senator CURTIS. So it is increased 500 million?
Senator KERR. Fifty percent, 400 million.
Mr. COHEN. Yes, roughly from $800 million is the round figure in 1951, to $1.2 billion in 1961.
(The table referred to follows:)

Old-age assistance: Annual assistance payments and amount from Federal funds, fiscal years 1936 to date [1]

Fiscal year	Total	Federal		Fiscal year	Total	Federal	
		Amount	Percent			Amount	Percent
1936 [2]	$52,907,000	$16,602,000	31.4	1949	1,259,381,000	693,690,000	55.1
1937	244,201,000	119,095,000	48.8	1950	1,437,982,000	789,362,000	54.9
1938	360,249,000	174,085,000	48.3	1951	1,472,544,000	794,004,000	53.9
1939	418,309,000	198,645,000	47.5	1952	1,487,605,000	783,758,000	52.7
1940	449,969,000	220,415,000	49.0	1953	1,581,052,000	875,180,000	55.4
1941	505,063,000	251,271,000	49.8	1954	1,589,618,000	897,024,000	56.4
1942	568,631,000	282,649,000	49.7	1955	1,589,802,000	886,034,000	55.8
1943	616,569,000	305,748,000	49.6	1956	1,633,533,000	886,522,000	54.3
1944	679,329,000	326,845,000	48.1	1957	1,723,862,000	956,462,000	55.5
1945	701,951,000	335,453,000	47.8	1958	1,798,374,000	1,002,652,000	55.8
1946	761,587,000	354,983,000	46.6	1959	1,858,004,000	1,092,347,000	58.8
1947	910,330,000	471,995,000	51.8	1960	1,894,639,000	1,111,814,000	58.7
1948	1,037,554,000	539,131,000	52.0	1961	1,914,946,000	1,159,941,000	60.6

[1] Beginning with fiscal year 1951, includes vendor payments for medical care.
[2] February–June 1936.

Senator CURTIS. Yes.
Now, Mr. Secretary, in regard to your recommendations for payment of ADC to third persons, that is limited to 5 percent in the overall, is it not?
Secretary RIBICOFF. Yes.
Senator CURTIS. Is that 5 percent of the dollar amount or 5 percent of the cases?
Secretary RIBICOFF. Five percent of the people.
Senator CURTIS. Five percent of the people?
Secretary RIBICOFF. Yes, sir.
Senator CURTIS. Not 5 percent of the families?
Secretary RIBICOFF. Five percent of the people.
Senator CURTIS. Is it children or families?
Secretary RIBICOFF. Both. It would be the recipients and you would add the people.
Senator CURTIS. So it would be children.
Secretary RIBICOFF. Children and adults because we have both.

Senator CURTIS. I see.

Now, that third person could be an institution, if I understand your statement correctly.

Secretary RIBICOFF. No. It has to be a person. We don't consider an institution would get the payment.

Senator CURTIS. On page 5 of the House report.

Secretary RIBICOFF. Are you talking about a person in an agency or are you talking about a corporate person?

Senator CURTIS. I am just asking the question.

The first paragraph on page 5 of the House report says:

> Under temporary existing law, which would expire on June 30, 1962, payments can be made to children removed by court order into foster care. This provision would be made permanent.

Mr. COHEN. That is a different problem.

Secretary RIBICOFF. We are talking about a different thing. I understood a different question.

Senator CURTIS. I see.

Payments under prior law were limited to living with specified relatives. The bill also expands the program to include children placed in child care institutions as well as those receiving family or home care under existing law.

Secretary RIBICOFF. That is right.

Senator CURTIS. That would mean children's institutions.

Secretary RIBICOFF. That is correct.

Senator CURTIS. Must they be public institutions?

Secretary RIBICOFF. No.

Senator CURTIS. They can be run by charitable or religious organizations?

Secretary RIBICOFF. That is correct, sir.

Senator CURTIS. And this relates to the ADC program.

Secretary RIBICOFF. That's correct.

Senator CURTIS. Now, also there was language in your remarks, and I think it was good, to give latitude to the States in carrying out programs to make this effective and to prevent abuses, was there not?

Secretary RIBICOFF. That is correct.

Senator CURTIS. Would that latitude extend this far, and I refer to the program carried out in Sweden. As I understand it——

The CHAIRMAN. I think that is a rollcall on the cloture vote, quorum call.

You had not concluded your questions, of course.

Senator CURTIS. No, if that is all right.

Do you want the Secretary to come back?

The CHAIRMAN. Do you want the Secretary to come back at 2:30?

Senator CURTIS. I shall not necessarily make that request unless there are others who want to ask him. I got in kind of bad before this committee last Friday.

Senator LONG. I would not insist at this time, Mr. Chairman. I have only one or two questions to ask.

The CHAIRMAN. I don't want to cut off the Senator from Nebraska.

Secretary RIBICOFF. We will be glad to answer these questions in writing.

The CHAIRMAN. He can come back at 2:30 if you care——

Senator CURTIS. I will state this question for you to make an answer afterward and then I will waive my other questions.

As I understand it, and I realize we aren't talking about the majority of cases, there are some very severe abuses in every State on ADC.

Secretary RIBICOFF. Correct.

Senator CURTIS. Some people say, "We will cut off the money"; that is unfair to the children.

Secretary RIBICOFF. That is correct.

Senator CURTIS. Some people say, "Let's take the children away from the parent," and sometimes that is necessary; but sometimes it is highly pleasing to a very few unworthy parents; isn't that correct?

Secretary RIBICOFF. That is right.

Senator CURTIS. Now, as I understand it, the Swedish people have set up a program, and I am talking about the extreme case, wherein the mother is not a fit person, the children should be removed. There, an appropriate authority orders the children into an institution where they receive good care, sanitation, training, sleep, and discipline. At the same time that same court or authority orders the mother to perform labor in the institution for sufficient hours a month to pay the full bill of keeping her children therein and thus puts parent and children together.

It avoids relieving the parent—the mother—of all of her responsibilities. It serves as a very effective training school for the parent, because she is taught household duties, she is taught other duties that enable her to keep a better home as well as training for possible employment.

My question is this, and I have had to describe it rather hurriedly: My question is this: Would the latitude that you are granting to the States to take effective steps to prevent abuses in ADC, permit a State to go that far if it wanted to, and you can put your answer in writing.

Secretary RIBICOFF. In writing?

Senator CURTIS. In the record.

I don't want these gentlemen to miss the rollcall.

Secretary RIBICOFF. I will put it in writing.

(The following was later received for the record:)

As I understand your description of the Swedish plan, in instances in which the child's well-being is at risk, the courts will commit the child to an institution and arrange for the mother to be employed in the institution so that she can be near the child. While at the institution, both mother and child receive the kind of care and training which will enable the mother to return to the community and provide a more satisfactory home for the child. You asked me whether such a plan would be possible under the Public Welfare Amendments of 1962. We presume that the work performed by the mother would not pay the full cost of care and thus there would be a need for some form of assistance. Otherwise, such a plan would eliminate the need for assistance and accordingly not be affected by the Federal statute.

Under the proposed legislation as under current provisions of law, it is possible for a mother and child to be living together in a congregate living arrangement under which the mother uses her ADC grant to purchase board and room. Training for employment and appropriate social services can be provided by the public welfare department, either alone or in conjunction with other agencies.

Although not common, such an arrangement on an experimental basis is in effect in the District of Columbia. The mother must have made a decision without restraint of court order to enter into the living arrangement in order for Federal public assistance funds to be available for the program. Although it is probably too early to evaluate, the results of the District of Columbia experiment indicate that it is serving a useful purpose.

The differences between the project in the District of Columbia and your description of the plan in Sweden lie in the arrangements by which the mother enters the institution, whether the child is in fact living with the mother, and

whether the child is under the direction of the court or whether the mother is basically responsible for his care and well-being. As you described the Swedish program, it would not be possible to carry it out as a part of the regular program under the public welfare laws amended by H.R. 10606, although some of its features could be. Under section 122 of H.R. 10606, it would be possible for the Federal Government to participate on a project basis in an experiment along the lines you have suggested. This section sets up a plan whereby program improvement projects can be approved which do not conform to the provisions of the Social Security Act that relate to regular ongoing operations.

I am directing my staff to inquire more closely into the Swedish experience to see whether there is anything we can learn from that which will be useful to our own problems in this country.

The CHAIRMAN. It may be some member of the committee will want you to come back later on. I understand you will be out of the city tomorrow?

Secretary RIBICOFF. As a matter of fact, I am slated to make a speech at the annual meeting of the American Nurses Association tonight and I have to take a plane to Detroit at 3:30.

The CHAIRMAN. We have 4 days' hearings including today and I don't want to interfere with your engagements so if we need you later on in the week——

Secretary RIBICOFF. In other words, I will be here and I have to go to the Cuban refugees in Miami tomorrow but I will be in the city Wednesday and Thursday and I will be at the call of the committee.

The CHAIRMAN. If we need to recall you for further questioning we shall endeavor to suit your convenience.

The committee will adjourn until 10 o'clock tomorrow morning.

(By direction of the chairman, the following is made a part of the record:)

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
SUBCOMMITTEE ON MIGRATORY LABOR,
May 18, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Committee on Finance, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to call attention to the close relationship between the proposal, S. 1131, and the subject matters included in the bill, H.R. 10606, both of which are now pending before your committee. The bill, S. 1131, providing day care facilities for migrant children, has the strong support of this administration, and to my knowledge there is no opposition or controversy involved in the legislation.

In view of these facts, and in view of the convenience and possible conservation of your committee's time, I would like to request that your committee consider the desirability of including the S. 1131 proposal in the bill, H.R. 10606, when the latter bill is taken up in executive session.

There is persistent and pressing need for day care legislation if the migrant children in this Nation are to be given the care and supervision necessary for their educational growth and their becoming productive members of our society.

Ample documentation for the need and advisability of providing day care facilities to migrant children is included in the attached statement and administration reports which, along with this letter, I would appreciate being included in the record on H.R. 10606.

I have carefully studied the problem of providing day care facilities for these youngsters and am convinced that the amendment of H.R. 10606 to include the proposals in S. 1131 would greatly alleviate the burdens imposed upon these children and the communities through which they pass.

The Senate Finance Committee is, therefore, respectfully urged to act favorably on this request to include the S. 1131 proposals in H.R. 10606 during executive session.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman, Subcommittee on Migratory Labor.

CHILD WELFARE

BACKGROUND

Approximately 100,000 to 150,000 children under the age of 14 accompany their parents on their yearly migration for agricultural work. Because one wage earner's income is rarely enough to support a family, it is usually the case that the wife, and often the older children, work also. Infants and younger children, if they are left at the home camp, are usually tended by a woman too old or too sick to work, or by an older child—perhaps only 9 or 10 years old himself. Sometimes infants are taken to the field with their parents, and left for the whole day with little shelter, care, or attention. In short, these children are generally left uncared for and when care is provided, it is usually inadequate.

In a study made by the Children's Bureau in 1960, the overwhelming consensus of States welfare agencies was that day care centers are desperately needed for children of migratory agricultural workers. Some States have already allocated part of their State child welfare appropriations for day care facilities for migratory children. Yet today, in the entire Nation, there are still only 24 licensed day care centers which primarily serve children of migratory families. Thirteen of these centers are in New York State alone. The combined aggregate capacity of all 24 centers would probably serve fewer than 1,000 children.

Aside from day care, an equally serious situation exists in the area of child welfare work. Migratory families and their children have a greater-than-average number of social problems. However, in the 89 counties estimated to have 5,000 or more migratory workers, 10 do not have any service available from a full-time public welfare worker. Ten others either have one full-time worker for the county's total population, or services only on a shared basis with one or more counties.

RECOMMENDATION

Children of migratory farmworkers should be provided better care and protection while their parents are at work in the fields. The Federal Government should stimulate establishment and maintenance of day care facilities for children of migratory agricultural workers by making financial assistance available for this purpose to States. Such assistance should be made available to States on a matching basis by a formula which makes allowance for the State's per capita income, and its total number of domestic migratory workers.

JULY, 6, 1961.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: This is in further reply to your request for our comments on S. 1131, a bill to amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers:

We are greatly concerned with the problem of providing adequate care and supervisory program for the children of migrant farmworkers. Although the Department of Health, Education, and Welfare would have primary responsibility for helping devise the best techniques for these programs, this Department deems the provision of satisfactory day-care programs while parents work in agriculture absolutely essential. This need would be increased under legislation supported by this administration to regulate the employment of children in agriculture outside of school hours.

It is estimated that there are 500,000 domestic agricultural migrant workers in the United States. Domestic migrants are employed at various times during the year in 47 States, with 28 States having 5,000 or more migrants at the peak harvest season. The number of children under 18 years of age who migrate with their families is estimated at between 175,000 and 225,000. Reports of national voluntary organizations and State public welfare agencies, contained in a document entitled "Children in Migrant Families," prepared by the Children's Bureau of the Department of Health, Education, and Welfare in 1960, indicate that day care and protection of migrant children are grossly inadequate.

Although several States have initiated day-care services for children of migrant workers, State resources have not been sufficient to establish adequate programs. We think it is appropriate, therefore, in view of the national concern for the welfare of migrant families, and in line with governmental efforts to improve their working and living conditions, that Federal funds be made available for vitally needed day-care services.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Yours sincerely,

ARTHUR J. GOLDBERG, *Secretary of Labor.*

Source: The Migratory Farm Labor Problem in the United States, a report together with individual views to the Committee on Labor and Public Welfare, U.S. Senate, pursuant to S. Res. 267 (86th Cong., 2d sess.), Rept. 1098, Sept. 20, 1961.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 1, 1961.

Hon. HARRY F. BYRD,
U.S. Senate.

DEAR SENATOR BYRD: This replies to your letter of March 8, 1961, requesting a report on S. 1181, a bill "To amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers."

We recommend the passage of this bill if the Secretary of Health, Education, and Welfare considers it practical and workable.

The problem of day-care facilities for children of migrant workers who travel with their families is a difficult one. This bill would assist States that already have such day-care facilities and encourage others to provide them. It would make any day-care facilities furnished by any State receiving aid under this bill available to all without any residence requirements.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washingon, D.C., July 28, 1961.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of March 6, 1961, for a report on S. 1181, "To amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers."

In his report to your committee on this bill, the Secretary of Health, Education, and Welfare is recommending its enactment subject to two modifications. The Bureau of the Budget concurs with the views contained in that report and advises that enactment of S. 1181, modified as recommended by the Department of Health, Education, and Welfare, would be consistent with the administration's objectives.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, August 1, 1961.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of March 6, 1961, for a report on S. 1181, a bill to amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers.

This bill would enable further cooperation with State public welfare agencies which have included in their plans for child welfare services provisions for day-care facilities for the children of migrant agricultural workers, through authorizing an annual appropriation of $750,000 to be used exclusively for the establishment and operation of such day-care facilities (including, as defined in the bill, (*a*) day-care centers whether provided directly by the State or any political subdivision thereof or indirectly through purchase of care or other basis, and (*b*) individualized care provided through foster home services). Matching would be required on the same formula as for Federal child welfare funds under existing law.

We support the objectives of S. 1181. The need for more adequate day-care services for children of migrant workers is documented in a recent report prepared by the Children's Bureau at the request of the Senate Appropriations Committeee. In brief:

"Report from national voluntary organizations and State public welfare agencies show a gross lack of adequate care and protection for migrant children while their parents work. The tragic plight of these children is vividly portrayed in reports, over and over again, of tiny children taken to the fields early in the morning with their parents and left long hours alone in locked cars; children, left to care for themselves, playing in roadways or drainage ditches and sometimes having accidents resulting in serious injury or even death; and children left in the camp areas or other migrant housing sites under the care of older children—older children who are themselves no more than 9 to 12 years of age, and sometimes younger." ("Children in Migrant Families"—A Report to the Senate Appropriations Committee of the 87th Congress, U.S. Department of Health, Education, and Welfare, Social Security Administration, Children's Bureau, December 1960. Page 55. Copy attached.)

The total estimated number of domestic agricultural migrant workers in the United States is about 500,000. Domestic migrants at some time during the year are found in 47 States—with 28 States having 5,000 or more migrants at the peak. An estimated 175,000–225,000 children under 18 migrate with their families.

S. 1181 would build on the progress that has been made in establishing and extending child welfare services under the provisions of title V, part 3, of the Social Security Act. Several States have used Federal child welfare funds to begin the development of day care program for children of migrant workers. Among these States are Pennsylvania, Virginia, North Carolina, Iowa, Ohio, Florida, and Maryland. But the resources of most States have not been sufficient to provide for the establishment of these programs on a more general basis. Clearly, a nationwide effort, with Federal assistance and encouragement, is needed to stimulate the development of more day care facilities so that these children will have opportunities for adequate care and protection wherever they may be residing.

The bill provides for allotment of the funds to the respective States in an amount which bears the same ratio to the amount appropriated for each year as the total number of children of migrant agricultural workers who were in the State during the preceding fiscal year (as determined by the Secretary on the basis of the best data available to him) bears to the total number of such children. At the present time, adequate statistics are not available on the number of such children and, pending the availability of these statistics, it will be necessary to use an index such as the peak number of migrant workers in each State. Regardless of the statistics used, however, because of the variation in the number of migrants in the different States, some States would receive under this formula an amount which would be insufficient, although combined with the State and local matching funds, to enable them to develop the facilities for even a small group of these children. The Department suggests that the formula include provision for a minimum allotment of $1,500. This could be done by adding the following phrase at the end of section 527(b): Provided that the minimum allotment available shall not be less than $1,500.

We plan to make a comprehensive review of the child welfare services program including the particular need of migrant children for day-care facilities in the near future. We would accordingly recommend that the program authorized by S. 1181 be limited to a 2-year period so that the conclusions derived from our study will be available when permanent legislation to deal with the problem is considered.

Subject to the modifications indicated, we recommend the enactment of S. 1131 by the Congress.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ABRAHAM RIBICOFF, *Secretary.*

[S. 1131, 87th Cong., 1st sess.]

A BILL To amend title V of the Social Security Act to further assist States in establishing and operating day-care facilities for the children of migrant agricultural workers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title V of the Social Security Act is amended by adding at the end thereof the following new section:

"DAY-CARE FACILITIES FOR CHILDREN OF MIGRANT AGRICULTURAL WORKERS

"SEC. 527. (a) For the purpose of enabling the United States, through the Secretary, to further cooperate with State public-welfare agencies which have included in their plans for child-welfare services provisions calling for the providing of day-care facilities for the children of migrant agricultural workers, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1962, and for each succeeding fiscal year, the sum of $750,000, which shall be used exclusively for the establishment and operation of such day-care facilities.

"(b) At the beginning of each fiscal year (commencing with the fiscal year ending June 30, 1962) the Secretary shall allot the sums appropriated pursuant to subsection (a) to States as follows: He shall allot to each State the plan of whose child-welfare agency calls for the providing of such day-care facilities an amount which bears the same ratio to the amount appropriated pursuant to subsection (a) for such year as the total number of children of migrant agricultural workers who were in such State during the preceding fiscal year (as determining by the Secretary on the basis of the best data available to him) bears to the total number of such children who were in all such States for such preceding year (as so determined).

"(c) From the sums appropriated pursuant to subsection (a) and the allotments under subsection (b), the Secretary shall from time to time pay to each State the public-welfare agency of which includes in its plan for child-welfare services provisions calling for the providing of day-care facilities for the children of migrant agricultural workers an amount equal to the Federal share (as determined under section 524) of such portion of the total sum expended under such plan (including the cost of administration of the plan) as is attributable to the providing of such day-care facilities. Such amounts shall be payable in the manner provided by section 523(b).

"(d) The amount of any allotment to a State under subsection (b) for any fiscal year which the State certifies to the Secretary will not be required for carrying out the provisions of its State plan relating to the providing of day-care facilities for the children of migrant workers shall be available for reallotment from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out the provisions of their State plan which call for the providing of such facilities for sums in excess of those previously allotted to them under such subsection and (2) will be able to use such excess amounts during such fiscal year in carrying out such provisions. Any amount so reallotted to a State shall be deemed part of its allotment under subsection (b).

"(e) In no case shall a State receive Federal financial assistance with respect to the same expenditure under this section and the preceding sections of this part.

"(f) For purposes of this section—

"(1) The term 'migrant agricultural worker' means an individual (A) whose primary employment is agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or performing agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(f)), on a seasonal or other temporary basis, and (B) who establishes with his family for the purpose of such employment a temporary residence;

"(2) The term 'child' means a child who makes his home with his parent or the individual who stands in loco parentis to the child; and

"(3) The term 'day-care facility' includes (A) day-care centers whether provided directly by the State (or any political subdivision thereof) or indirectly through a purchase of care or other basis, and (B) individualized care provided through foster home services.

"(g) No funds appropriated under the authority of subsection (a) shall be payable to any State which imposes, as a condition of eligibility for day-care facilities, any residence requirement which excludes any otherwise eligible child physically present in the State."

(Whereupon, at 12:15 p.m., the committee adjourned, to reconvene at 10 a.m. Tuesday, May 15, 1962.)

PUBLIC ASSISTANCE ACT OF 1962

TUESDAY, MAY 15, 1962

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to recess, at 10:15 a.m., in room 2221, New Senate Office Building, Senator Harry F. Byrd (chairman) presiding.

Present: Senators Byrd, Kerr, Williams, Carlson, and Morton.

Also present: Elizabeth B. Springer, chief clerk.

The CHAIRMAN. The committee will come to order.

The first witness is Miss Elizabeth Wickenden of the National Social Welfare Assembly.

The Chair is compelled to go to the Armed Services Committee this morning. We will ask Senator Kerr to take the chair. I shall return as soon as possible.

Senator KERR (presiding). Miss Wickenden, we are very happy to have you here this morning and you may proceed in your own way.

STATEMENT OF ELIZABETH WICKENDEN, TECHNICAL CONSULTANT ON PUBLIC SOCIAL POLICY, NATIONAL SOCIAL WELFARE ASSEMBLY

Miss WICKENDEN. My name is Elizabeth Wickenden. I am the technical consultant on public social policy for the National Social Welfare Assembly which is a central planning and coordinating federation of national organizations, 57 voluntary organizations, 14 public agencies, and 4 associated groups.

Consequently, I am speaking today not only in behalf of the Social Welfare Assembly but also of the following organizations and individuals:

The National Federation of Settlements and Neighborhood Centers. They have also asked that I file an additional statement in their behalf, which I will give to the reporter, for the Council of Jewish Federations and Welfare Funds, I am also filing with a supplementary statement; for the Council on Social Work Education, also filing a supplementary statement; the Department of Public Affairs of the Community Service Society of New York, also filing a supplementary statement, the Young Women's Christian Association, the National Council of Jewish Women, the Citizens Committee for Children of New York, the National Association for Service to Unmarried Parents, and the Salvation Army.

There is in addition a group of organizations that support our statement and are testifying in their own behalf. These are the National Urban League, the National Travelers Aid Association, the Family Service Association of America, the National Association of Social Workers, the National Council of Churches of Christ in the U.S.A. and the Child Welfare League of America.

In addition, I am also speaking for the following persons who are members of our committee and wish to be identified with this statement in their individual capacity: Mr. Lyman S. Ford, executive director, United Community Funds and Councils of America; Mr. Sanford Solender, executive vice president, National Jewish Welfare Board; Mr. Conrad Van Hyning, executive director, American Social Health Association; Miss Naomi Hiett, executive director, Illinois Commission for Children; Mr. James Dumpson, commissioner, New York City Department of Public Welfare; Mr. Raleigh C. Hobson, director, Richmond (Va.) Department of Public Welfare; Miss Helen Harris, executive director, United Neighborhood Houses of New York, Inc.; the Honorable Justine Wise Polier, justice, Domestic Relations Court of New York; Mr. Harleigh Trecker, dean, University of Connecticut School of Social Work; Mr. Sidney Hollander, of Baltimore, Md., and Miss Jane Hoey, former director, bureau of public assistance.

Sir, I will file for the record the formal statement of this group, but I think it would be more useful if I would summarize its points informally in my actual testimony.

I would like, first of all, to indicate that the National Social Welfare Assembly has this year for the first time adopted an official statement on public welfare which makes clear what I think has been the growing sentiment among all voluntary welfare organizations that their central interest lies in the strengthening of the public welfare program.

If there ever was a time, and perhaps there was in the past, when people felt that there was some possible conflict of interest between public and voluntary welfare, that time has long since passed, because with all our resources, we know that voluntary agencies cannot begin to meet the problems that confront us today.

I would like to ask that this official statement be incorporated in the record.

Senator KERR. What is the official statement?

Miss WICKENDEN. I have several items to submit. The position statement on public welfare of the National Social Welfare Assembly.

Senator KERR. Now, are these statements that you are talking about repetitive?

Miss WICKENDEN. Well——

Senator KERR. My suggestion is that your statement be made a part of the record. You summarize it as you wish. If you have a supplemental documents, that you file them with the record.

Miss WICKENDEN. All right. Yes, I have several documents and I won't ask each time then, if that is not necessary.

Senator KERR. All right. The material you are submitting will follow your oral presentation.

Miss WICKENDEN. In accordance with this statement, there has been a very great interest among all, the whole social welfare community in the efforts during the past year to reappraise the public welfare program. This has been done in many ways. I myself last year was the director of a project at the New York School of Social Work which published a report "Public Welfare, Time for a Change."

Many of the people associated with our committee served on the Committee appointed by Secretary Ribicoff, the Ad Hoc Committee on Public Welfare. We have welcomed in every way the effort made by the Secretary to take a look at public welfare, with the hope of making it more responsive to current needs.

We were, therefore, very supportive of the proposal submitted by the Secretary, and which now comes to you in the form of H.R. 10606.

Senator KERR. Is that endorsement general or do you care to discuss the——

Miss WICKENDEN. We have certain reservations, sir, that I am prepared to present.

Senator KERR. You would be of the greatest service to me, I don't know about the committee, if you would tell me what this part of the bill would do and whether you think it wise or unwise.

Miss WICKENDEN. I think, sir, that is what we would like to do. In terms of what we see as the central focus of the bill for which we are very enthusiastic in our support I would say there are two basic intentions in this bill.

The first is to give the States a greater flexibility, wider resources to meet the actual problems that confront them.

I think that it is important to note that this is basically a States rights bill, that this enlarges the opportunities of the States to meet their problems as they see best in at least 12 different ways that I have noted in this whole bill.

I think the second point that is important to know is the effort make it possible for public welfare and, most particularly, that part of the program, both through public assistance and child welfare that deals with families with children, to be more constructive in its ability to approach the individual problems of individual families in their own terms.

These, I would say, are the two central ideological, philosophical differences in approach in this bill, and our group of agencies is very strong in their support that this should be done.

Now, I would like to speak at this point of four sections of the bill or I should say four points on which we would like to to see the bill as it came from the House modified.

The first of these concerns section 107(a), which was added in the House, and was not in the original proposal of the administration. Of course, I think everyone now realizes, and our official statement says this, that there are a few families that come on to public assistance for whom an outright cash payment may not be the best answer, and the great difficulty about these families is that although there are perhaps very few of them, they do endanger the program for all those who are in great need.

As one might say, every time an assistance check is cashed in a bar, that fact is very quickly spread around the community, and tends to discredit the entire program for those in need.

So the Secretary made the proposal, which is contained in section 108, which we, in general, support; that is, that in those cases exceptions might be made under highly controlled conditions, and within only a limited percentage of the cases, one-half of 1 percent, as he proposed—5 percent as it was changed in the Ways and Means Committee—so that the payment could be made to a third party, really a kind of conservator, who would help that mother spend her money wisely and assist her in straightening out her affairs.

That person might be a worker in a private agency. It might be someone in her family. It might be someone in the Public Welfare Department.

But the advantage of this proposal is that it does not affect the basic principle that people should receive cash. It simply affords a method, a very simple method, for making exceptions, a method, I might say, that has worked out very well in old-age and survivors insurance where you have for one reason or another beneficiaries who cannot handle cash.

When this proposal, which was adopted in the House, came before the Ways and Means Committee, it was apparent that there were some members who felt that this provision did not go far enough, and so they added a second provision to deal with the same kind of problem which would seem in effect to supersede 108 altogether, and this is section 107(a).

Section 107(a) says that if a mother or other recipient is not spending her money in the best interests of the child she must be warned, cautioned and so forth, but if she persists in her waste then she may either be placed under guardianship or under the protective payment device or "under any other plan provided for by State law."

And it is that phrase "any plan provided for by State law" to which we object, because this is a cooperative Federal-State program.

In many States the Federal Government pays 80 percent of the bill. It seems to us that it goes counter to the whole concept of State relations with the Federal Government whereby the Federal Government specifies the minimum plan requirements under which a State can qualify for aid, if it then comes around behind the back door and says, "Well, we have these minimum plan requirements but anything the State decides in this group of cases will be all right."

So our basic objection here is that this really undercuts the whole principle on which Federal aid is now given in this program.

If the Federal Congress does not feel that the provisions recommended by the Secretary are adequate, then it seems to me, it should consider its own views in this matter, but not simply abdicate to the States in this particular respect.

Senator CARLSON. Mr. Chairman, if Miss Wickenden would yield here, I think it should be made a point in the record, that the Secretary of Health, Education, and Welfare, Mr. Ribicoff yesterday expressed his opposition to section 107.

Miss WICKENDEN. I am delighted to hear that he did, because this is causing us great anxiety. We feel that the basic concept of Federal aid is not unlike that of the Federal Constitution that provides for a cooperative relationship between the States and the Federal Government, but within certain general standards which are specified in the Federal law. This system has worked extremely well during

the whole period of the act. The minimum plan requirements have been modified from time to time to meet particular conditions, but certainly the idea that one should a priori give any State action approval, would seem to run counter to the basic principles of the law.

There are other dangers, too, of course, in this provision. Whereas the 108 recommended by the Secretary is a method of making exceptions for a few cases, this would seem to open the program quite wide to every kind of pressure. Certainly already there is evidence of pressures from landlords who would like to have the State agency become collection agents for them.

Experience in the past, and it has been a long post—we haven't had it since 1935—with voucher payments, shows that there is a great danger of collusion between the vendor, this opens a whole new area for corruption. It is very expensive to administer. It is very unsatisfactory in terms of rehabilitation.

But I think it would be a mistake to consider that this 107(a) was simply an authorization to pay people in vouchers. In a supplementary statement that I would like to file with you, I have indicated some of the kinds of actions that have been discussed, such as, for example, should an ADC mother become pregnant with an illegitimate child that criminal penalties might be applied. There have even been proposals that compulsory sterilization be applied.

There are many kinds of punitive or controlling actions that could conceivably be considered in moments of high emotion in the States.

Miss WICKENDEN. Then, too, I think there is always the problem of the fact that we want, of course, to build up the social work service component in this program, but we know that at the present time we do not have a sufficient number of highly trained workers. I think that the protest that would come to the Congress if every investigator in a public welfare agency would go out and decide whether any particular woman was capable of managing her affairs, whether she should have this or that type of instruction about her money, whether it should be controlled in this or that sort of way, that it would probably give just as many complaints as whatever the present situation is.

So we would hope that such a drastic change in the Federal-State plan would not be enacted in this form, and we feel that 108, as proposed by the Secretary, should be sufficient to meet the problem.

The second point on which I would like to speak more briefly relates to residence laws.

We had been pleased to note the Secretary's recommendations in this respect in his original proposal; first of all, that the maximum residence period in any State be limited to 1 year, and second of all, that those States that eliminated residence requirements be given an additional increment in Federal reimbursement to compensate them for that.

These two proposals were eliminated in the laws. We regret that, and would hope that they might be restored, if not entirely, then at least in part.

This is a problem of our whole Federal-State system. If we allow States to limit their own jurisdiction in a program where 80 percent of Federal money or up to 80 percent is involved, you have a large group of people who simply fall outside of any jurisdiction, and we

have recently adopted another position statement in which we undertake to point out the value in solving economic problems in migration.

If an area is depressed and there is no work for a person in that area, the most constructive thing he can do may well be to move to a place where there is work. But in doing that——

Senator KERR. What does that have to do with what you are talking about?

Miss WICKENDEN. Well, what happens now is that a family, say, from a depressed mining area in West Virginia, may move to, say, California or some other State, to work, but then that family may be subject to all the hazards that afflict any family; perhaps the father will get ill, and then they have no entitlement in the State to which they have gone.

Senator KERR. And you think that State should have no voice in determining on what basis it would participate in a relief program for that family?

Miss WICKENDEN. Well,——

Senator KERR. You talk about what the Federal Government should be permitted to do, and you spoke against the language whereby the State was able to limit the application of funds provided by the Federal Government.

Do you not think that in a cooperative effort that if one is to have that right in certain areas the other also should have it?

Miss WICKENDEN. Well, of course, as you know, under the present Federal requirements there are limits on the residence period.

Senator KERR. What are those?

Miss WICKENDEN. Five out of nine years for old-age assistance and 1 year in ADC.

Senator KERR. Under that law, the level of payments has been fixed and has become a pattern in the various States, haven't they?

Miss WICKENDEN. Yes, and that is a matter of State option; yes, sir.

Senator KERR. Now then, the level of payments is different in the various States?

Miss WICKENDEN. Yes.

Senator KERR. And many States under that pattern have taxed themselves to where they are paying up to $100 a month on a 50–50 basis or paying up to 35 percent of it, while other States are under $40 and paying only 20 percent of it.

Now, then, you think that that Sate which has taxed itself and has built a pattern on the basis of the Federal authority to levy 5 out of 9 years' residence requirement should now jeopardize by a vast inflow of beneficiaries from other States who are under another pattern, by change of the requirements by one of the two contracting parties?

If the State has that 5-out-of-9 provision, it is by reason both of the Federal law and contract with the Federal agency, isn't it?

Miss WICKENDEN. Yes, sir.

Senator KERR. Don't you think that—do you think that contract should be changed by one of the parties without the consent of the other?

Miss WICKENDEN. Well, as far as consent goes, of course, all changes in the Federal law are the responsibility of Congress, though I think the States have been very quick to——

Senator KERR. That is all right for the States. But what about contracts that have been issued and entered into by the Federal Government under existing law?

Miss WICKENDEN. Well, let me answer your question in the series. If you ask me what I think, I personally would be in favor and our general position is in favor of abolishing all residence entirely.

Senator KERR. I would say so far as this member of the committee is concerned, I am impressed by your argument about section 107, but totally unimpressed by the other.

Miss WICKENDEN. But this is our position.

Senator KERR. That is fine.

Miss WICKENDEN. However, the Secretary has not asked for that. He has asked for an incentive to help States abolish residence requirements and to put all States on no more than a 1-year——

Senator KERR. If the Federal Government has made a contract whereby it agrees to match the States' money with reference to those people in a State who have been there 5 out of 9 years, and then the Federal Government wants to change that, don't you think the Federal Government ought to pay for the change it asks?

Miss WICKENDEN. Well, that really is a part of the Secretary's proposal.

Senator KERR. No, no. The Secretary's position would be a requirement with a reward, wouldn't it?

Miss WICKENDEN. Yes, I am sorry if I misinterpreted.

Senator KERR. That is quite different from an incentive without coercion.

Miss WICKENDEN. I don't want to take too much time on this one point except I would like to make two more points.

I am a taxpayer of New York State. New York State is one of the few States which has no residence requirements and does have a very high standard of assistance. I am happy to pay taxes for that purpose. I think the studies that have been made in New York have showed very little evidence that people move in order to get assistance. They do come to get jobs, and sometimes things happen that make it impossible for them to support themselves. They have to——

Senator KERR. What time is it in New York now?

Miss WICKENDEN. What?

Senator KERR. What time is it in New York now?

Miss WICKENDEN. Of day?

Senator KERR. Yes.

Miss WICKENDEN. The same time as here.

Senator KERR. What time is that?

Miss WICKENDEN. A quarter of 11.

Senator KERR. What time is it in Los Angeles?

Miss WICKENDEN. Well, it is quarter of 8.

Senator KERR. Now, the fact that the people in New York in their wisdom or that part of the country under the Federal Government are under one time and California is under another, do you think New York ought to have the right to say California ought to adopt our time schedule?

Miss WICKENDEN. Sir, you are talking about the course of the sun and I am talking about a purely legislative relationship.

Senator KERR. What you are talking about is the Federal Government taking an action which would be just as arbitrary.

Miss WICKENDEN. Well, I would like just to add one more word and then go on to something else.

I am a great believer in the State programs. I have worked for many years for the American Public Association; I believe in our Federal-State system. But this problem of permitting a State to have wide latitude in limiting its own responsibility in a federally aided program does present very real problems in a country where 32 million people move every year.

We are a single country.

Senator KERR. That move is not compulsory.

Miss WICKENDEN. I think that you may not be able to do what I favor all at once.

Last year you did in your bill, in your amendment, Senator Kerr, the Kerr-Mills amendment, you did rule out residence requirements for that part of the program. We all thought that was a wonderful forward step so all I would say is I would hope you would go a little further.

Senator KERR. But you see that was a new program.

Miss WICKENDEN. Well, we had had "medical care only" cases.

Senator KERR. I understand, but there had been no program under Kerr-Mills. That was a new program and the Federal Government set it up and fixed the rules, which they had the right to do.

What you are talking about doing is changing the rules that had been in effect for nearly 30 years.

Miss WICKENDEN. Well, I would hope, Senator, that it might be possible to find the means to advance this frontier just a little bit further and I am not going to try to——

Senator KERR. You are very gracious.

Miss WICKENDEN (continuing). Tell you how to do it. I would like to——

Senator KERR. And may I say very persuasive.

Miss WICKENDEN. I would like also to put in the record an official policy statement adopted by the United Community Funds and Councils of America representing all the local chests in which they urge also the abolition of residence requirements for the simple reason that when people are starving and there is no public aid they have to be helped through voluntary agencies, and this puts a very great burden on the agencies supported by the chest such as, say, the Salvation Army and the Travelers Aid. I don't think anybody wants to let these people starve.

Now, the next thing I want to speak about very briefly relates to social work training.

The Secretary's proposal has, as I said at the beginning, as one of its central features an effort to bring about really constructive help to families that are in trouble: the essence of this kind of help is qualified professional staff, and this we unfortunately have very little of in public welfare. I am going to submit material prepared by the Council on Social Work Education on these shortages in professionally trained social work.

In the Secretary's original proposal, there were two provisions, one under title 4 and one under title 5 for child welfare that would permit the Federal Government to do in this area what it is already doing in certain other areas of social work training, I think particularly of training for mental health work, for OVR and certain military social work officers, and that is to give fellowships and aid to the schools so that we can add to the pool of social worker personnel going into public welfare, in fact, committed to public welfare, and we would like to see that restored.

We know the bill contains provisions for the States to do training under this program. But we feel that that should be supplemented with a plan which would add to the overall pool of workers as is done in these other fields.

Now, the fourth point on which I wish to speak specifically relates to the increase added in the House for old age, the Federal matching for old-age assistance, aid to the blind, and aid to the physically disabled.

We are naturally not opposed to increasing the benefits for these groups. But we are greatly disturbed by the social injustice that seems to us to be involved in the fact that we now are matching under the Federal program 2½ times more for these old people, blind people, and disabled people as we are for families with children, and certainly, there is—our position is that people in need are equally in need regardless of whether they are old or whether they are young.

If anything, we have a greater—at least as great—an obligation to our children and it is very hard to see any justification in the actual cost of rearing children that would justify a two and a half times differential.

Another way of putting this same problem is what happens in a State. A State has so much money available that its legislature will appropriate for public assistance expenditures.

If a State chooses to put that money into either any of these three preferential categories, it gets an infinitely higher return in Federal matching than it does for the money that it puts into title IV. I have a statement I would like to read on that.

Under the House-passed bill, if a State has $6 per recipient to spend for assistance, this will bring it $29 in old-age assistance, aid to the blind, and aid to the permanently disabled, but only between $17 and $19.75 per case in ADC. Obviously a State with all these people in need, will naturally put its money into that part of the program or at least there will be a temptation to do so, that will bring it the highest amount in Federal aid, and this is certainly reflected in the figures.

So we would like to urge you to consider this whole problem of equitable treatment among these various groups before this bill is reported.

Those are my four points, and in general, we feel that this bill represents a landmark in public welfare development and we hope you will be able to make these changes to make it even more useful.

Senator KERR. Thank you very much, Miss Wickenden.

We have a very high respect for you and as I said you are a very persuasive witness.

Does the Senator have any question?

Senator Carlson? No, only this: The Federation of Protestant Welfare Agencies in our Nation has written a letter to our chairman in regard to section 107 which I think ought to be made a part of the record and I ask it be so made.

Senator KERR. It will be made a part of the record.

Miss WICKENDEN. I believe Mr. Hotchkiss will testify on that.

Senator CARLSON. I didn't know that. There is no need to make it a part of the record if he will testify. (Mr. Henry G. Hotchkiss, testified in person in behalf of the Federation of Protestant Welfare Agencies on Wednesday, May 16. His statement appears on p. 377.)

Senator KERR. All right.

(The statement and exhibits referred to by Miss Wickenden follow:)

TESTIMONY ON H.R. 10606, PUBLIC WELFARE AMENDMENTS OF 1962

Submitted by Elizabeth Wickenden in behalf of:

ORGANIZATIONS

National Social Welfare Assembly
National Federal of Settlements and Neighborhood Centers [1]
Council of Jewish Federations and Welfare Funds [1]
Council on Social Work Education [1]
Department of Public Affairs of the Community Service Society of New York [1]
Young Women's Christian Association
National Council of Jewish Women
Citizens Committee for the Children of New York
National Association for Service to Unmarried Parents
The Salvation Army

AFFILIATED ORGANIZATIONS TESTIFYING IN THEIR OWN BEHALF WHO ARE ALSO IN AGREEMENT WITH THE NATIONAL SOCIAL WELFARE ASSEMBLY POSITION

National Urban League
National Travelers Aid Association
Family Service Association of America
National Association of Social Workers
National Council of the Churches of Christ in the U.S.A.
Child Welfare League of America

MEMBERS OF NSWA COMMITTEES ENDORSING STATEMENT IN THEIR INDIVIDUAL CAPACITY

Lyman S. Ford, executive director, United Community Funds and Councils of America
Sanford Solender, executive vice president, National Jewish Welfare Board
Conrad Van Hyning, executive director, American Social Health Association
Miss Namo Hiett, executive director, Illinois Commission for Children
James Dumpson, commissioner, New York City Department of Public Welfare
Raleigh C. Hobson, director, Richmond, Va., Department of Public Welfare
Miss Helen Harris, executive director, United Neighborhood Houses of New York, Inc.
Hon. Justine Wise Polier, justice, Domestic Relations Court of New York
Harleigh Trecker, dean, University of Connecticut School of Social Work
Sidney Hollander of Baltimore, Md.
Jane Hoey, former director, Bureau of Public Assistance
Eli Cohen, executive secretary, National Committee on Employment of Youth
Walter B. Johnson, associate professor, division of social service, Indiana University.
Robert H. MacRae, associate executive director, the Chicago Community Trust

[1] Supplementary statements being filed.

STATEMENT BY ELIZABETH WICKENDEN

My name is Elizabeth Wickenden and I serve as technical consultant on public social policy to the National Social Welfare Assembly. This organization is the central planning and coordinating agency for national organizations in the health and welfare field. Its affiliates include 57 national voluntary organizations, 14 agencies of the Federal Government, and 4 associated groups. The statement which I am today making is submitted in behalf not only of the National Social Welfare Assembly, but also of the organizations and individuals listed above.

In addition, certain of these organizations have requested that I submit individual statements reflecting their supplementary views on certain points covered by this legislation.

The proposed shift of emphasis and direction in public welfare policy reflected in most of the provisions of the bill is warmly supported by the agencies for which I speak and many others that are presenting their views directly to the committee. We feel that Secretary Ribicoff and his colleagues in the Department of Health, Education, and Welfare are to be commended for their diligent efforts to seek out constructive solutions for the current problems confronting public welfare agencies and especially for the extent to which they have sought the views of persons and organizations in the voluntary as well as the public welfare field. The resulting emphasis in H.R. 10606 on provisions to expand the possibilities for providing individualized constructive social services and to give the States more flexibility in meeting particular needs (with the exception of one provision which I will discuss separately) is very much in line with the position taken in the official policy statement of the assembly, adopted at its annual meeting on December 13, 1961. I would like to request that the text of this document, "Position Statement on Public Welfare," be incorporated in the record of the hearing, as it bears directly on the provisions of this bill.

This statement, as well as the continuing activities of the assembly committee on social issues and policies, reflect the growing recognition by vountary welfare agencies of their own stake in an effective public welfare program and the mutual complementary interest of public and voluntary welfare services in meeting the needs and problems of individuals and families. In this context, I would like to refer especially to one section of the position statement which bears specifically on this complementary relationship between public and voluntary agencies:

"The purposes of democracy are best served when social welfare programs function under both voluntary and governmental auspices. Programs supported by voluntary contribution and effort have the freedom to emphasize variety, flexibility, and experimentation; they can develop limited programs for particular needs or particular groups, new approaches to needs, and varied approaches to needs of long standing. But this freedom depends, in turn, upon the existence of a governmental program adequate in coverage and resources to meet those welfare needs that lie beyond the capacity of voluntary effort. Only Government can meet widespread social welfare needs which require programs based on rule of law, tax-based financing, or principles of universal availability. There are, in addition, particular circumstances in which a social service can be better or more acceptably provided by Government than by a voluntary welfare agency or where the public interest will be best served by providing the individual of community with a choice of auspices. The relationship is complementary rather than competitive. The one is necessary to the other."

In line with this general position, I, therefore, appear before you to express support for most of the provisions of H.R. 10606. We feel that the general emphasis throughout the bill on constructive social service offers the best hope for helping families, wherever possible, find the means to self-support and in all cases of family difficulty to do a better job in rearing dependent children to become useful citizens. We also welcome the many provisions in this bill which will give the States more flexibility and wider resources in making an imaginative approach to solving the many difficult problems with which they are currently confronted. There are, however, four points in H.R. 10606 to which we feel the Senate should give careful review with the thought of making modifications in its provisions as adopted in the House.

Protective payments

While it is recognized that the problems of a few families dependent on public assistance cannot always be adequately or constructively met by an unrestricted cash payment, we believe that the proposal for protective payments in a limited number of individual cases (as now contained in sec. 108 of H.R. 10606) provides ample authority to deal with exceptional needs without jeopardizing the program as a whole or infringing the rights of individuals. This carefully conceived and safeguarded proposal would seem, however, to be virtually invalidated by the provisions of subsection (a) of section 107 (as added in H.R. 10606 by the House of Representatives) which permits unlimited action under State law (so long as assistance is not denied a needy child) with none of the safeguards contained in section 108.

This provision not only runs counter to the principle of safeguarding individual rights and entitlements which has prevailed since the initial passage of the Social Security Act but also seems to ignore the general principle that programs relying on Federal funds should be safeguarded by minimum Federal standards. It does not always seem to be recognized that these minimum Federal requirements, when based on reasonable nationwide goals and standards, are a help and protection to State policymaking and administrative bodies in maintaining a constructive and stable program, even in the face of temporary, localized, and ill-advised pressures.

A fuller discussion of the dangers that inhere in this provision has been prepared by the Assembly for the information of its members and I would like to request that this be incorporated in the record of this hearing if appropriate.

Because this provision has caused widespread alarm among all those interested in the maintenance of constructive Federal-State policies in public welfare and because the provisions of section 108 for protective payments appears amply broad to meet the requirements of special situations, we urge you to delete section 107(a) from the bill.

Residence laws

For many years we have worked through our own organizations and special subcommittee on residence laws of the Assembly Committee on Social Issues and Policies in an effort to bring about a better understanding of the deleterious effect of residence restrictions in public assistance. These restrictions create hardships for individuals, place burdens on voluntary agencies which they are financially unable to meet, endanger the whole grant-in-aid principle of combining Federal financial aid with State administration, are administratively costly and run counter to the basic economic needs of a country in which population mobility is a primary factor in adaptive progress.

This last point has been elaborated in a second position statement adopted by the Assembly entitled "Mobility and Progress," which I am likewise submitting to you for incorporation in the record.

It was, therefore, a great disappointment to us that the House of Representatives did not see fit to include in H.R. 10606 the relatively modest recommendations of the administration to place a maximum limit on residence requirements of 1 year and to offer a small compensatory increment in Federal matching to those States which voluntarily eliminate residence restrictions from their own assistance programs. We urge the Senate Finance Committee to restore a part or all of these provisions in order that we may continue to move forward in reducing this substantial weakness in our total provisions for protecting the American people against destitution and extreme hardship wherever they may occur.

Social work training

It is generally recognized that the success of the whole effort to bring about a more positive emphasis in public welfare depends upon an increase in the number of professionally qualified social workers in public welfare agencies. Present shortages are so staggering that only a major multifaceted approach can begin to meet the needs for qualified personnel to perform even those functions in which professional training is the most essential: i.e., supervision, staff training, child welfare services, counseling for families with special problems, and social services in selected demonstration projects.

This requires not only State programs to meet their own immediate staff training needs but also a national program of fellowships and direct aid to schools in order to encourage more students to prepare themselves for public

welfare employment. Under present conditions many who might like to do so but cannot meet the full cost of such professional education are either required to work at subprofessional jobs or are drawn into other areas of social work specialization for which Federal and other scholarship aid is now available. Considering the tremendous investment which the Federal Government now makes in public welfare program costs, this gap in fellowship aid seems both illogical and very poor economy. We, therefore, hope the Senate will restore the provisions to authorize such direct aid for social work training under both titles IV and V of the Social Security Act as originally recommended by the administration.

Matching disparities

We are greatly concerned by the growing disparity in the level of Federal matching as between needy families with children and the needy aged, blind, and physically disabled. The increase in Federal matching added by the House for title I, X, and XIV further aggravates an already untenable disparity. We believe that need should be the sole determining factor with respect both to eligibility for assistance and the amount of aid given. Without attempting to judge the desirability of this increase in Federal matching in other respects, we do not believe that any difference in cost of living or relative need can justify a formula which recognizes a maximum level of matchable aid for the needy aged and disabled which is 2½ times higher than that authorized for needy children and their parents. Moreover, the advantageous rate of Federal reimbursement for these groups can only serve to discourage States from lifting their own expenditures for needy children to a point where they can receive assistance at a level of adequacy which will permit them to grow up in dignity and health.

We, therefore, urge you to consider the matching formula in title IV with a view to eliminating or reducing this discriminatory policy toward families with children.

In conclusion, I wish to urge your favorable action on H.R. 10606 with modifications in the four areas discussed above. This bill, if enacted, will stand as a landmark in the evolving welfare policy of the country in which the cooperation of Federal, State, and voluntary welfare agencies constitutes an outstanding evidence of the successful functioning of the American system.

POSITION STATEMENT ON PUBLIC WELFARE

National Social Welfare Assembly, Inc.

This statement of support for public welfare has been adopted by the National Social Welfare Assembly in the belief that no social welfare agency, whatever its immediate responsibility, can do its own job well unless it does so within the framework of a sound governmental welfare policy. While public welfare programs to carry out this policy must adapt to changing needs and circumstances, the convictions and principles supporting them are basic and enduring. Essential to all social welfare programs, both public and voluntary, is the belief that in a democracy the social good and individual welfare depend upon each other.

Today public welfare policy is under reexamination by those who would like to see it better adapted to current needs and under challenge by those who are unreconciled to its role in modern society. This statement is intended as one contribution to the discussion and understanding of an important current issue.

I. SOCIAL WELFARE: PUBLIC AND VOLUNTARY

Social welfare plays an indispensable role in the functioning of modern democratic society. In one sense this is a mass society depending for its prosperity on big organizations, specialized jobs, and complex relationships that inevitably tend toward impersonality. But this is also a society which places a high value on the individual; his opportunities, security, and well-being. Social welfare helps to reconcile these two values; it is one of the devices used by society to restore the balance in favor of the individual. Its job is to help compensate for the impersonality of mass institutions by easing the hardships inevitably created for particular individuals and groups in the population. Social welfare programs assist people, either as individuals or as a group with a common problem, through periods of economic stress and social crisis in their lives. In doing this

they supplement and underpin the family and other forms of personal association that help meet the needs of individuals. Their social purpose is twofold: to assist and strengthen the individual and, in so doing, help society work smoothly in the best interests of all.

The purposes of democracy are best served when social welfare programs function under both voluntary and governmental auspices. Programs supported by voluntary contribution and effort have the freedom to emphasize variety, flexibility, and experimentation; they can develop limited programs for particular needs or particular groups, new approaches to needs, and varied approaches to needs of long standing. But this freedom depends, in turn, upon the existence of a governmental program adequate in coverage and resources to meet those felfare needs that lie beyond the capacity of voluntary effort. Only government can meet widespread social welfare needs which require programs based on rule of law, tax-based financing, or principles of universal availability. There are, in addition, particular circumstances in which a social service can be better or more acceptably provided by government than by a voluntary welfare agency or where the public interest will be best served by providing the individual or community with a choice of auspices. The relationship is complementary rather than competitive. The one is necessary to the other.

II. THE PUBLIC WELFARE PROGRAM

"Public welfare" is the name commonly applied to those social welfare programs which function with tax support under governmental auspices and are directed toward the specific economic and social needs of particular individuals and families. Public welfare departments are the principal agents of government in carrying out this task. State and localities have major responsibility for the actual discharge of most public welfare responsibilities but the Federal Government assists them with some of these through grants-in-aid.

Public welfare is the channel through which the responsible level of government assures to individuals and families the means of meeting those social and economic needs it recognizes as basic, but for which other provisions have proved inadequate. Among the present program provisions of public welfare, often spotty in their availability and limited in their adequacy, are the following: economic assistance in those circumstances when individual and other resources are either lacking or insufficient to meet minimum needs; social services to help and protect children or adults in a particularly vulnerable situation; counseling and other social work services which help individuals and families regain self-support or function more effectively; financial aid and social service to help individuals secure medical and related health services not otherwise available to them; special services for the aged; operation of institutions for those whose welfare needs can best be met in this way; the provision of services for young people or stimulation of other community efforts in their behalf; the setting of standards for voluntary or commercial agencies operating in the welfare field; and other governmental functions requiring social work knowledge.

III. MEASURES THAT PREVENT WELFARE NEEDS

Public welfare helps support a healthy society by assisting individuals in times of hardship, readjustment, and social difficulty. But there are limits to what it can do. It cannot take the place of an economy which provides the means of livelihood to all. It cannot substitute for the broad social measures that reduce or prevent need. Too often public welfare is blamed for the very social ills it seeks to mitigate for individuals. It cannot do its own job effectively if it is regarded as a panacea for all social problems or a convenient scapegoat for their existence. An effective public welfare policy must, therefore, be built upon a foundation of broad economic and social measures that contribute to general prosperity and minimize economic hardship and social handicap for individuals. Basic to this objective is the existence of a health adaptive economy with production sufficient to assure jobs to all persons in the labor market and a reasonable standard of living to those who—because of age, disability, family responsibilities or temporary economic dislocations—are not able to work.

The cost and volume of public welfare services can best be minimized by the development of conditions and measures that prevent the needs that bring people to public welfare agencies. In this way the agencies can be freed to

perform their own essential function of individualized aid and service to meet particular needs. To this end we support:

Contributory social insurance programs to meet predictable needs on an adequate level;

Provision for the training, placement, relocation, and assisted migration (if needed) of occupationally displaced or handicapped workers as well as for young people and others entering the labor market;

Provision of employment at prevailing wage rates through public works programs for persons, including young people, for whom other jobs are not available;

Publicly financed preventive and remedial health services for the protection, treatment, and rehabilitation of persons of all ages affected or threatened by physical or emotional illness;

Provisions to support fair labor standards;

Provisions to assure equal treatment and opportunity to all groups in the population;

Provisions to assure decent housing and community conditions; and

Provisions for research and demonstration programs related to the causes of economic need and social maladjustment.

IV. NEEDED CHANGES IN PUBLIC WELFARE

We know from our firsthand experience and observation that many individuals and groups do not today receive from public welfare agencies the help that they desperately need. There is a vast gulf between present reality and our goal: a public welfare program which first provides a floor of economic and social protection on the basis of actual need to all individuals and families who fall below an acceptable minimum standard and, second, does so in a way which supports their self-respect and helps, wherever possible, to remove the cause of their distress. We, therefore, urge the States to examine their laws, resources, and policies with a view to making their public welfare programs more adequately serve the needs of all those within their boundaries and to do so in terms of statewide standards that assure minimum protection in all their subdivisions. But because ours is one nation, based on one economy and serving one people, we also look to the Federal Government to use its leadership and broader based financial resources to help the States develop policies and programs that assure adequate protection to all Americans wherever they may live. We, therefore, urge the Congress and the several State legislatures to examine and revise their welfare laws and supporting appropriations with the following goals in mind.

Eligibility

It is to the general public interest that public welfare benefits and services should be promptly available to all those who need them. Eligibility should be based on actual and individually determined need for such aid and/or services without arbitrary restrictions related to residence, categorical definitions, social status or formulas for the sharing of costs among the several levels of government. Social services should not be restricted to persons in economic need. This is especially important when prompt help will serve to prevent or minimize such long-term problems as family breakdown, chronic dependency, or invalidism. Child welfare services should move toward a plan of Federal-State cooperation which emphasizes statewide applicability and a broadened definition of their scope to include preventive, protective, and supportive services to all children who need them.

Program

Individualized aid and service is the essence of the public welfare program. It is, therefore, essential that the financial and other program resources of the public welfare agency be sufficient in amount and variety to meet actual needs in the most constructive way. For many people whose need is unusual and continuing (for example, the very old who need nursing home care) the principal need is for more adequate financial assistance in order to provide a life of dignity and a better standard of care. For others there is need for a more intensive investment in social service in order to help them find the means to self-support or a more satisfactory way of life. For others the primary need is for a wider variety of direct services such as physical rehabilitation; vocational retraining, experience, and relocation; day care and other child-caring services; homemaker service; protected living arrangements; specalized institu-

tional care, etc. Fitting the service to the need will in the long run prove the best economy in public welfare expenditure and the best investment in better individual and family functioning.

Means to these ends

To achieve these ends four kinds of change are paramount. First, there is need for better financing from all levels of government, given under conditions which assure an adequate level of help to people wherever they may live. Second, there is a compelling need for more professional social work and related personnel and the resources of all levels of government should be committed to an intensive investment in the training and employment of such personnel for public welfare functions. Third, there is a need for streamlining public welfare agency structure, policies, and administrative procedures to better serve these ends. Fourth, there is need for a better interpretation of the job of public welfare so that the public may be fully informed.

On December 13, 1961, the assembly annual meeting adopted this position statement and, on motion from the floor, added the following statement with respect to the public assistance responsibility of public welfare agencies:

In adopting this position statement on public welfare, we, the members of the National Social Welfare Assembly in annual meeting on December 13, 1961, wish to reaffirm our belief in public welfare as a vital responsibility of a democracy which recognizes the dignity and rights of human beings.

We wish also to express our confidence in the integrity of the vast majority of those who have been obliged to turn to public assistance in time of need. These are people like the rest of us who would prefer to remain self-supporting. Where dishonesty occurs, it represents the same small percentage as may be found in other walks of American life. We do not condone this. But neither do we think it just to condemn an entire group or program because of the misdeeds of a small minority—a small minority whose infractions can be dealt with by the regular processes of law.

The purpose of public assistance is to provide a living for those without other means of support. Obviously, in a money economy individuals must have money to survive. Public assistance rolls are made up primarily of those who are in need because they are unable to work: the old, the young, the disabled, and those for whom no employment is available. These are factors for which the individual cannot be held responsible.

We reaffirm our belief that for long term gains, prevention and rehabilitation are essential parts of public welfare services, for public welfare must be an instrument for restoring and maintaining people in lives of usefulness. To do the job well, there is no substitute for well-qualified staff and adequate financing.

The National Social Welfare Assembly is the central national planning and coordinating agency for the social welfare field. Adoption of a position statement by the assembly shall not be construed as speaking for the affiliate organizations. National Social Welfare Assembly, 345 East 46th Street, New York, N.Y.

GRADUATE PROFESSIONAL SCHOOLS OF SOCIAL WORK

ACCREDITED BY COMMISSION ON ACCREDITATION

Council on Social Work Education, 345 East 46th Street, New York, N.Y.
January 1962

FOREWORD

The purpose of accrediting in social work is to insure the establishment and maintenance of high standards of professional education. The purposes of an accredited list are to enable prospective social work students to select approved programs of professional education, to acquaint prospective employers with the schools that have been recognized as qualified to prepare professional social work personnel, and to inform the public of the educational programs in social work that merit support.

Social work education has used a process of accrediting since 1927, when the professional schools previously organized as an association of schools of social work agreed to formulate and maintain educational standards and to apply these standards to all new schools seeking admission to membership. While

accreditation did not, in the initial period, carry any legal authority, a legal status has now become attached to the accrediting function in social work through legislation, rules and regulations governing the employment of social work personnel by Federal, State and local agencies.

On July 1, 1952, the accrediting function previously undertaken by the American Association of Schools of Social Work was transferred along with its other functions to the Council on Social Work Education. The council carries on its accrediting responsibility for schools of social work in the United States and Canada through a semiautonomous Commission on Accreditation.

The present accredited list reflects a new accreditation policy adopted by the commission and approved by the board to become effective on July 1, 1959. This policy provides that a school of social work shall be accredited for its basic curriculum and that there shall be no accrediting of any specialization by any definition. The basis of this policy is the belief that the 2-year graduate social work curriculum provides the basic professional preparation for social work practice in the variety of programs, services and agencies which fall within the general field of social work. As a result of this new policy, the previous practice of noting certain accredited specializations on the list has been discontinued.

Schools of social work generally provide a 2-year sequence of class and field instruction in the method of social casework; a number of schools provide also a similar sequence in the method of social group work; a few schools provide opportunities in addition for related class and field instruction in community organization, administration, and research. All schools use a variety of agencies, programs and services for field instruction.

The date in parentheses in the accredited list indicates the year in which the school was accredited. Sequences in the master's program and advanced programs of post-master's education are not subject to separate accreditation, but for identification purposes schools offering third year and doctoral programs or both are marked with the †. All schools offer a 2-year sequence of class and field instruction in social casework. Schools marked with a # offer a 2-year sequence in class and field instruction in social group work. Inquiries about the types of agencies in which field instruction in social casework and social group work is offered, and educational programs and admission requirements of the various schools should be directed to the individual schools. Some schools have developed sequences of class and field instruction in community organization, administration, and research, and inquiries concerning these sequences should be directed to the Council on Social Work Education.

In addittion to the current list, the Council on Social Work Education maintains, for reference purposes, a master list of all schools of social work that have been accredited by the American Association of Schools of Social Work and the council, showing the dates of establishment and discontinuance, the actual and retroactive dates of accreditation of basic programs, and the dates of change in status and former approval of specialized programs.

CANADA

BRITISH COLUMBIA

#University of British Columbia, School of Social Work, Vancouver, British Columbia. William G. Dixon, director (1945).

MANITOBA

#University of Manitoba, School of Social Work, Winnipeg, Manitoba. Helen Mann, director (1949).

ONTARIO

University of Ottawa, St. Patrick's College School of Social Welfare, Ottawa, Ontario. Rev. Swithun Bowers, O.M.I., director (1951).

#†University of Toronto, School of Social Work, Toronto, Ontario. Charles E. Hendry, director (1919; withdrew 1928; readmitted 1939).

QUEBEC

Laval University, School of Social Work, Quebec, Quebec. Simone Paré, director (1952).

#McGill University, School of Social Work, 3600 University Street, Montreal, Quebec. John J. O. Moore, director (1924; withdrew 1932; readmitted 1939).

Université de Montréal, L'Ecole de Service Social, C.P. 6128, Montreal, Quebec. Rev. André-M. Guillemette, O.P., director (1951).

UNITED STATES

CALIFORNIA

#†University of California, School of Social Welfare, Berkeley, Calif. Milton Chernin, dean (1928).
University of California at Los Angeles, School of Social Welfare, Los Angeles, Calif. Mary E. Duren, acting dean (1949).
#†University of Southern California, School of Social Work, Los Angeles, Calif. Malcolm B. Stinson, dean (1922).

COLORADO

#University of Denver, The Graduate School of Social Work, Denver, Colo. Emil M. Sunley, director (1933).

CONNECTICUT

#University of Connecticut, School of Social Work, 1380 Asylum Avenue, Hartford, Conn. Harleigh B. Trecker, dean (1949).

DISTRICT OF COLUMBIA

#†The Catholic University of America, The National Catholic School of Social Service, Washington, D.C. Frederick J. Ferris, dean (1937).
#Howard University, School of Social Work, Washington, D.C. Mrs. Inabel Burns Lindsay, dean (1940).

FLORIDA

Florida State University, School of Social Welfare, Graduate Program in Social Work, Tallahassee, Fla. Coyle E. Moore, dean (1950).

GEORGIA

#Atlanta University School of Social Work, Atlanta, Ga. William S. Jackson, dean (1928).

HAWAII

#University of Hawaii, School of Social Work, Honolulu, Hawaii. Mrs. Katharine N. Handley, director (1942).

ILLINOIS

#†University of Chicago, School of Social Service Administration, Chicago, Ill. Alton A. Linford, dean (1919).
#University of Illinois, The Jane Addams Graduate School of Social Work, Urbana, Ill. Mark Hale, director (1946).
Loyola University, School of Social Work, 820 N. Michigan Avenue, Chicago, Ill. Matthew H. Schoenbaum, dean (1921).

INDIANA

#Indiana University, Division of Social Service, 122 East Michigan Street, Indianapolis, Ind. Mary Houk, director (1923).

IOWA

State University of Iowa, School of Social Work, Iowa City, Iowa. Frank Z. Glick, director[1] (1951).

KANSAS

#University of Kansas, Graduate Department of Social Work, Kansas City, Kans. Joseph Meisels, chairman (1948).

KENTUCKY

University of Louisville, The Raymond A. Kent School of Social Work, Louisville, Ky. Arleigh L. Lincoln, dean (1937).

[1] Effective July 1, 1962.

LOUISIANA

Louisiana State University, School of Social Welfare, Baton Rouge, La. Earl E. Klein, director (1940).
#†Tulane University, School of Social Work, New Orleans, La. Walter L. Kindelsperger, dean (1927).

MASSACHUSETTS

Boston College, School of Social Work, 126 Newbury Street, Boston, Mass. Rev. John V. Driscoll, S. J., dean (1938).
#Boston University, School of Social Work, 264 Bay State Road, Boston, Mass. John McDowell, dean (1939).
Simmons College, School of Social Work, 51 Commonwealth Avenue, Boston, Mass. Robert F. Rutherford, director (1919).
†Smith College, School for Social Work, Northampton, Mass. Howard J. Parad, director (1919).

MICHIGAN

Michigan State University, (College of Business and Public Service), School of Social Work, East Lansing, Mich. Gordon J. Aldridge, director (1952).
#†University of Michigan, School of Social Work, Ann Arbor, Mich. Fedele F. Fauri, dean (1922).
#Wayne State University, School of Social Work, Detroit, Mich. Charles B. Brink, dean (1942).

MINNESOTA

#†University of Minnesota, School of Social Work, Minneapolis, Minn. John C. Kidneigh, director (1919).

MISSOURI

University of Missouri, School of Social Work, Columbia, Mo. Arthur W. Nebel, director (1919; withdrew 1937; readmitted 1948).
St. Louis University, School of Social Service, 3801 West Pine Boulevard, St. Louis, Mo. Rev. A. H. Scheller, S. J., director (1933).
#†Washington University, the George Warren Brown School of Social Work, St. Louis, Mo. Benjamin E. Youngdahl, dean (1928).

NEBRASKA

#University of Nebraska, Graduate School of Social Work, Lincoln, Nebr. Richard Guilford, director (1940).

NEW JERSEY

#Rutgers, The State University, Graduate School of Social Work, New Brunswick, N.J. Wayne Vasey, dean (1957).

NEW YORK

#Adelphi College, School of Social Work, Garden City, L.I., N.Y. Joseph L. Vigilante, acting dean (1951).
University of Buffalo, School of Social Work, Buffalo, N.Y. Benjamin H. Lyndon, dean (1934).
#Fordham University, School of Social Service, 134 East 39th Street, New York, N.Y. James W. Fogarty, dean (1929).
#Hunter College, The Louis M. Rabinowitz School of Social Work, 695 Park Avenue, New York, N.Y. Paul Schreiber, director (1958).
#†New York School of Social Work of Columbia University, 2 East 91st Street, New York, N.Y. P. Fred Delli Quadri, dean (1919).
#New York University, Graduate School of Social Work, Washington Square, New York, N.Y. Alex Rosen, dean (1955).
#Syraucuse University, School of Social Work, 400 Comstock Avenue, Syracuse, N.Y. Howard B. Gundy, director (1958).
#Yeshiva University, School of Social Work, 110 West 57th Street, New York, N.Y. Morton I. Teicher, dean (1959).

NORTH CAROLINA

University of North Carolina, The School of Social Work, Chapel Hill, N.C. Arthur E. Fink, dean (1920; withdrew 1932; readmitted 1936).

OHIO

#†Ohio State University, School of Social Work, graduate program, Columbus, Ohio. Everett C. Shimp, director (1919).
#†Western Reserve University, School of Applied Social Sciences, Cleveland, Ohio. Nathan E. Cohen, dean (1919).

OKLAHOMA

University of Oklahoma, School of Social Work, Norman, Okla. C. Stanley Clifton, director (1938).

PENNSYLVANIA

†Bryn Mawr College, Carola Woerishoffer Graduate Department of Social Work and Social Research, Bryn Mawr, Pennsylvania. Mrs. Katherine D. Lower, director (1919).
#†University of Pennsylvania, School of Social Work, 2410 Pine Street, Philadelphia, Pa. Ruth E. Smalley, dean (1919).
#†University of Pittsburgh, Graduate School of Social Work, Pittsburgh, Pa. Wilber I. Newstetter, dean (1919; withdrew 1922; readmitted 1934).

PUERTO RICO

#University of Puerto Rico, School of Social Work, Rio Piedras, Puerto Rico. Georgina Pastor, director (1935; withdrew 1937; readmitted 1947).

TENNESSEE

#The University of Tennessee, School of Social Work, 810 Broadway, Nashville, Tenn. Sue Spencer, director (1945) (formerly Nashville School of Social Work).

TEXAS

#Our Lady of the Lake College, The Worden School of Social Service, San Antonio, Tex. Sister Mary Immaculate, director (1945).
University of Texas, School of Social Work, Austin, Tex. Lora Lee Pederson, director (1952).

UTAH

#University of Utah, Graduate School of Social Work, Salt Lake City, Utah. Rex A. Skidmore, dean (1940).

VIRGINIA

Richmond Professional Institute of the Colleges of William and Mary, School of Social Work, 800 West Franklin Street, Richmond, Va. George T. Kalif, director (1919).

WASHINGTON

#University of Washington, School of Social Work, Seattle, Wash. Victor I. Howery, dean (1934).

WEST VIRGINIA

West Virginia University, Department of Social Work, Morgantown, W. Va. Bernhard Scher, chairman (1942).

WISCONSIN

#University of Wisconsin, School of Social Work, Madison, Wis. Ersel E. Le Masters, director (1922; withdrew 1937; readmitted 1947).

COUNCIL ON SOCIAL WORK EDUCATION

Ruth E. Smalley, president
Felix P. Biestek, S.J., chairman, Commission on Accreditation
Ernest F. Witte, executive director
Katherine A. Kendall, associate director
Mildred Sikkema, consultant on educational standards

UNDERGRADUATE DEPARTMENTS OF COLLEGES AND UNIVERSITIES OFFERING COURSES WITH SOCIAL WELFARE CONTENT

Constituent members of the Council on Social Work Education, 345 East 46th Street, New York, N.Y., July 1962

FOREWORD

The purpose of this directory is to make readily available a list of undergraduate departments in universities and colleges in which courses with social welfare content are offered.

The council makes no qualitative evaluation of undergraduate education nor is it allowed to do so. It is, however, making every effort within its resources to help these departments make such education as meaningful and helpful to the student as possible.

Council membership requirements for undergraduate departments

To become eligible for constituent membership in the council, educational institutions administering undergraduate education for social work must:

A. Be accredited by their respective regional accrediting associations.

B. Have a well-defined and integrated curriculum extending over at least 2 years, designed to include social welfare content as a part of a general education program available to all students—

1. To prepare graduates for advanced professional education;
2. To include education in social welfare for students going into immediate employment with social agencies which require only a bachelor's degree for entrance into employment; and
3. To include social welfare educational content in the liberal education of students for citizenship.

C. Have a curriculum based on a foundation in general liberal arts education which should include a concentration in the social sciences and other subjects relevant to social welfare. The concentration should include a sequence of courses in the junior and senior years involving a core of 10 semester hours in social welfare content.

D. Make payment of annual membership dues of $25 per year. The membership year dates from the month in which the application is approved to the same month a year hence.

Directory listing

Listed in this directory is the name of the institution, the name of the department responsible for the organized sequence of courses in social welfare, the address, and the name of the person to whom correspondence should be addressed.

QUEBEC

Sir George Williams University, Montreal, Quebec, Robert C. Rae.

UNITED STATES

ALABAMA

Alabama College, Department of Social Sciences, Post Office Drawer B, Montevallo, Ala., James D. Thomas.

ARIZONA

Arizona State University, Department of Sociology and Anthropology, Tempe, Ariz., Mrs. Naomi M. Harward.

The University of Arizona, Department of Public Administration, Tucson, Ariz., Raymond A. Mulligan.

ARKANSAS

University of Arkansas, Department of Social Welfare, Fayetteville, Ark., Mrs. Mattie Cal Maxted.

CALIFORNIA

Chico State College, Division of Social Sciences, Chico, Calif., Archie McDonald.

Fresno State College, Department of Social Welfare, Fresno 26, Calif., Thomas M. Brigham.

University of California, Berkeley, Department of Social Welfare, Berkeley 4, Calif., Milton Chernin.
University of California, Los Angeles, Curriculum in Presocial Welfare, Los Angeles 24, Calif., Raymond J. Murphy.
Mount St. Mary's College, Department of Sociology, Los Angeles 49, Calif., Sister Mary Brigid, C.S.J.
Sacramento State College, Division of Social Sciences, Sacramento 19, Calif., Dorothy Zietz.
San Diego State College, Department of Sociology and Anthropology, San Diego 15, Calif., Irving B. Tebor.
San Francisco College for Women, Department of Sociology and Social Welfare, San Francisco 18, Calif., Mother Constance Campbell, R.S.C.J.
San Francisco State College, Social Welfare Department, San Francisco 27, Calif., Mrs. Bernice Madison.
University of San Francisco, Department of Sociology and Social Welfare, San Francisco 17, Calif., Mary J. McCormick.
San Jose State College, Department of Sociology and Anthropology, San Jose 14, Calif., Milton B. Rendahl.
Whittier College, Department of Sociology, Whittier, Calif., Gerald R. Patton.

COLORADO

University of Denver, Department of Sociology, Denver 10, Calif., W. Arthur Shirey.

FLORIDA

Florida State University, School of Social Welfare, Tallahassee, Fla., Coyle E. Moore.
University of Florida, Department of Sociology, Gainesville, Fla., Mell H. Atchley.
University of Illinois, The Jane Addams Graduate School of Social Work, 1204 West Oregon Street, Urbana, Ill., Mark Hale (effective February 1962).
Mundelein College, Department of Social Sciences, Chicago 40, Ill., Sister Mary Liguori, B.V.M.
Roosevelt University, Sociology Department, Chicago 15, Ill., Arthur Hillman.
Southern Illinois University, Department of Sociology, Carbondale, Ill., Roger W. Vander Wiel.
Wheaton College, Department of Sociology and Anthropology, Wheaton, Ill. Gordon S. Jaeck.

INDIANA

Anderson College, Department of Sociology and Social Work, Anderson, Ind., Val Clear.
Goshen College, Department of Sociology, Goshen, Ind., Lester Glick.
Indiana University, Division of Social Service, 802 Ballantine Hall, Bloomington, Ind., Mary Houk.
Valparaiso University, Department of Sociology and Social Work, Valparaiso, Ind., Mrs. Margaretta Tangerman.

IOWA

Morningside College, Department of Sociology, Sioux City 6, Iowa, H. Wayne Johnson.
Wartburg College, Department of Social Work, Waverly, Iowa, Lola Reppert.

KENTUCKY

University of Kentucky, Department of Social Work, Lexington, Ky., Harold E. Wetzel.

MAINE

University of Maine, Department of Sociology and Anthropology, Orono, Maine, Raymond Forer.

MARYLAND

College of Notre Dame of Maryland, Department of Sociology, Baltimore 10, Md., Sister Maria Mercedes, S.S.N.D.

Hood College, Department of Economics and Sociology, Frederick, Md., Wayne C. Neely.

St. Joseph College, Department of Social Studies and Presocial Work, Emitsburg, Md., Gilbert L. Oddo.

University of Maryland, Department of Sociology, College Park, Md., Harold Hoffsommer.

MASSACHUSETTS

American International College, Sociology Department, Springfield 9, Mass., Robert H. Bohlke.

MICHIGAN

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POSITION STATEMENT ON MOBILITY AND PROGRESS

National Social Welfare Assembly, Inc.

A POSITION STATEMENT CONCERNING THE NEED FOR POLICIES WHICH RECOGNIZE THE CONTRIBUTION OF MIGRATION TO THE SOLUTION OF ECONOMIC AND SOCIAL PROBLEMS

MIGRATION PAST AND PRESENT

Survival and progress for the human race have always depended in part on man's ability to move from a limiting environment to another location affording better opportunity. The United States owes its very existence and growth to the migration of millions of people seeking a better life for themselves and their families.

In today's complex society mobility of the American working force is more than ever an essential aspect of economic and social progress. The individual or family that, through a successful move, improves a personal situation, contributes also to the better functioning of society as a whole. In fact a democracy relies largely on this kind of individual response to economic or social pressure to bring about adjustments to economic change. Thus the men who leave an area where resources have been depleted for one where industry is expanding are helping to meet a manpower need as well as finding a new source of income for their families. Boys who leave the farm for work in a factory are not simply seeking their own fortune in the city; they are also helping to correct the population imbalance which helps keep farm income low. Workers who are drawn to high wage areas from those where surplus labor keeps wage-rates depressed contribute to the welfare of those left behind as well as to their own.

GOVERNMENT POLICIES

The development of this country was based on governmental policies which recognized the positive social role of migration. Free land on the frontier stimulated repeated waves of migration which served both as a capital investment in the Nation's hitherto undeveloped areas and a form of relief against the economic and social pressures in its older settlements. Immigration policies were designed to bring not only farmer-settlers for the land but also the workers who stretched our transportation and productive facilities across the country. Tariff policies protected the infant industries which in turn attracted people in increasing numbers to the cities and other centers of industrial and commercial development. In later years, other public policies encouraged the world trade which has further expanded markets for a growing production. At each stage people moved in order to adapt to these changing circumstances in our national life.

TODAY'S CHALLENGE

Today migration is still needed to maintain the growth and adaptation of a healthy national economy; the programs and policies that will encourage constructive movement must be suited to new conditions. It is science and technology that create today's frontiers: first, by opening up new fields of production and services and, second, by making it possible to produce more goods and services with a lesser investment of human labor. In the process of adapting to these changes old plants give way to new, old jobs become obsolescent as new ones open up, and the distribution of our working force must follow suit if the benefits of economic progress are to be fairly shared by all parts of the country and all groups in the population.

New job opportunities must be continuously created not only to take the place of those displaced by progress but also to absorb a growing work force: people must be guided to these jobs, trained for the skills they require, and helped to move—if necessary—to the places where their work is needed. While there are

obvious economic and social advantages to bring new job opportunities into the communities where people are already living, to the extent that this is not feasible, migration is the only answer to stagnation and dependency.

Moreover, many essential functions in modern production require seasonal labor which can only be provided by migratory workers. Too often these workers and their families are denied the benefits, opportunities, and assurances generally available to the American people, and are viewed with prejudice and suspicion by the very communities which benefit from their labor.

Policies which impede needed migration place a heavy burden on the economy and a grave injustice upon those whose labor is thus devalued. When people remain where their labor can no longer be efficiently employed, the locality is handicapped in three different ways: (1) the community must carry a disproportionate cost in dependency; (2) the wages and income of all are threatened by the competition of surplus labor and the loss of purchasing power; and (3) the individuals who cannot find work are unfairly deprived of opportunity, independence, and self-respect.

A positive program for constructive migration must, therefore, provide not only an expanding frontier of job opportunities for all available workers but also for the removal of existing barriers to their needed migration. Among such barriers is the obsolescent concept of "legal residence" which restricts entitlement to public benefits to those persons who have lived in a particular State or locality for a period of time specified by the State. This is especially indefensible in those programs, like public assistance, where the major share comes from the taxes paid by people in all parts of the country to the Federal Government.

In a country which owes its own existence and growth to people with the courage to pioneer in new locations and will only continue to prosper as its people make the adaptations needed for progress these restrictions constitute a self-defeating anachronism which should not be tolerated. Because this is a national problem it will only be solved through national policy based on Federal action. One way in which this could be achieved is through requirements or incentives attached to the Federal grant-in-aid programs which help support State-administered programs of public welfare, public health and related fields of direct service to individuals.

The Supreme Court has already, through its decision in the *Edwards* case, established free movement as one of the rights guaranteed to individuals under the Federal Constitution. The economic well-being of the country requires that this right be implemented in all aspects of Federal policy. Community welfare requires that all persons exercising this right be protected on the same basis as other members of the community against the hazards inhering in the organization of modern life. The welfare of individuals and families, on which depends in turn the welfare of Nation and community, requires that there be no exclusion from the protections which a democratic society affords its members.

Adopted by the Executive Committee of the National Social Welfare Assembly, January 16, 1962.

The National Social Welfare Assembly is the central national planning and coordinating agency for the social welfare field. Adoption of a position statement by the Assembly shall not be construed as speaking for the affiliate organizations. National Social Welfare Assembly, 345 East 46th Street, New York, N.Y.

POSITION STATEMENT ON PUBLIC ASSISTANCE

Approved by Board of Directors United Community Funds and Councils of America May 6, 1960

The broad coverage social welfare programs, such as public assistance, are primarily the responsibility of Government. Voluntary agencies provide many specialized services aimed at strengthening the family and enriching community life. Thus governmental and voluntary agencies are complementary. Both should build upon the dignity and self-respect of the individual and should develop services for the rehabilitation of those who can become self-supporting, productive members of society.

Public assistance programs without arbitrary restrictions such as residence or place of birth should be available in all parts of the country on the basis of need. While public assistance is primarily the responsibility of State and local governments, Federal participation has produced some degree of uniformity

throughout the country for specific categories of need. There has been inequity, however, for those needy persons not falling within these categories.

The Federal Government should take leadership in studying and seeking, with the several States and voluntary social welfare interests, an equitable and common solution to this problem.

TESTIMONY IN SUPPORT OF PROVISIONS IN THE BUDGETS OF THE U.S. BUREAU OF FAMILY SERVICES AND THE CHILDREN'S BUREAU FOR TRAINING OF PUBLIC WELFARE PERSONNEL (H.R. 10606), COUNCIL ON SOCIAL WORK EDUCATION INC., NEW YORK, N.Y.

There are currently more than 35,000 State and local public assistance employees throughout the country, only 4.5 percent of whom have had the basic social work training recommended for practice in this field, and yet they are expected to deal with some of the most complicated personal and family problems coming to any social agency, such as unmarried parenthood, dependent children, family breakdown, desertion, delinquency, and chronic dependency.[1]

The acute shortage of personnel qualified by education to staff State and local public welfare and particularly aid to dependent children programs is, of course, directly worsened by the critical shortage of social workers throughout the whole field. I would like to emphasize to this committee that this is the most neglected area of training in the field.

Since Congress has before it requests for funds for training doctors, nurses, dentists, and other categories of professional personnel which are in short supply, we need to bring to your attention the critical need for funds to help train public welfare staffs who deal with the largest number of cases requiring public care.

The reason why this lack of training of public welfare personnel is viewed so seriously is that we now have enough evidence resulting from recent research and experimentation to show that properly trained social work personnel working intensively with ADC families can restore them to greater self-reliance, give the children of these families an honest chance to become self-reliant citizens, to conserve human and economic values and resources as well as to save public funds.[2]

The request that you provide training funds for public welfare staff is in no sense new to the Federal Government, for Federal funds have been and are being made available for the training of social workers in psychiatric, medical, vocational rehabilitation, and military programs.

Although the need for trained public welfare staff is acute, there are large numbers of public welfare employees and college students who are eager to study social work if they can get some help in meeting the costs and if the schools of social work can accommodate them.

Scholarships and traineeships are needed, but this is not enough. The schools of social work graduated 2,300 students last year and have come very close to reaching full capacity in enrollments. This capacity is totally inadequate to meet the increased staff training requirements. These schools are grossly underfinanced and will need financial aid to expand their faculty and facilities in order to train the additional people needed for this public welfare program.

We respectfully urge this committee to restore to H.R. 10606 the provisions which were in the original bill (H.R. 10032) authorizing under both titles IV and V of the Social Security Act direct grants to institutions of higher learning by the Department of Health, Education, and Welfare. Under these provisions, the Secretary could make grants to schools of social work and for scholarships in order to facilitate the training of public welfare staff.

These provisions are extremely important to the purpose of the legislation to bring about an emphasis on rehabilitation of public welfare recipients. They would make it possible for the Department to supplement whatever State training programs are carried out under the 75-percent matching provisions of the bill.

There are some of our States which do not have a school of social work, even though there are public welfare staff members and college students interested in preparing themselves for work in this field but who may have difficulty in

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[1] Salaries and Working Conditions of Social Welfare Manpower," 1960, U.S. Bureau of Labor Statistics.

[2] See "The Practical Value of Social Work Service: Preliminary Report on 10 Demonstration Projects in Public Assistance" (copy attached).

doing so under a program which channels all Federal training funds for welfare personnel through the State welfare department. In such States there are very substantial difficulties standing in the way of the welfare departments making direct grants to a school of social work in another State in order to enable that school to expand its capacity and improve its educational program. This is one of the major reasons why we hope that direct Federal grants can be made to schools of social work in addition to the grants which may be going to the State welfare departments for training purposes. These provisions would greatly augment the number of staff being trained in the State programs and thus facilitate reaching the goal of staff competence which is required.

We have attached to this statement appendixes which provide certain factual information about the supply and demand of social workers, including a report of 10 demonstration projects in public welfare which show how intensive social services by trained personnel can rehabilitate dependent families, resulting in more productive and useful lives for the individuals and ultimately in savings to the taxpayers. Since then more evidence has come to our attention, further confirming this fact.

In conclusion, let me state that only if funds are provided to help universities provide a larger number of well-qualified social workers can the basic objectives of rehabilitating people and reducing dependency be carried out in an economical and effective manner.

Statement of National Federation of Settlements and Neighborhood Centers

Submitted by

Elizabeth Wickenden, National Social Welfare Assembly

The National Federation of Settlements and Neighborhood Centers favors the public welfare amendments as embodied in H.R. 10606, except for section 107(a).

SPECIAL NEEDS THIS LEGISLATION CAN MEET

Our experience in working with today's problems leads us to believe that dependency can be reduced, particularly in relation to some of the newer problems which we now face. We see these, generally, as follows:

There is the so-called hard-core unemployed. Almost always these families are the victims of dependency which may be caused by lack of education, or because their jobs have disappeared due to scientific improvements of our time. A health or accident problem may have impaired their ability to work. The wage earners in these families can be helped, either through a training program, a retraining program, or a counseling program, so that they may find their place in society. These families that are now unproductive can become productive. Jobs must also be made available with local communities.

Then we have a whole group of disorganized families for whom life has become too complex, so that they tend to become spectators rather than participants. They need the kind of friendly hand that will help them to find their places in their own communities and help them to learn the very elementary steps that have to be taken so that responsibility can be assumed for one's future. This is particularly true of many of our younger people.

With the two or three generations of families whose sole income has been from relief, we find this group of families associating with each other; the daughters marry the weaker, dependent men of other dependent families, and each generation producing a weaker family. We believe that this cycle must be stopped and know from results already achieved in this area that it can be stopped.

Migration has meant that families are cut off from the ties with near relatives, and the wider family upon which previous generations could depend is not present in the new community. These families need the social worker as a friend and counselor at many critical times in their lives. Often these families beget big trouble that began with little troubles, but the friendly hand has been absent to help them through these little troubles. In their home communities, a relative might have given this support; in the urban areas these relatives are not present. In previous generations the church might have given this support, but in our communities today too often these people do not affiliate with any church.

As urban communities have become more and more complex we find families in need of help do not know how to ask for help, or where to turn. May I say that this phenomenon of our complex urban areas is not only true of low-income

families, but equally true of a large number of other urban families. The result is that too many families are reaching a point where trouble is a way of life, rather than a temporary problem to overcome. As we have worked with these families, it is not hard to find that they often have strengths that can be brought to the fore and built upon—and these strengths can be used for the same kind of positive chain reaction that brought negative reaction through endless troubles. Except for a small group of families who have been so destroyed by the situations in which they find themselves that they may be "incurable," we find that in the majority of the multiproblem families motivation for the positive is always present. What is needed is the worker who can get close enough to help them find the key that will unlock that which is good. With many of these families it doesn't take a great amount of work to discover this point. As we give attention to these people by accepting families where they are, as they are, and by lending a helping hand to which is added professional skills, we are truly able to assist these families.

In the past, we have by and large tended to direct a great amount of our public welfare program toward the child. Sometimes we feel, in our work, that the child has been "oversold" in the public programs at the expense of his parents. We say and we know—again from experience—that as we strengthen the hands of the parents we solve the problem of the child. Moreover, there will never be enough professional workers to go around. If sound family life is so important to our society, why should we not develop our public welfare programs in a way that will help parents do their rightful job?

COORDINATION WITH DEPENDENT CHILDREN PROGRAM AND EXTENSION OF CHILD WELFARE SERVICES

The child welfare program has been marked from the beginning with a very high quality of service to children. The standards for professional staff have been high and, in general, the services well rendered to promote the welfare of children. The same services need to be extended to promote the welfare of families. The same high quality of the service that has been available to children in rural counties is now available to children in the urban areas, but further authorization of funds is necessary in order to meet the needs. On the other hand, the ADC program has had a more specific function and has had to cover a much wider range of families. The two services could well be coordinated now for the benefit of children and their families, and both programs be provided with the necessary funds to do the job.

DAY CARE AND COORDINATION WITH HEALTH AND EDUCATIONAL SERVICES

During the war we developed throughout this country high-quality day-care services for children, under the Landom Act funds. Shortly after the war, these were closed out and few communities have been able to find new financing to take up this program. Children have suffered as a result.

In one community, I was told that more children are carrying keys of their homes today because their parents are at work than was true during the war period. This was a major concern then that led to the establishment of the day-care services at that time. In a southwestern community, the staff members of one of our settlements are buying supper each night for a number of children who are left to the streets because their parents are at work, and day-care services are not available.

More women are working today to supplement family income because of the increased cost of living. Minimum wages are not universal, nor have wages risen in many occupations to meet the cost of living. Women in large numbers of families are the sole or major wage earner. In other families the mothers are dead, physically incapacitated, or maybe mentally ill. The father may wish to keep the family together, but because of the fact that adequate day care is not available they must be separated and put into foster homes.

In other words, the same human reasons exist today that existed earlier to provide a decent program of day care for our children. The new factor of the increased number of children in our crowded urban centers makes this need even more urgent today. We therefore particularly urge this amendment upon this committee.

We are talking here about a day care program where the existing health and existing educational services of the community are tied in with the programs and where a program of parent education is an integral part of it.

FINANCIAL ASSISTANCE FOR ANY FAMILIES IN NEED OF REHABILITATION

Another important amendment in this program urges that assistance may be provided under appropriate plans as an aid to families with dependent children, rather than restricting it only to aid to dependent children. This too is important in strengthening the family. The emphasis upon rehabilitation here is proper, in that this program would try to help families to attain self support. This should not simply be a program to provide "bread."

REHABILITATION SERVICES FOR RECIPIENTS OF MEDICAL CARE FOR THE AGED

The same program of rehabilitative services now available to recipients of old age assistance should be available in the States for any families who are now receiving medical care under the new medical care program.

In less than a year, a demonstration project carried on by Neighborhood House in Buffalo, with some 40 women receiving old age assistance, housebound because they seemed to have minor illnesses, succeeded in getting all of these women out of their rooms. Some returned to active life in the community and others even returned to employment. The medical care aspect of this demonstration was minor in comparison to the emphasis upon rehabilitation. We owe such older (and many times forgotten) citizens the best that we can provide.

Such psychological adjustments in older people as the depression that follows the death of a mate often result in the loss of identification with their surroundings. But such depression can be treated, can be helped. We have numerous illustrations of how the social services working with these people, in cooperation with the necessary medical help, helps them to find their places in life again. Older people who have serious operations who lose the sight of an eye, or the use of an arm, need help in getting back into ordinary routines. In one of our settlements an older man who was a retired tailor became interested in art and sat each day enjoying his sketching. One day, in the club, he had a severe heart attack and it seemed that everything was over for him. But because our agency saw to it that a rehabilitation program was provided, he again found he had something to live for because he could paint. And now the agency is about to arrange for a one-man art show, where his paintings will be displayed.

COMMUNITY WORK AND TRAINING PROGRAMS

Work, as we all know, is important to the individual and to the community. A program of community work and training with the proper safeguards can be a beneficial aspect of public welfare.

Such programs should not be established unless safeguards are provided in order that such work contributes to rehabilitation of the individual as well as being useful work in the community. For example, a person may have a physical disability and because of this learn the art of jewelry making. But jewelry craftsmen are no longer needed in the community. This person will need the kind of community work program that will recognize physical disability as well as need for training in a new occupation. New work opportunities are also needed to help younger adults who may never have had the opportunity for regular work so that they come to understand the value and dignity of work.

All families have pride. Often families with little of this world's goods have the strangest measure of pride. A variety of work opportunities should be available to enhance this positive factor.

SECTION 107(A)

We are opposed to section 107(a). This will not only lead to very expensive administration of the legislation if the door is opened for our State legislatures to make bill collectors out of the welfare personnel, but it works in direct opposition to other rehabilitative aspects of the legislation. No one sanctions the misuse of funds, but the same kind of protection must be built into this section of the legislation, if it is to remain in the bill, that is found in section 108.

PROTECTIVE PAYMENTS UNDER DEPENDENT CHILDREN'S PROGRAM

There are times and situations when people, for a time, may not be able to manage their own funds. This problem may be somewhat accentuated in our communities at present due to some of the problems mentioned earlier in this testimony, and due also to undue publicity given to some of these families.

In our experience, if programs are carefully tailored by professional social workers who understand the needs of the families, indicating how much responsibility, when to withhold it, etc., after a relatively short period families gain strength and are able to manage on their own. Such programs can only be started if under the guidance of skilled professional people.

FUNDS FOR TRAINING AND DEMONSTRATION

The attached reports from Rochester and Syracuse, N.Y., illustrate the kind of success and the kind of learning that can come about in carefully planned demonstration programs for rehabilitation of families. Some of the problems that we are dealing with today are still new enough so that various approaches need to be tried in smaller ways before they become part of our public programs.

In view of the shortage of social workers, special attention must be given to ways of increasing the supply. Training funds are most urgently needed. We therefore commend to your most favorable attention section 123. In view of the dollar cost as well as the humanitarian aspects of our public welfare program we believe this section basic to the program.

EXTENSION OF THE ADC PROGRAM TO FAMILIES OF UNEMPLOYED PARENTS AND FOSTER FAMILY HOMES SHOULD BECOME A PERMANENT AMENDMENT

The temporary extension of aid to parents of ADC children, granted by the first session of this Congress, should become permanent. The experience with this extended program has been good, and the country continues to be plagued by a sizable rate of unemployment. In addition to this recommendation, may I say that there is no decrease in living costs that would indicate anything other than the need for keeping the increased payment that was temporarily granted, and, indeed, I feel that the payments to ADC families should be further increased.

RESIDENCE REQUIREMENTS

In view of the mobility of families and the fact that "family needs know no State borderline," we would recommend that the Federal aid be directed to the States in a manner that would eliminate all residence requirements between States just as soon as possible.

SIMPLIFICATION OF CATEGORIES

We think it is costly in terms of family need and in terms of public money to continue the separation of aid by categories. We would therefore like to see an amendment that would make it possible for the States, as rapidly as they choose and can arrange to do so, to bring about the existence of a single category of assistance.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.,
New York, N.Y., May 11, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance, Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: The Council of Jewish Federations and Welfare Funds submits this statement for inclusion in the record of the printed hearings to be held by the Committee on Finance of the U.S. Senate on H.R. 10606, Public Welfare Amendments of 1962.

With this statement, we enclose a copy of a letter submitted to the Ways and Means Committee of the House of Representatives on H.R. 10032, Public Welfare Amendments of 1962, which is included in the printed hearings of that committee.

This statement expresses the concern of our board of directors and our general assembly, our supreme governing body, with major features of this legislation.

As an association of 215 Jewish federations and welfare funds serving some 800 Jewish communities in the United States, and with which are affiliated a vast network of health and welfare agencies, we have a very direct and deep stake in the strengthening of the public welfare programs.

The experience of our service agencies leads us to welcome the emphasis in the public welfare amendments on rehabilitative programs which have as their goal the maximum possible restoration of independence for those who require aid.

We particularly welcome such provisions as the following:

1. The increase from 50 to 75 percent for Federal matching grants for service costs in administering State public assistance programs.

2. The extension of assistance to needy children of unemployed parents for 5 years; thus providing aid to the children in needy families whose both parents may be at home; also, the continuation of payments for dependent children in foster homes and now in child care institutions.

3. The increased authorization for appropriations for child welfare services.

4. The authorization for appropriations for training professional public welfare personnel.

5. The establishment of Federal support for a program of day care services.

6. The creation of an Advisory Council on Public Welfare.

7. The development of community work and training programs with appropriate safeguards.

8. The provision containing incentives for the employment of people receiving public assistance by the consideration of expenses in earning their income.

9. The extension of assistance to repatriated American citizens.

10. The freedom given States to combine into a single plan aid for the aged, blind, and disabled.

However, we believe that this measure may be strengthened by the restoration of certain provisions which were part of the original bill when it was known as H.R. 10032 and, which incorporated the recommendations of the Secretary of the Department of Health, Education, and Welfare. These are as follows:

A. *Elimination of residence requirements.*—The provisions in the original bill provided incentives to States to reduce or eliminate residence requirements for welfare assistance. We believe that the principle of the free movement of people from one locality to another in order to find better opportunities for economic independence should be recognized. This is required as an essential element of a healthy national economy whereby individuals are encouraged to seek new job opportunities where work may be available, instead of remaining in depressed communities. Science, technology, and other changes make jobs obsolete in some areas while also opening up new ones in others.

As the resolutions adopted by our governing body indicate, we regard freedom of movement as a fundamental human right in a democracy, and a basic reality of a modern economy.

We hope that your committee will give earnest consideration to the restoration of the administration's recommendations for reduction and elimination of residence requirements as a condition for public assistance.

B. *"Protective payments."*—Section 108 in this legislation contains a limited provision for making carefully guarded exceptions to the general requirement that assistance be given only in the form of "money payment" to the responsible relative. In the original bill, this exception was limited to one-half of 1 percent of all families. This limitation was raised by the House of Representatives to 5 percent. Another subsection, (a) of section 107, was added, however, which we believe might invalidate section 108 by giving to the States the very broad authority and latitude to take any other action in regard to assistance to needy families with the exception that they cannot deny payments with respect to children while in the home of a relative. We are fearful that this broad latitude, without the need to respect any Federal standards, could result in most serious abuses such as the reduction of grants below any general acceptable standards by the omission of the mother and/or other adults from the family budget, punitive action, and the use of voucher payments. This would be a contradiction of the central purposes and principles of the balance of the amendments. We believe that subsection 107(a) should be eliminated and that the safeguards specified in section 108 should apply to all families requiring public assistance.

These safeguards include:

Determination by the State agency that payments to other than the child's relatives are required for his best interest;

Meeting all the need, as determined by the State, of individuals receiving aid to dependent children;

Undertaking and continuing special efforts to develop greater ability on the part of the relative to manage funds to protect the welfare of the family;

Periodic review to see if protective payments are still required;

Aid in the form of foster home care in behalf of children; and

Opportunity for a fair hearing before the State agency on the determination made.

Our concern regarding the danger in the possible indiscriminate use of voucher payments for the purchase of food, rent, and other necessities is motivated by the experience during the depression years in the 1930's with the widespread use of this form of public assistance. The abuses were such as to deprive relief recipients of elementary rights of privacy, dignity, and morale—important attributes of any rehabilitation program. It was because of these abuses and contradictions of fundamental American democratic concepts and principles that this practice was discarded. The reasons for ending voucher payments are fully as valid today.

C. *Matching disparities.*—We are concerned with the growing disparity in the level of Federal matching as between needy families with children and the needy aged, blind, and disabled. Each member of a family group within the needy-children provisions can receive federally assisted aid only up to $30 a month. This bill would authorize up to $70 plus medical care per month for individuals in the other categories—2½ times higher than that authorized for families with needy children. We urge that equal standards should be applied in the administration of all forms of federally aided assistance, that such standards and policies should reflect determination of need and more specifically that families with dependent children should have the same standards applied as other public assistance recipients.

D. *Social work training for welfare personnel.*—The key to the success of any rehabilitation program is the skilled competence of the professional staff administering it. This legislation wisely authorizes appropriations for the training of professional public welfare personnel. However, the original bill took cognizance of the fact that if there were to be adequate training opportunities, grants would be required for direct aid to the schools which train this personnel. It is of vital importance that more students be encouraged to prepare themselves for public welfare employment. This requires a national program of fellowships, as well as direct national aid to schools. When we consider the tremendous investment which the Federal Government makes in public welfare program costs, it is a loss rather than an economy to permit continuation of the gap in fellowship aid. We earnestly hope that your committee will restore the recommended provisions (which we understand were deleted by the Ways and Means Committee because of a committee procedural technicality rather than a difference in substance) to authorize such direct aid for social work training under both titles IV and V of the Social Security Act as incorporated in the original bill.

If the above revisions are made, H.R. 10606 could bring a significant advance in the effective expression of our Nation's concern with the welfare of its people, and could be a vital force in strengthening our economy and democracy.

Respectfully submitted.

IRVING KANE, *President.*

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS,
New York, N.Y., February 13, 1962.

Mr. LEO H. IRWIN,
Chief Counsel, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. IRWIN: The Council of Jewish Federations and Welfare Funds submits this statement for inclusion in the record of the printed hearings held by the Ways and Means Committee of the House of Representatives on H.R. 10032, Public Welfare Amendments of 1962.

The Council of Jewish Federations and Welfare Funds is a national association of 215 Jewish federations and welfare funds, embracing 800 Jewish communities in the United States. These organizations are responsible for the financing, planning, and operation of a comprehensive network of health and welfare agencies in their respective cities. Together they operate on budgets exceeding $250 million annually. They share in the coordination and support of health and welfare services, public and private, of the entire community. Their needs, services, and finances are directly affected by the scope and quality of the tax-supported programs.

Our board of directors and our general assembly, which is our supreme governing body, and which consists of the delegates of our member community organizations, for several years have considered the social welfare problems to which this legislation is directed. The board and the assembly have endorsed the basic principles underlying the provisions of H.R. 10032.

As a member organization of the National Social Welfare Assembly we have also, through our executive director, Philip Bernstein, who serves as chairman of the assembly committee on social issues and policies, participated in the development of its position statement on public welfare. We wish to associate ourselves with the testimony presented by Robert E. Bondy, director of the National Social Welfare Assembly, before the House Ways and Means Committee, February 9, 1962.

Enclosed is the resolution adopted by our last general assembly in November. It reflects the position of our member community organizations on the basic purposes of this legislation. It is completely consistent with the objective of "stressing services instead of support, rehabilitation instead of relief, and training for useful work (with adequate safeguards) instead of prolonging dependency"—as described by the President in his state of the Union message. We request permission for this letter and the attached resolution to be included in the printed record of this hearing.

The experience of our member welfare organizations over many years has brought the conviction that emphasis on rehabilitation by well-trained professional social workers with reasonable caseloads will restore many people to independence and self-support, and in the final analysis will save tax funds. There is needed, therefore, a concerted effort to overcome the shortage of trained social work personnel. Our experience has demonstrated that there are many people interested in social service as a career who for financial reasons cannot undertake the required graduate education and training. Over 80 percent of the students in graduate schools of social work are receiving some financial assistance; the majority of these cannot, on graduation, go immediately into governmental agencies because they are on scholarships which commit them to a period of work in the voluntary agency which has granted them the assistance. Comparable governmental training grants would help provide the public service with the trained personnel needed to deal with the complex and difficult human problems which the governmental agencies must overcome and to administer most effectively the billions of dollars spent for these programs.

We welcome the aspects of this legislation which encourage elimination of residence requirements as a condition for eligibility for federally aided public assistance programs. We associate ourselves in support of the testimony presented by Mrs. Savilla Millis Simons, general director of the National Travelers Aid Association, and chairman of the Subcommittee on Residence Laws of the National Social Welfare Assembly, presented before this committee on February 9, 1962. Our own board of directors on June 10, 1957, adopted the following resolution on residence laws and settlement:

"Whereas—

"Freedom to move is a fundamental human right in a democracy;

"The right of an individual to move to better his economic and living conditions must not be abridged;

"This right of free movement is essential to the continued effective functioning of the economy of the United States;

"Restriction on a residence basis against the newcomer in obtaining the fundamental needs of food, clothing, shelter, and medical care results in human tragedy;

"The failure of such individuals to receive public assistance places a heavy burden on voluntary philanthropic agencies, which they cannot meet;

"Length of residence requirements are an archaic, inefficient, costly survival from previous and different periods: Therefore be it

"*Resolved*, That the Council of Jewish Federations and Welfare Funds, representing organized Jewish philanthropic services in communities throughout the country, is opposed to length-of-residence requirements for public or private assistance, and urges the removal of such limitations where they exist."

This resolution has been reaffirmed by our general assembly.

We welcome the proposed increase in Federal participation in State-administered public assistance programs which will make it possible for the individual States to strengthen rehabilitative efforts. We note the importance of safeguarding the work training programs so that they may contribute to the respect and dignity of the individuals, and their restoration to self-support. We believe that the measures for extending the aid to dependent children will strengthen the integrity of family life.

Finally, we welcome the encouragement of experimentation and demonstration of new methods of administering public welfare programs. These have as their aims the prevention and reduction of dependency, better coordination between private and public welfare agencies, and increased effectiveness of services.

We are pleased that the chairman of the Ways and Means Committee is sponsoring these important measures, urgently needed and forward looking, and it is our hope that the committee will report favorably on this legislation.

Respectfully submitted.

IRVING KANE, *President.*

RESOLUTION ON PUBLIC WELFARE

Adopted by the General Assembly, Council of Jewish Federations and Welfare Funds, Inc., November 17, 1961, at Dallas, Tex.

All citizens have a deep and profound stake in the health and welfare standards and services of the Nation. For the voluntary agencies serving these needs, there is a special concern and interdependence with the scope and quality of governmental programs. And there is a particular responsibility at this time to strengthen public welfare services and to resist the weakening of these services by undocumented charges of waste of tax funds.

We recognize that the general welfare is set in the foundation of a vigorous economy and sound social conditions which assure to all persons the opportunities for their fullest development, and which prevent and minimize dependence and disabilities.

For those who do require help, financial aid alone is not enough; with it must be provided skilled service which strengthens self-respect and restores these persons to independence as quickly as possible.

In furtherance of these purposes, we note with commendation the measures endorsed by the board of directors of this council and enacted by the last session of Congress:

Strengthening of the social security system through raising the levels of benefits and broadening the scope of eligibility;

Doubling the appropriation for research and demonstration projects on the causes of family need and social disability;

Extension of aid to dependent children to benefit families with unemployed fathers, and to include foster home care for children whose own homes are not suitable;

Improvement of community health services through increased aid for construction of most urgently needed facilities, for personnel training, technical services, and research in noninstitutional progams.

We urge the next session of the Congress to continue this progress by enactment of legislation endorsed by the board of this council which would:

Provide medical care for the aged through the mechanism of old-age and survivors insurance program;

Extend Federal participation to assure public assistance financing and services for all needy persons not now covered under Federal law, with no restrictions based on citizenship or residence requirements;

Provide grants for professional training of social workers to help overcome the staff shortages in public welfare agencies across the country, and to assure the skilled services required for the earliest rehabilitation of those in need.

Increase further the appropriations for research and demonstration projects in social welfare beyond the modest beginnings which have been made.

COMMUNITY SERVICE SOCIETY,
New York, N.Y., April 12, 1962.

HON. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee,
Washington, D.C.

DEAR SENATOR BYRD: The Committee on Public Affairs of the Community Service Society strongly urges your support of H.R. 10606, formerly H.R. 10032, a bill "to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes."

We are enclosing for your information a copy of our letter of February 28, 1962, to the Committee on Ways and Means of the House of Representatives which was written prior to the present bill's amendment. We are still pleased with the central direction of the bill which places such strong emphasis on rehabilitative, restorative, and preventive services to families and individuals. Nevertheless, we are concerned about three amendments made by the Committee on Ways and Means and adopted by the House of Representatives.

The first of these amendments is the addition to H.R. 10606 of subsection 107(a), section 405, beginning on page 37, line 13, entitled "Use of Payments for Benefit of Child." We are particularly concerned with the last nine lines of this section (page 38, lines 5 through 13), which provide specifically that—

"any action taken by the State agency pursuant to * * * State law other than denial of payments while he is in the home of the relative, *shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children.*" [Emphasis added.]

This provision, amending as it does section 404 and in turn 402 of the Social Security Act, which together contain 13 minimal requirements of State welfare plans, appears to us to run counter to the principle of safeguarding individual rights and entitlements which has prevailed since the initial passage of the Social Security Act. It thus jeopardizes the fundamental purpose of the bill by making it possible for the States to adopt, for example, legislation permitting the extensive use of voucher relief or any other punitive rather than rehabilitative legislation, at the same time prohibiting the withholding of Federal money from States whose laws lower the minimum standards now provided by sections 404 and 402 of the Social Security Act. It does not seem to recognize that these minimum Federal requirements, when based on reasonable nationwide goals and standards, are a help and protection to State policymaking and administrative bodies in maintaining a constructive and stable program. To permit such a provision to be enacted into law does a profound disservice to an otherwise essentially sound bill intended to be aimed at achieving individual and family rehabilitation and thus eventually, hopefully, reducing welfare costs in a manner that develops and promotes human dignity and self-respect. To preserve adequate standards of State public welfare legislation and administration, we therefore recommend the deletion of subsection 107(a), section 405. Protective payments in special situations requiring them are more than amply provided for under the original proposal section 108(a), beginning with page 38, line 21, and continuing through line 16, page 41.

The second amendment of concern to us pertains to titles X, XIV, and XVI, which deal with grants to the States for aid to the blind, to the permanently and totally disabled, and to the aged. While we do not object to the increase in Federal reimbursement to the States for the categories provided for under these titles, we also believe that Federal aid to the States for aid and services to needy families with children should be increased at the same time, in order to prevent the present disparity from being further widened.

The third amendment is referred to by Congressman Mills in his report of the Committee on Ways and Means to the Committee of the Whole of the House of Representatives as "a purely technical and conforming change." It pertains to the section of the original bill (p. 44 of H.R. 10032) which was intended to provide incentive to the States for removing residence requirements. As indicated in our letter to Congressman Mills, the Society's Committee on Public Affairs "long has taken the position that State and local residence requirements for public welfare assistance are inhumane and that such laws impede the progress of our economy by violating the fundamental right of our people to strive to improve their conditions by moving freely within their own country." We had, therefore, approved the encouragement which H.R. 10032 gave to the removal of residence requirements and now deeply regret that H.R. 10606 does not contain this provision.

We hope that you and your committee will give serious consideration to our comments and find some way of preserving in full what we believe to be the original intent and purpose of this bill.

Respectfully yours,

JOHN H. MATHIS,
Chairman, Committee on Legislation, Committee on Public Affairs.

COMMUNITY SERVICE SOCIETY,
New York, N.Y., February 28, 1962.

Hon. WILBUR D. MILLS,
Chairman, Ways and Means Committee,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MILLS: After careful examination and consideration of H.R. 10032, the Committee on Public Affairs of the Community Service Society of New York, the largest and oldest voluntary family welfare and health agency in the United States, wishes to record its support of the general intent and purpose of the bill and its major proposals. In this society's experience in working with people in need, it has been abundantly evident that rehabilitative services are necessary to an effective public welfare program as well as financial assistance for those in financial need or likely to become so if appropriate social services are not provided. For years, even a large agency like ours has recognized its own inability to provide service to more than a relatively small number of such persons and families in need and has seen the development of social services within public departments as the only logical solution.

H.R. 10032 gives considerable encouragement to the States to develop social service programs which, if properly staffed and administered, should eventually reduce public welfare costs and, of at least equal importance, should also strengthen family life as the contribution of each individual to society is developed to full capacity.

Rehabilitation, where it is possible, obviously requires the best use of professionally qualified people, and thus we welcome the provisions of the bill which make possible staff training and research and demonstration programs to advance knowledge and skills in helping troubled and sometimes troublesome people.

The Society's Committee on Public Affairs long has taken the position that State and local residence requirements for public welfare assistance are inhumane and that such laws impede the progress of our economy by violating the fundamental right of our people to strive to improve their conditions by moving freely within their own country. We, therefore, approve the encouragement the bill gives to the removal of residence requirements.

While there are certain aspects of the bill which we might question, and which may require future amendment as experience is gained, it is our belief that the bill is a major step in the right direction.

Therefore, the Committee on Public Affairs of the Community Service Society of New York supports and urges adoption of H.R. 10032 and its prompt implementation by adequate appropriations. We further urge that scheduling and action by your committee be taken promptly.

Respectfully yours,

JOHN H. MATHIS,
Chairman, Committee on Legislation, Committee on Public Affairs.

FACT SHEET ON SOCIAL WORK MANPOWER AND SOCIAL WORK EDUCATION, 1961–62

1. Exclusive of health and education, current expenditures for welfare services in the United States are at the rate of $5 billion annually. Of this amount not more than 1½ billion is from voluntary funds. (Not included in these figures are amounts expended from the social insurance programs under the Social Security Act.)

2. There are 105,000 social welfare workers in the United States, exclusive of recreation workers, according to the 1960 survey of social welfare manpower.[1]

3. The growing and ever more critical shortage of social workers is shown by the following facts:

(a) There are 56 accredited schools of social work in various universities in the United States, 7 in Canada. They admit, to full-time study, leading in 2 years to a master's degree, students who have completed a bachelor's degree.

[1] "Salaries and Working Conditions of Social Welfare Manpower in 1960." A survey conducted by the Bureau of Labor Statistics in cooperation with the National Social Welfare Assembly, available from the Assembly, 345 East 46th St., New York 17, N.Y., $1.75.

(b) The 56 schools have currently enrolled (November 1961) 5,496 full-time students, of whom 40 percent are men. The Canadian schools bring the total to 6,028.

(c) Last year (June 1961), 2,310 students completed their social work education and received their master's degree in social work. This includes 2,162 in the United States, 148 in Canada.

(d) These 63 schools have an estimated capacity to enroll approximately 6,100 full-time students—5,600 in the United States and 500 in Canada—without major additions to their teaching staffs and field instruction placements. Capacity in the 56 U.S. schools could be increased to a possible potential of 7,000 full-time students by 1965, and in the 7 Canadian schools to 1,000, if financing for such additions could be found.

(e) One additional school of social work opened in 1961, and another will be in operation in September 1962. Each school may be expected to enroll about 40 students in its first 2 years, prior to review for accreditation.

(f) The best estimates (based on sample studies) indicate that there are at least 10,000 current social work vacancies for which funds are available but for which qualified staff cannot be found.

(g) The most careful estimates available (based on sample studies) indicate that upward of 15,000 persons would have to be recruited annually to replace those leaving the field, to staff necessary expansion of existing services, and to man newly developing services. This estimate does not take account of the full expansion of services that would be required by the recent rapid growth in population.

4. Only one-fifth of the persons in social work positions in 1960[1] had basic professional education for their work (2 years of graduate work in a school of social work). Public assistance programs, with the largest staffs, have the smallest proportion of staff with basic professional education (4 percent). The significance of this can be realized only when it is known that these agencies must deal with the most difficult human problems in the families and individuals coming to them for help. Lack of professional staff thus tends to perpetuate or to create dependency, and fails to provide preventive measures, particularly in families with children.

5. Two major factors standing in the way of increasing the supply of fully prepared social workers are:

(a) lack of funds to develop additional social work teachers and to engage faculty for class and field instruction; and

(b) lack of adequate funds to help students finance the cost of tuition and maintenance for the 2-year period required.

6. Salaries for social workers are increasing but must be raised (aspecially for experienced workers) if they are to be attractive to promising young people selecting a career. The average salary of social welfare workers in 1960 had increased 76 percent since 1950, a 43-percent gain in real wages when adjusted for the rise in the cost of living. Average salary for workers who had their master's degree in social work (the first professional degree) was nearly $2,000 higher than the average salary of the total group. The few with doctoral degrees earned a median salary $2,500 higher than those with master's degrees.

PROJECT ON PUBLIC SERVICES FOR FAMILIES AND CHILDREN

Sponsored by the New York School of Social Work,
Columbia University, New York, N.Y.

THE PRACTICAL VALUE OF SOCIAL WORK SERVICE: PRELIMINARY REPORT ON 10 DEMONSTRATION PROJECTS IN PUBLIC ASSISTANCE

(By Winifred Bell, Apr. 20, 1961)

During the last decade numerous demonstration projects carried out in public welfare agencies have provided convincing evidence that substantial savings to the taxpayer can be secured by reducing caseloads of public-assistance workers so that they have time to counsel actively with the troubled families seeking financial aid.

Our past efforts to save money have led us to keep assistance grants to the minimum, to insist upon tight controls over eligibility, and to spread the caseloads over small, untrained, and poorly paid staffs. The 10 demonstration

projects reviewed to date consistently show that they have been a "penny wise, pound foolish" approach. It is, in fact, one way to guarantee that dependency will not only persist, but will increase.

The cost of dependency is not easy to measure. Certainly, it far exceeds the cost to the public assistance agency, but even viewing this limited aspect of the problem, unless our investment is returning some dividends in terms of preparing families for independent living, we are wasting money. Our present penny-pinching policies could not be better designed to encourage the continuation of dependency, not only for this generation but for generations to come. It could not better promote high turnover of staff, wasteful concentration on airtight controls at the expense of time to give constructive help.

If we did not know better, it would be more understandable. The conclusions set forth in this paper are not new. They have been presented in a variety of forms by their sponsors, but the impression is secured that they are in, but not of, the public domain.

What do they prove? (1) It is wasteful to concentrate the efforts of public-assistance agencies exclusively on the determination and verification of eligibility. This may well continue to be the focus for those families with simple, uncomplicated economic need including mothers who are needed at home to care for young children. But for those with complicating social problems we must focus our efforts on discovering the obstacles to self-help and provide services to strengthen families if we wish to save money. (2) No investigator or social worker will have time to counsel with families unless he is responsible for only a "reasonable caseload", generally defined as ranging from 35 to 50 cases. (3) Skilled supervision and inservice training programs are essential to a constructive program in public assistance. This is particularly true in these days of acute shortage of graduate and experienced social workers. (4) Untrained investigators may have been able to verify eligibility, but effective family counseling requires the skill of trained social workers, and the more skillful the staff the more money the community will save. This is tantamount to saying that we don't save money by hiring 10th-graders to build missiles.

The 10 projects reviewed returned a significant number of families to self-support and decreased both the duration of grants and the incidence of reapplications. In some instances, the maximum money grants allowed by the States were increased during the studies; nonetheless, savings overbalanced costs incurred by smaller caseloads, more highly trained personnel, and skilled supervision.

The 10 studies also showed that the public image of the "lazy, indolent" assistance recipient is simply not based on fact. Most of these families wish to be employed, and this includes the "ADC mother." But their marginal skills and minority status render them peculiarly vulnerable to shifts in the economy. Many of them came from families who had known only misfortune and discrimination, broken homes, and dependency. The current adult on public assistence is our warning for the future, for our present policies are excellently devised to breed more in the same mold. Again and again, these studies note that the typical public assistance recipient is the "first fired, and last hired."

In these demonstration projects, social workers devoted time and skill to building confidence, exploring difficulties, extending employment counseling, and referring for vocational training. When mothers were in a position to work, ingenuity was brought to bear on formulating adequate plans for children during their mothers' employment. The economy of providing adequate vocational training, day care, and homemaker facilities was demonstrated. We can safely conclude when we study the result with care that given time to explore the obstacles to independent living, a concern about helping families to overcome those obstacles, a community atmosphere in which minority groups are employed during times of stress on somewhat equal terms with majority groups, and given day care facilities so that low-income mothers can work without neglecting their children, substantial social and economic savings could be effected.

The studies reviewed were carried out in California, Michigan, Pennsylvania, Florida, Texas, New York, and Washington, D.C. Supporting evidence is found in studies made in Illinois, Maine, New Jersey, and North Carolina.

In each of the demonstration projects, the focus of the work with families was changed from one exclusively concerned with the determination and verification of eligibility to one centered on helping families with their difficult problems, whether in the emotional, budgeting, employment, marital, or parent-child areas. Most studies were self-consciously concerned with securing the employment or reemployment of the head of the family. When the projects dealt pri-

marily with ADC cases, this goal might well be questioned, since the program was initially established to enable mothers to provide the supervision and nurture required by children in their formative years. In 1935 when the Social Security Act was passed, this appeared to require the presence of the mother in the home. However, these studies and others in recent years suggest that mothers on ADC consider themselves to be second-class citizens and they would prefer employment. The crux of the matter is how and why the mother decides to work and what plans she is able to make for her children. Should mothers on ADC be forced to work because insufficient appropriations mean that they cannot support their children in dignity and self-respect? Should social workers be pressured into forcing mothers into the economy as a proof of success? Or should mothers and social workers be free to plan jointly for the welfare of the family? These studies suggest that current inadequate assistance grants seriously limit the freedom of choice.

Without exception, in these demonstration projects, caseloads were reduced. In 1959, the median caseload of public assistance workers for the Nation was 147 cases. In these projects, on the whole, caseloads ranged from 35 to 50 cases. In the project reported in the 1960 Annual Report of the Texas Department of Public Welfare, the size of these special caseloads is not mentioned. However, note is made of "specialized caseloads" consisting primarily of ADC cases. "By intensive training along specialized lines, and by removing diversions caused by working with cases in other categories, these specialized ADC caseworkers were able to meet and overcome some of the problems facing ADC families.[1] Considering that Texas had the highest caseloads in the Nation at the time of that study (in June 1959, 360 cases per worker), it seems probable that these caseloads were not only specialized but reduced.

The increased visits with families made possible by this reduction varied from "being available quickly whenever needed," as in Marin County, Calif., to approximately once monthly, as in Washington, D.C. At both ends of the spectrum, a totally new experience was available to the families receiving public assistance, since their traditional relationship with the agency has had to be limited to the infrequent and brief visits required by statute to verify eligibility. But quantity is not the only change. The new focus, the concern for strengthening families, meant a new spirit and a changed pace for visitor and family alike. For the first time, the agency was not merely a "watchdog," determined to ferret out abuses and irregularities. Now skilled counseling and trained concern were extended, and in this climate problems were more apt to be confided, and social workers and families had a chance to become partners in a mutual undertaking. It is little wonder that positive changes occurred.

These studies all give the facts regarding the financial and/or social savings they effected. They were all carried out during the last decade, and some of the reports are only now available.

The Washington, D.C., project involved 240 families with 900 children and was carried on from February 1953 to March 1954. Three skilled social workers were responsible for all of the counseling. They conclude that "the status" of the family was improved for 141 of the 240 families, as evidenced by increased financial support from 34 absent fathers, improved marital relationships in 32 families, improved health in 51 families, full-time employment in 18 cases, part-time employment in 9 cases, marked progress toward employment in 16 families, better housing for 23 families, and alleviation of school difficulties experienced by 9 children. These gains are particularly significant when we realize that in all of these demonstration projects, the project families have not been the "typical" assistance families but the "hard core," those with static or deteriorating conditions, those long known to the agency, those for whom little improvement could be anticipated.[2]

There have been two projects in Washtenaw County, Mich., both focused on multiproblem families receiving general assistance. In the most recent study (1960), 14 cases involving 84 individuals were selected for intensive study. The work was evaluated after the families had been in the project from 8 to 10 months, and even within this brief period, considerable gains had been made. Families were evaluated according to financial status, family relationships and individual adjustment, and finally, their improved capacity to use community

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[1] "Annual Report of the Department of Public Welfare," Texas, 1960, p. 6.
[2] "ADC Demonstration Project," Washington, D.C., Department of Public Welfare, 1954. (Mimeographed.)

resources wisely and constructively. Three families showed gains in all three areas, five families in two areas and three families improved in one area. The authors state that the total monthly cost (to the public assistance agency) for these 14 families was $2,300. "During the first 6 months the project operated, six families became partially or totally self-supporting which produced an estimated savings per month of between $700 and $750. * * * On an annual basis, an annual savings of $8,400 to $9,000" was thus effected.[3] The result was achieved despite the fact that these 14 families had received relief for an average of 21 months, and that the project workers were the "usual employees" of the general assistance agency. Highly skilled supervision, an active in-service training program and reduced caseloads made the difference.

The Florida project involved 505 families. After a 14-month period, about half of those families were no longer on public assistance. "By comparison, during that same period, about one-third of the cases carried by the regular staff were closed. Of the new applications handled by the experimental group, about 42 percent were accepted for financial assistance while among the regular staff about 56 percent were accepted."[4]

The Annual Report of the Florida State Welfare Board for 1957–58 compares financial dependence with disease and states that "there are two wonder drugs available: the money of the public assistance grant, and the time and skill which the social worker is able to devote to the case. * * * Controlled experiments in the treatment of this disease (chronic dependency) have been conducted by this department. Again and again, in actual cases, * * * the social casework theory has been confirmed: for a substantial percentage of the ADC families this is a curable disease. * * * In many instances, as high as 50 percent of certain caseloads in certain communities, can be returned to self-support when the social worker carries a practical caseload."[5] Although we might well question whether mothers who decide to utilize a public program designed to enable them to remain at home on the theory that home is where they belong are, in fact, "diseased," nonetheless the confirmation of the effectiveness of lower caseloads is a pertinent addition to our story. Unfortunately, from the point of view of the taxpayer, changes made the following year by the Florida legislature resulted in decreasing the time social workers could devote to counseling.

The 1960 Annual Report of the Department of Public Welfare in Pennsylvania reports on the rehabilitation demonstration project of the Allegheny County Board of Assistance. "The economy of small caseloads (35 in the project) was demonstrated clearly. * * * 98 cases, out of the project's 349 cases, were closed because of employment. Savings on assistance grants alone for these cases from the time they went off assistance until October 1958, totaled more than $256,000. * * * In October, 1958, a followup was attempted with the 37 cases that had left assistance for employment a year or more before * * * 16 were located * * *. Assistance had been given in each of these cases for more than 5 years before it was discontinued. Handicaps (in these families) included severe physical handicaps (11), mental (9), social (9), no skill or experiecne (10). Only two of these people might have found work by their own efforts. * * * The total earnings ($114,500) of the 16 families alone almost equaled the entire cost of the project ($124,000) * * * If these people had not had this special help, it is likely that they would have continued to receive assistance totaling $53,262."[6]

Fixel and Wiltse conclude their report on a project involving 43 ANC families in California by stating, "These data suggest that if the department were adequately staffed so that individual attention could be given to the interests, emotional and physical problems, and the educational needs of each client, the time on assistance would be greatly reduced. Let us expand this hypothesis to a statewide basis. The total cost of ANC in California will be approximately 120 million this fiscal year (presumably 1959–60) and the average length of time on aid, 42 months. If the average time on aid were reduced even 1 month the resultant saving would pay for all statewide increments in quality and quantity

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[3] "Reducing Dependency: A Report of a Demonstration and Research Project," Wilbur J. Cohen and Sydney E. Bernard, Ann Arbor, Mich., University of Michigan, December 1960. (Mimeographed.)

[4] "Casework Services in ADC," Maude Von P. Kemp, James M. Wallis, and Joyce Hetzel, Chicago, APWA, child welfare series No. 2, January 1957, pp. 18 and 19.

[5] 21st Annual Report of the State Welfare Board, Florida, Jacksonville, Florida State Welfare Board. 1958, p. 13.

[6] Public Welfare Report, June 1, 1958–May 31, 1960. Harrisburg, Pennsylvania Department of Public Welfare, September 1960, pp. 75 and 76.

of staff. Whether expanded to a statewide, nationwide, or reduced to the smallest local level, these simple facts indicate that an adequately trained staff in sufficient quantity to keep caseloads down to optimum level is the simplest form of economy." [6]

In Texas, during 1959 and 1960, "mature, experienced workers" were selected to work with ADC cases and by the end of the year they were credited with having achieved a remarkable drop in the caseload. "In September 1959, payments were made to 23,147 families representing 73,381 children under this program. By August 1960, these dropped to 19,662 families representing 62,512 children under 14 years of age, a decrease of 4,132 families (17 percent) and 12,772 (17 percent) children. During the corresponding period, average payments per family per month increased * * * $1.66 per family * * *. Recipients of ADC assistance (nonetheless) received $17,930,831 in money payments for the year, a decrease of $3,103,614 under the total for the previous year." [7] Without a detailed report on this project, these financial gains are difficult to assess, since at this time no information is available on employment or unemployment rates in Texas, on the usual case movement of other ADC cases, on the rate of applications, or on the services made available by social workers.

Lake County, Ind., limited caseloads to 40 families for selected caseworkers in 1958 and referred only families who had been chronically dependent and showed signs of serious deterioration. Despite the gravity of these cases, "it was found that the average rate of termination of grants for the total ADC caseload of the agency in 1958 was 19.4 percent while the rate of termination for the 125 intensive cases was 28.8 percent." They estimated a savings only to the agency of $16,593. It is most interesting that in 1959 it became necessary to raise the caseloads in the experimental group by assigning 40 family units rather than 40 separate cases, as in 1958. The termination rate dropped, although it still remained higher than the rate for the entire ADC caseload. Despite a lower rate of termination, the savings were higher for the simple reason that the families involved had more children and thus had received higher grants. In 1959, an estimated $22,556 was saved by effecting earlier terminations through intensive casework counseling.[8]

Westchester County, N.Y., instituted a demonstration project in June 1957. Highly skilled social workers, excellent supervision and reduced caseloads were again proven to be economical. These 152 families were plagued with many problems, and had been receiving relief for an average of 25.1 months prior to being assigned to the project. After an average of 6.7 months of counseling, 49 of the families were able to function independently.[9]

Niagara County also initiated a project in 1957. Forty-one families were involved who had been continuously or intermittently on public assistance for 5 or more years. Despite the high unemployment rates in Niagara County at the time, 17 families became self-supporting, while over one-half of the families involved took concrete steps in the direction of improving their employment potential. The author observes, "These changes are not as spectacular * * * as actual case closings through employment * * *. A long-range goal of * * * self-support for many of these families has a reasonable chance to be reached." [9]

Marin County, Calif., stands out as the site of intelligent experimentation and planning for public assistance, and particularly the ANC caseload. In 1951 a new director, Betty Presley, was employed by that department. Miss Presley brought "conviction that an informed community would support an effectively organized county welfare department able to provide help with difficult family problems. She foresaw that professionally trained staff and smaller caseloads prerequisite to giving skilled social services might increase administrative costs. However, she believed such services would strengthen family relationships and individual efforts, and in many instances result in self-support, thus ultimately decreasing assistance costs." [10]

These opinions were supported by the administrative survey in June 1951 by Kroeger & Associates which said, "We are firmly convinced that there is no room for the inexperienced or poorly qualified social worker on the staff in the

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[7] "ADC: Problem and Promise," Chicago, Ill., APWA, undated. Justine Fixel and Kermit T. Wiltse, "A Study of the Administration of the ADC Program," p. 85.

[8] "A Study of ADC Cases Receiving Intensive Casework in 1958 and 1959," Lake County, Indiana Department of Public Welfare, Intensive Casework Division (passim).

[9] "To Prevent and To Restore," a report on the rehabilitation potential of public social services in New York State, Albany, New York State Department of Social Welfare, 1960 (passim).

[10] "A Study of Marin County, Calif.—Building Services Into a Public Assistance Program Can Pay Off," California Department of Social Welfare, 1958 (passim).

Marin County Welfare Department." A family care unit was established to provide intensive casework, and an experimental caseload was forthwith established in this unit. Twenty-four chronic cases were assigned to a worker with graduate social work training. In the previous 5 years, $91,920 had been spent on these families in assistance and medical care. After 1 year's work, improvement was noted in all but two cases and expenditures for the entire group began decreasing. Most of these cases involved immaturity, marital conflict, mental deficiency, mental illness, and alcoholism. They included 104 children ranging from 2 to 9 in a family, and 24 of these children were known to have personality disturbances. So convincing was the improvement that "the agency concluded that intensive effort in all such cases was indicated and that casework help given in the early stages of agency contact contributed to the prevention of personal and family breakdown and economic dependence."[10]

Between 1952 and 1956 further administrative changes were made, so that a senior clerk was trained to do much of the clerical work previously assigned to social workers, who were then free to concentrate on counseling families. Caseloads were reduced throughout the family case unit to approximately 40 to 50 cases, qualifications for workers were raised systematically. Salaries were raised, more supervision was provided, and the work of various related offices was coordinated. The results achieved in Marin County were then rigorously compared with results and trends in the San Francisco area, as a whole. Marin County was found to show a significant drop in ANC cases per 1,000 population when compared with the San Francisco area, despite the same rate of applications. Not only was the "discontinuance rate" higher but cases "stayed discontinued" longer. During the 1954–56 period the costs of ANC in surrounding areas increased, although it decreased markedly in Marin County. There were also decreases in average grants per child in Marin County and studies revealed that this probably related to both increased support from absent fathers and increased earnings of parents. Finally, the following table illustrates the shifting relationship of salaries and assistance costs in the county:

	July–September 1953	July–September 1955
Aid to needy children	$114,713.63	$87,880.77
General relief	21,651.40	20,822.81
Salaries	6,496.90	12,323.00
Total	142,861.93	121,026.58

The director also pointed out that based on the average monthly aid-to-needy-children grant in this county of $125, the saving represented by discontinuance of three aid-to-needy-children cases exceeds the monthly salary of one worker. Four discontinuances exceed the salary of a supervisor.

In summarizing their comparisons of the Marin County statistics and those from the San Francisco area generally, the authors of this report note:

"Consistently the foregoing figures point up a picture of downward trends in ANC caseload (both in relation to population and absolutely) and in total costs in the 4-year period (1953 through 1956) that the family care unit has operated in Marin. Concurrently, in the San Francisco area group of counties which have many common factors in their economic and social patterns, the trends are upward."

In concluding their report, they note that their program was in jeopardy in July 1955 when a firm of administrative analysts made a survey of the welfare department for the country grand jury. In the eventual public hearing, it is noteworthy that a representative of the California Taxpayers' Association brought out that "per capita expenditures for welfare in Marin County were lower than in any of the other 11 counties of the State closest to Marin in population." He also pointed out that the administrative costs of Marin's total welfare programs were the second lowest in this group of counties. He stated, and several other speakers agreed, that "If you spend $10 more in administrative cost to save $100 in the aid program, you've saved money." It is encouraging to note that the director's budget was granted and that caseloads were kept down to their 40–50 limit. "The support given by the board and community amounted to a vote of confidence in the preventive and rehabilitative approach taken by the Marin County Welfare Department."[10]

[10] "A Study of Marin County, Calif.—Building Services Into a Public Assistance Program Can Pay Off," California Department of Social Welfare, 1958 (passim).

SUPPORTING STUDIES

"A Study of Protective Services and the Problem of Neglect of Children in New Jersey," Claire R. Hancock, Trenton, N.J., Department of Institutions and Agencies, State board of child welfare, 1958.
"The Incentive Budgeting Demonstration Project," Denver Department of Public Welfare, July 1959–June 1961 (interim report, June 1960).
"Facts, Fallacies and Future," a study of the ADC program of Cook County, Ill. (New York City: Greenleigh Associates, 1960).
"Parental Behavior in ANC Families," State of California, Department of Social Welfare, July 16, 1960.
"Aid to Dependent Children in Maine," a study of family management, Maine Department of Health and Welfare, June 1960.

PATTERNS OF CHANGE IN FAMILIES ASSIGNED TO THE VOLUNTEER CASE AID PROGRAM, APRIL 1, 1958, TO JANUARY 31, 1960

Progress report to the Community Chest of Rochester and Monroe County, March 1960, prepared by the staff of the Baden Street Settlement, Inc., Rochester, N.Y.

PATTERNS OF FAMILY FUNCTIONING FOR 35 FAMILIES IN VOLUNTEER CASE AID PROGRAM

It can be said of the 35 families involved in the VCA program that in the majority of cases there was only 1 parent in the home (60 percent) and that the household included 6 children, that in half of the families the children included at least 1 which had been born out of wedlock or which was not the child of both adults in the home; that either divorce, separation, or desertion was a part of the history of three-fifths of the families, that chronic physical disease or handicap existed for 1 or more members of most of the 35 families, that the families were all renters and that two-fifths of them lived in low-income, public housing; that these families were known to an average of 7 community (social, health, law enforcement) agencies, including the Baden Street Settlement, that 77 percent of the 35 families were either partially or fully dependent upon public welfare for their support at the time of intake into the program or at some time during the study period (April 1, 1958, to January 31, 1960).

Nearly all (31) of the 35 families presented problems around individual behavior or adjustment of 1 or more of their members and around economic practices or budgeting (26 families) or social activities and relationships (also, 26 families). Two-thirds of the families (22) presented problems around physical health and more than one-half (19) around the use of community resources. Nearly one-half of the families (17) had problems in the area of their family relationships or in their relationships with community agencies (15). Fewest families presented problems around home and household practices (9)—the area which newspapers and popular sentiment are quickest to assign to multiproblem families, using such terminology as "sloppy housekeeping."

Changes noted from intake to closing or present date (January 31, 1960) (22 months' work) in officially reported behavior of VCA program families

One-half of the families requiring neglect petitions or SPCC investigations prior to intake were not so involved during the study period;

Two-thirds of those for whom adult or juvenile arrests occurred prior to intake were not so involved during the study period;

Truancy or unauthorized school absences were not reported in nearly one-third of the families so reported prior to intake;

In nearly one-half of the families so involved prior to intake, police calls or evictions did not occur during the study period.

Changes in welfare dependency for VCA families from intake to closing on present date

One additional family received full welfare assistance at "closing or present date," but five fewer families were receiving partial assistance and four more families were fully self-supporting than was the case "at intake."

Precrisis or crisis situations: Number and type	Successfully worked through	Limited success	Help unsuccessful
Eviction (5)	5		
Emergency—Financial (9)	6	3	
Long-term financial problems (12)	7	3	2
Health problems (24)	17	6	1
Death in family (1)	1		
Marital problems (12)	4	6	2
Neglect of children (9)	1	6	2
Unemployment (18)	6	9	3
Child care (22)	2	12	8
Legal (divorce, separated, arrest, probation, etc.) (13)	5	6	2
Juvenile delinquency (6)		4	2
Dental problems (2)		2	
Child spacing (10)	1	6	3
Housekeeping (12)	4	4	4
Total (155)	59	67	29

Multiservice Project for Troubled Families in a Social Settlement Center in Syracuse, N.Y.

By the social work staff of Huntington Family Center, Inc., Syracuse, N.Y., July 1960

FAMILIES SERVED BY THE PROJECT

The families served in the demonstration project are families with some, or all children under 12 years of age, in keeping with the intake policy of Huntington family centers where the emphasis is on service to young families. Family incomes are at marginal or department of public welfare levels. There is a mixture of racial backgrounds among the families served.

The problems facing these families are both environmental (housing, money, health, etc.) and also problems stemming from antisocial or asocial patterns of behavior. These are the kinds of families described by many sociologists and social workers as "hard to reach," "multiproblem," or "hard core." The latter term was used by Bradley Buell & Associates in a report given 5 years ago in St. Paul, Minn., in which it was found that 6 percent of the population consumed the major share of community health and welfare money. Buell, at that time, suggested that the "multiproblem family" be dealt with as a whole by one social worker.

In a more recent study relating social class and mental illness in the New Haven area, Sociologist Hollingshead and Psychiatrist Redlich of Yale University have reported similar findings. They suggest that social workers are and should be the chief therapists for emotionally and socially disturbed people in deprived groups.

CHARACTERISTICS WHICH MAKE THIS PROJECT DIFFERENT FROM CONVENTIONAL SOCIAL WORK PROGRAMS

Four characteristics make our project different in its program from those offered by most neighborhood centers, casework agencies, or group work agencies:

(1) An active and even aggressive reaching out to the family in trouble. To borrow a quotation from Alice Overton, director of a somewhat similar project in St. Paul, "We do not equate the need for help with the ability to ask for help."

(2) Families are treated by a combination of group work, casework, and community organization techniques. As a result of a single diagnostic focus, these techniques are made to reinforce one another. The children of these families attend carefully planned group meetings twice a week; and the social caseworker may see individually one, two, or three members of the family as often as twice a week, or more frequently during crisis periods. This is a truly unique feature of the program. Interagency conferences are frequent.

(3) Emphasis is placed on the neighborhood relationships of the family. These are used in the beginning contacts with the family and also during treatment. One of the important goals of treatment is to help the rehabilitated family, through its increased ability to cope with its own problems,

a neighborhood strengthener, a source of leadership and help for weaker families.

(4) Special effort is made by both group work and case work staff to reach fathers of the families with whom we work. This has meant that staff members see fathers at home or at work, as well as at the summer camp and the settlement house, during evenings and weekends as well as during regular weekday work hours. This is done so that fathers can continue their regular work and yet become a part of the Huntington program, together with their wives and children.

Characteristics of the program which are not unique but which are taken for granted as good social work practice are:

(1) Regular professional recordkeeping;

(2) Coordinated staff supervision, including social work, recreation, and nursery school staff;

(3) Interagency conferences which lift the burden of multiagency contacts from the family;

(4) Psychiatric and psychological consultation on a regular basis;

(5) Controlled intake and treatment load (limited by the area of the building and size of the staff and regulated, as has been said, by the decision of the staff as to whether the therapy which is based on combined social work therapy for the specific families in the demonstration program, promises to be effective.) It should be noted that these families are part of the total settlement program. Since the establishment of an intake policy, the total agency membership has actually increased and attendance has been more stable and constant.

DIAGNOSTIC AND TREATMENT PROCESS

Families enter the project programs after two initial steps have been taken:

(1) A referral has been made by a psychiatric clinic, school, juvenile court, hospital, church agency, public welfare, neighbors, or in some cases a request may come from the family itself.

(2) A decision to accept the family is made by the staff in conference, after it has been shown that the family:

(*a*) Lives in the Huntington neighborhood.

(*b*) Has young children, the majority under 12 years of age.

(*c*) That the problems are those that can be effectively treated by the combined group work/case work program. (Cases not considered appropriate for the program are, of course, referred to other agencies.)

(*d*) That the problems are in several areas and are acute; the areas being economic, emotional, health, or social maladjustments.

After the family has been accepted into the demonstration program, the social worker must initiate the first contacts with its members. "Reaching out" is essential with most of these families, who have had superficial and often discouraging contact with many agencies, but who have never experienced a close, long-term relationship with one social worker in a single agency. Trust and understanding are built by the social worker during the early treatment period in several ways, some of which are:

(1) Telling the family immediately why we are concerned about them and interpreting to them how our agency can help them to solve their problems themselves. The initial period, covering a period of from 2 to 12 weeks, is used by the social caseworker as a study period; with the aid of staff consultations and case conferences an accurate evaluation of the family situation is made, and the entire staff participates in the planning of the social work treatment program.

(2) Calling on the family at least once a week at the same hour and on the same day with regularity;

(3) Helping the family materially especially in the initial period by contacting other agencies, supplying emergency food or clothing either directly or with the help of another agency;

(4) Including the children in group work and nursery play program. Families being served in the demonstration project attend the Huntington Family Camp in the summer as part of the regular group work program.

The planning of treatment is, of course, continuous as the needs of the family become more apparent, and as changes begin to take place. Psychiatric consultation is used to obtain more accurate diagnoses of problems that fall in this category. The consultant used by the project is a psychiatrist on the staff of the

county adult mental health clinic, who spends 2 hours weekly at the agency. These weekly consultations are attended by the professional staff of six and three graduate field students. Often tape recordings of our own agency interview of clients are used as data for evaluation by the psychiatrist.

Psychological consultation is provided by the adult mental health clinic, by their principal psychologist, who does whatever kind of psychological testing is indicated in individual cases. Usually tests are made at Huntington Family Center, in a setting familiar to the client.

Pooling of information and a continuing process of evaluation is made possible by staff case conferences held every week. This is the most important factor in keeping treatment at high levels of efficiency as the needs of the family evolve and change. Early in the development of this process the staff thought that the weekly case conferences would be too time consuming. However, they soon discovered that these weekly case conferences eliminated many of the brief intrastaff conferences which are unplanned.

STATISTICS

Thirty-three families have been served by the project during the past 12 months. This figure included 23 families treated on a long-term basis (2 to 12 months), and 10 families treated on a short-term basis (less than 2 months), with contacts varying from 1 to 10 interviews. The social caseworker in charge of the program averages about 80 interviews each month, 75 percent of these interviews are home visits.

It should be mentioned that all families who have been accepted for treatment on a long-term basis have stayed with the program; that is an unusual record in comparison with the experience other social agencies have had in working with people at this level of socioeconomic deprivation.

We have learned at Huntington:

(1) Lower socioeconomic class can use sociopsychotherapy. In our case study and observation it appears as though the clients being served by this project who are people in the lower socioeconomic class (or according to the new Radlich-Hollingshead classifications 4 and 5) can use sociopsychotherapy effectively in the setting of a settlement house.

(2) The majority of acutely distressed are being helped. From evaluation of the 23 long-term cases it appears as if this kind of social work characterized by reaching out, saturation of contact through the three social work methods (group work, case work, and community organization) is a significant factor in the progress of these families.

(3) The majority of cases are long term. We have learned that this is a long-term process with the treatment time required probably 2 years before we can see that gains are solidified. However, we have seen remarkable progress and change during the 2 to 12 months' contact with these families. In some instances where only small gains were expected, significant changes have taken place which appear to be related to the intensive social work treatment.

SUMMARY OF EVALUATION

The evidence that is accumulating in the case records and staff evaluations shows clearly the importance of beginning early to do preventive work, at relatively little cost, that will save many times over the costs of remedial measures that come too late. Some of these remedial measures as opposed to prevention are: costly placement of children in foster homes or institutions; chronic public financial support due to unemployment or crippling physical/mental illness; lengthy hospitalization or institutionalization at public cost.

Reaching out is proving itself, with results that have impressed even those who were optimistic and enthusiastic at the outset. It has been challenging to the staff, in many cases, to keep pace with the gains being made in families in treatment.

The program of the project for the coming year will be essentially the same as last year, though it is hoped that techniques will be refined through more use and study. It is also hoped that during the coming year the community at large will gain an understanding of the importance of what is being tested here and do something about it.

HUNTINGTON FAMILY CENTERS

CASE NO. 2, NOVEMBER 1959

Referral.—Originally, Syracuse Dispensary; Huntington family group worker.
Treatment started.—October 1958.
State of family at beginning of treatment.—Family was in a state of emotional and financial crisis. The father was incapacitated, unable to work because of acute arthritic symptoms which depressed him emotionally. Mother, 6 months pregnant, is immature, narcissistic and demanding. Five-year-old girl appears to be in normal adjustment. The 3½-year-old does not talk and presents many behavior problems.
Financial conditions at beginning of treatment.—Family was receiving $33 a month disability pension. The wife's mother was supporting them from her meager salary and allowing them to live in her very small home. Husband had been receiving medical care including hospitalization for about 7 months at Veterans' Administration hospital, in addition to receiving outpatient care at dispensary. Mother received prenatal and delivery care at Syracuse General Hospital. When a stillborn baby was born in December, the burial was paid for by the department of public welfare.
Treatment process.—Total intensive social work treatment including case work and group work. Collateral contacts were made with the Veterans' Administration, New York State rehabilitation, Syracuse Dispensary, Salvation Army, department of public welfare, Syracuse General Hospital and the speech and hearing clinic at Syracuse University.
Present state of family.—After 3 months of intensive social work treatment began father's arthritic symptoms subsided. He has been working regularly since January 1959, is off relief and fully supporting his family. He now holds a better job than the one he held before his hospitalization. They continue to live in the home of the wife's mother. The younger daughter has begun to say a few words and continues to get treatment at the speech and hearing clinic. The Huntington Nursery Play School is concentrating on the social needs of this child. It will probably be possible for her to be ready for public school at regular age 5.
Tax dollar saved the community through Huntington-Junior League project.—This family had been accepted by the department of public welfare for assistance. Due to special counseling at Huntington this family did not need to go on the assistance plan which had been worked out with public welfare. The DPW had agreed to pay $60 per month rent, plus utilities, plus regular monthly allowance for a family of this size, which would have amounted to approximately $120 per month. The community's share through its tax dollar for 1 year would have been $2,510. The father of this family had been in and out of Veterans' Administration hospital many times during 1957 and 1958. The cost at this hospital is $21.50 per day. This is a charge paid by the Federal Government. On checking the records at the hospital he was in the hospital approximately a total of 7 months. This means that the total cost to the Federal Government through its tax dollar is $5,515.

Total community tax and Federal tax dollar savings, $8,025.

CASE NO. 12 NOVEMBER 1959

Referral.—School social worker and Huntington family group worker.
Treatment started.—October 1958.
State of family at beginning of treatment.—This family consisting of a 45-year-old unmarried mother and her 12-year-old daughter, who is retarded and in a special class at Croton Street School, lives in a one-bed-room unit in Pioneer homes. This mother presented certain schizophrenic symptoms and was reacting to her inner stress and social problems of living which centered around her daughter, by withdrawal and schizophrenic behavior. This mother was finding it difficult to function adequate socially. The daughter's behavior was of an annoying and often antisocial character. She was considered a problem in her school by her teacher.

Financial condition at beginning of treatment.—This family was completely supported through ADC public welfare funds, and received all medical care through public welfare.

Treatment process.—This family received long-term, intensive casework service centering chiefly upon the mother. The mother and the daughter took part in all group activities at Huntington, including the mother's group the after-school girl's group, family suppers, family life education and family camp. This was a cooperative case with the visiting teacher and the Syracuse Dispensary.

Present state of family.—The mother's schizophrenic symptoms are in remission. She is able to relate well and warmly to her peers and has become somewhat of a leader in her group at Huntington and in her neighborhood. She functions adequately in the care of her home and her daughter and is beginning to deal realistically with this problem.

Financial condition at present.—This family is still supported through ADC public welfare funds. They receive $109 per month plus medical expenses when needed.

Tax dollars saved the community through Huntington Junior League project.—It is probable that the treatment process at Huntington in which this family has participated had prevented a mental breakdown on the part of the mother and has enabled the daughter as well as the mother to stay out of institutions.

The cost to the community for 1 year's care in a mental institution for the mother figured on a minimum charge of $3.70 per day is $1,350.

The cost to the community for 1 year's care in a State institution for the daughter's care figured on a minimum charge of $2.50 per day is $912.

Total cost	$2,263
Cost to the community for 1 year on present basis	1,308
Total community tax dollars saved	955

CASE NO. 10, NOVEMBER 1959

Referral.—Onondaga County mental health clinic.

Treatment started.—October 1958.

State of family at beginning of treatment.—This family, consisting of a mother, age 50, two children, girl 12 and a boy 8, lives in a small two-bedroom unit in Pioneer Homes. This woman was presenting symptoms centering chiefly around somatization of her anxieties concerning her own self-esteem and her environmental pressures. The children were identifying with her and presenting certain hysterical, somatic symptoms which were impairing their functioning in school and at home. There had been repeated stays in the hospital for various ailments and the family was a constant disturbance to the clinic.

Financial condition at the beginning of treatment.—This family was on total ADC relief and because of their emotional state, particularly that of the mother, were getting considerable time and attention from the Medical Department of Public Welfare.

Treatment process.—This family received intensive individual casework as well as group work. The family attended summer camp and took part in family suppers.

Present state of family.—The family now functions more efficiently. The mother looks upon her physical ailments with more realism and had not needed so much medical attention. She is, however, receiving dental care. The mother and children at the beginning of treatments stood on the edge of groups but at this time are able to participate wholly in a group situation. This family is now ready to be dropped from individual casework service and continue on in group work treatment only.

Financial condition at present.—This family continues to be on total ADC relief but the incidence of need for medical care have been reduced.

Tax dollars saved the community through Huntington-Junior League project.—The care at Syracuse hospitals for this family has been cut considerably. The cost to the community for this type patient is approximately $19 per day.

If left to her own devices, this mother might have had to be committed to an institution—the cost to our community for 1 year's stay would be $1,350.50.

The care of her two children would have been placed in the hands of foster homes at a yearly cost of $3,120.

Total community tax dollars saved, $4,470.50.

Senator KERR. Marvin E. Larson.

Senator CARLSON. Mr. Marvin E. Larson appears here for the American Public Welfare Association. He is the director of the Kansas State Social Welfare and has been for many years, has rendered outstanding service there and I was going to suggest that I be permitted to ask him a question or two.

Senator KERR. Go right at it.

Senator CARLSON. I have to leave at 11:20.

Senator KERR. Go right ahead.

Senator CARLSON. He has a very fine statement and I don't want to break in.

Mr. Larson, in view of your experience out in the field and I can assure you, Mr. Chairman, he is doing a good job because I don't receive complaints, and having served as a Governor of a State and you have, too, I know you appreciate the type of service he renders or any of these directors, I would like to ask, Mr. Larson, in view of the fact we have these new proposals from the Secretary of Health, Education, and Welfare and we have before us a bill passed by the House of Representatives, if you as a State director have given any consideration to its possible effect or probable effect on the future of the welfare programs in Kansas.

STATEMENT OF MARVIN E. LARSON, DIRECTOR, KANSAS STATE DEPARTMENT OF SOCIAL WELFARE, REPRESENTING THE AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. LARSON. Yes; I certainly have, Senator Carlson.

One of the things that I have done as a State director is to reproduce all of the State letters sent out to the various States by Secretary Ribicoff and reproduce also a summary of the bill that we are hearing, sending it to all of the county directors in 105 counties of the State, and the 105 boards of social welfare.

As you know, our boards of social welfare are elected public officials. Then we have held workshops on this material, calling in all of the counties, and in addition we have held meetings on this material in five of our eight regional meetings.

One of the things that has impressed me, since we have a good deal of change in welfare, has been the almost universal acceptance by the people actually in the field of this new legislation. County boards of commissioners always have some—that's some of them have some question about welfare. But in the main, they have accepted this as a very constructive approach, and I think that perhaps Kansas has made the widest local distribution of the new Federal requirements in public welfare of any State, and I think I can confidently say that it has good public acceptance in our State.

Senator CARLSON. Well, Mr. Larson, is it your feeling that while it may be well received, will it in any way be burdensome on the people in Kansas as taxpayers?

Mr. LARSON. No. As a matter of fact, the bill as it now stands would improve the financial situation in Kansas. It would permit an expansion of our program, an improvement in our program without requiring any additional burdensome great taxes.

Senator CARLSON. At least without great expense to the State?

Mr. LARSON. That is right.

Senator KERR. You mean you would get more Federal money with the same amount of State matching?

Mr. LARSON. Yes, that is just exactly the situation.

Senator KERR. That puts it in language that the Senator from Oklahoma can understand. [Laughter.]

Mr. LARSON. I think the Senator from Oklahoma— —

Senator KERR. That wouldn't be especially burdensome to you?

Mr. LARSON. No, that wouldn't be especially burdensome to us. We would, of course, try to expand our program and not just utilize the funds to reduce State taxes. We would endeavor to expand the program and to make utilization of the new Federal financing.

Senator CARLSON. Mr. Chairman, I can state, based on knowledge that Kansas has been one State that when we did receive Federal contribution, in addition to what we have had in the past, that we have secured approval of legislation in our own State and to get these payments out for the benefit of these people, so I have been very proud of our State in that regard.

Another question I would like to ask if the chairman would permit, and that is in regard to the new programs which Congress has approved in the past which have placed additional burdens on the State board of social welfare particularly when it comes to training of unemployed, and in other fields.

What is the situation in our State as far as needs for staff are concerned?

Do you need additional staff?

Mr. LARSON. I think the weakest part of the Kansas program is in the fact that we have many untrained people. We have 505 county welfare employees. These are county directors, case supervisors, and social workers, or, as we call them, social workers.

Only 297 of these have college degrees; 83 percent of our staff are women. The average age is 50. With a new retirement program, we have about 50 people coming up each year who will be subject to retirement. This means we have a really tragic shortage of staff. This is something that the new board of social welfare is working on through our finance council in the development of specifications requiring college degrees and requiring better training and also in the setting of better compensation.

The fact remains we are going to need a good big expansion in our educational leave program and in our training program. Here we run into something it is difficult to translate to State budget committees and State legislatures, the need for this kind of a program, because the training of people by a State is something that exists only in public welfare.

As a matter of fact, this is the only program where Kansas spends money for the training of public employees. But we have a real serious need for a big expansion in this area.

Senator CARLSON. Mr. Chairman, yesterday the Secretary stated that this bill makes it possible for the Federal Government to participate for the first time under the Social Security Act in payments for work performed on a work or training project and in his discussion and interrogation there were some questions that I asked him,

he stated that Kansas was one of 27 States that had this work type or training type of program.

May I inquire what type of work does the person engage in?

How do you set up these work program arrangements? Who sets them up?

Mr. LARSON. Well, this in Kansas is a matter of county option. A county may set up a work project subject to, one, they have to at least pay the going wage rate for similar employment.

They have to provide enough time off so that the person can seek regular employment. It has to be designed so that it doesn't compete with regular employment. It has to be designed so that the unit of government setting it up is doing work not otherwise budgeted for, so that you are not using this to replace the normal competitive labor market.

We do not have at the present time anything in the way of a work-training program, Senator Carlson. But we do have different kinds of work projects on park work, some road work, some street work, and that sort of thing. This involves the person who is unable to get a job, but who is physically and mentally capable if he could find a job, to work, and we consider working one of the privileges that a good society provides to its people.

Senator CARLSON. Do these people work for the State, or county, or city, or for private individuals?

Who do they work for?

Mr. LARSON. No, they work for governmental units. It might be for the county itself.

For instance in Shawnee County, one of the projects—Shawnee County suffers a statutory levy situation so you get to various areas of county work that they don't have budget for.

Then they utilize these people to do that work.

For instance the improvement of Lake Shawnee, for one thing. Sometimes they are contracted out to the city government and then the city uses them in areas where the statutory limitation does not permit them to employ people regularly.

Senator CARLSON. Mr. Chairman, I appreciate your kindness in letting me ask these questions before he proceeds with his statement.

Senator KERR. Fine.

All right, Mr. Larson.

Mr. LARSON. Well, I should say first that I represent the American Public Welfare Association and the American Public Welfare Association is an organization that represents in its membership State and local departments of public welfare, plus a great many individual memberships.

This is a democratic organization in the sense that it permits participation by all of its members in the development of its policies and the development of its programs.

We hold a biennial roundtable at which the leaders in the public welfare field gather and we hold regional meetings. We have developed a series of Federal legislative objectives, and I have a formal statement which I am filing here, and attached to this are the legislative objectives of the American Public Welfare Association.

In the matter of making a statement here, to save time, I want to endorse on behalf of the American Public Welfare Association wholeheartedly the testimony of the previous witness.

Senator KERR. Let me say that the statement and exhibit will be made a part of the record at the end of your testimony.

Mr. LARSON. One of the things that comes up in connection with 107 and that has come up in connection with some of the requirements for service, and so on, is that we were invading States' rights.

On behalf of the American Public Welfare Association and on behalf of the State of Kansas, I would like to mention that this bill really improves the authority of the States.

Senator KERR. Are you talking about section 107 or 108?

Mr. LARSON. Well, I am not to 107 yet, but what I want now to bring out is the improvement in the authority and the financial assistance given to States by the bill.

No. 1, that provides for the extension of authority to include children of unemployed under title IV.

Senator KERR. You mean that it makes permanent the provision that was passed on a temporary basis?

Mr. LARSON. Yes; that is right. That is right. But this is still a State option, you see.

Senator KERR. All right.

Mr. LARSON. It provides for additional payment for the second parent in the home, a real improvement in the ADC program. This provides for increased matching of title, I, X, and XIV, to which the Senator has already adverted.

It extends the authority for limited foster care under title IV.

Senator KERR. Now, in what way does it do that?

Mr. LARSON. It provides for Federal participation for a child placed in foster care who has been on ADC and where foster care placement is by a welfare department.

Senator KERR. Whether it is in a foster home or an institution?

Mr. LARSON. Yes.

Senator KERR. And you favor that?

Mr. LARSON. Yes.

Senator KERR. All right.

Mr. LARSON. Then it, well, you anticipated me, it extends foster care authority to include institutional as well as family care. It liberalizes the State's authority to comply with the so-called Flemming ruling in connection with suitable home provisions.

It gives authority to provide community work and training programs, which Senator Carlson just brought up.

It provides for demonstration projects outside of plan requirements and is an exception to the uniformity requirements of the bill. And it provides for an option to combine categories 1, 10, and 14, to combine in sort of a casserole category old-age assistance, aid to disabled, and aid to the blind.

Then it broadens the definition of child welfare services and then it provides for additional funds to help finance day care programs.

So really this, rather than tightening the authority of the States, expands the authority of the States.

Now, to get to your question, Senator Kerr, on 107, which has been a rather touchy thing. I want to say, first, that the unrestricted money payment principle which was adopted a good many years ago is a sound principle and the changes in our society that have occurred since that principle was adopted, are not changes that affect the validity of the principle.

The principle of the unrestricted money payment relates to this: When you get welfare into a public law, when you get payments into a public law, then under the law people have an absolute right to it if they meet the eligibility requirements.

If they are eligible and aren't given the assistance, if they apply for it and need it, then you really deprive them of a legal right.

If you have a provision for a voucher payment so that you take the money away from a family, and providing something different, you really are depriving them of a legal right and if this is done simply in a welfare department, simply administratively, then there isn't any protection of the individual for a difference between his assistance from the public and someone else's.

Senator KERR. Let me ask you this.

Under present law your courts have the authority to appoint a guardian for a person who is a welfare beneficiary, do they not?

Mr. LARSON. Yes, and this is the way I think that this should be handled. As the Secretary originally proposed this bill you had a real guide to the States for handling a real difficult problem. We do have payees who——

Senator KERR. Have what?

Mr. LARSON. We have payees in ADC who either cannot or will not handle the money for the benefit of the children.

Senator KERR. Yes.

Mr. LARSON. And this money is in trust for the children. That is the intention of the Congress and we have judicial decisions that it is.

Then if they do not instead of negating the whole thing and tossing this payment over into voucher payments, you should have a guardian to receive the money, and States can simplify for this special ad hoc guardianship the laws to provide this.

Senator KERR. They not only can appoint a guardian to spend the money, they can take the child away from the parent and give it to another foster parent now.

Mr. LARSON. And still continue the ADC program.

Senator KERR. Yes.

Mr. LARSON. Yes.

Senator KERR. And you think those are adequate protections and that the expansion of it to where the administrative discretion would exist covered by the responsibility for the voucher payments would create more problems than contribute to the matter of solving the one that you have?

Mr. LARSON. That is correct. I think that to permit a State to introduce this voucher payment thing really violates the human dignity of this family, and it permits a type of punitive action that we had not brought any State legislation into a program in which Congress has as much money as it has in this one.

Now, the other thing I want to say is that public welfare is an essential commitment to any religious and democractic society. We have a great many people who, because of changes in our society, find themselves caught in a net of helplessness, in a situation in which they cannot provide for the care of their children, and then these children lose out insofar as the associations that we ordinarily think American children should have.

This relates especially to a democracy where we are bringing up children to be future voters in this country.

These kids, scorned, not always clothed well enough so that they function well in school, are denied the appropriate human contacts that American children are supposed to have.

This bill, I think, might help in some small way to bring up children to be the kind of citizens that we should have in the future, and I am specially impressed with the provision for day care because here might be for those children whose parents are primitive in their means of communication, for those parents who must work, a way of providing during the very formative early years of children, appropriate adult, human contact which a great many kids now do not have.

We are prone, I think, to consider a democracy as being popular sovereignty, the right of people to vote; and this is an erroneous concept.

Actually democracy is a government of high moral principles announced in a constitution and interpreted by a supreme court and popular sovereignty, the right to vote, is democracy's lawful commitment, and hence we have the terrific commitment providing to children who don't otherwise get it, where our present current institutions of the family and the school and the church and the community, do not provide it, that we devise a welfare program that does give it to them.

This means improved people to provide this appropriate human contact, day-care centers for children who parents must work or whose parents can't really communicate with children, adult older volunteers to provide some human appreciation to the little kid who isn't getting along very well in school, where his parents are both uneducated and cannot provide this incentive to him and to give to the principles of social work ahead of the place where they apply for public assistance, to get to the troubled family with the child welfare services on referral from the school, on referral from the juvenile department, and so on.

This bill, I think, presents a good start toward this kind of a concept of preventing many, many children from growing up not to be appropriate American citizens and who, Mr. Kerr, are going to vote with my kids, and I am trying to bring mine up the right way.

I mean, let's get to this thing. This is something of real national importance to a democratic society, and I wish I had a little bit more time.

But, you know, the two ultimate weapons, the two ultimate weapons in the present cold war that is going on, are not the atomic bomb and all the munitions we are creating. The two basic weapons are food of which we have too much, goodness knows we have it and we don't get it to all of our poor people nor do we get it to other people.

That is one basic weapon.

The other is compassion, compassion, really compassion for all people and the recognition of human dignity.

Senator KERR. Don't you think the ultimate weapon is the Christian ingredient in people?

Mr. LARSON. The ultimate ingredient of Christianity is indeed compassion. Thank you, Senator Kerr.

Senator KERR. No, compassion is a manifestation of Christianity.

Mr. LARSON. Yes.

Senator KERR. Yes. If you put it on that basis, I couldn't be more completely in accord with you. Thank you very much, Mr. Larson, you have given us a good statement on the basis of an effective presentation.

(The prepared statement to accompanying exhibit of Mr. Larson follows:)

STATEMENT OF MARVIN E. LARSON REPRESENTING THE AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. Chairman and members of the committee, my name is Marvin E. Larson. I am the director of the Kansas State Department of Social Welfare and a member of the board of directors of the American Public Welfare Association, which organization I am representing here today.

THE AMERICAN PUBLIC WELFARE ASSOCIATION

The American Public Welfare Association is the national organization of State and local public welfare departments and of individuals engaged in public welfare at all levels of government. Its membership includes Federal, State, and local welfare administrator, welfare workers, and board members from every jurisdiction. On the basis of discussions and recommendations in our councils, committees, and in our regional and national conferences, the association's board of directors, which represents all parts of the country, adopts official policy positions on issues of current significance. These policy positions govern the association's testimony on proposed legislation relevant to the field of public welfare.

The association, through evaluation of experience in the administration of these programs, and knowledge of the needs of the families and communities they are designed to serve, has identified a number of steps that might be taken to increase their effectiveness and efficiency. These are set forth in the association's "Federal Legislative Objectives" which are attached to this statement, and which I should like to introduce as a part of the record. With reference to the present proposals I should like to call special attention to items (*a*) and (*c*) in the preamble of these objectives, which state that:

(*a*) A democracy has the special obligation to assure to all persons in the Nation full and equitable opportunity for family life, healthful living, and maximum utilization of their potentialities.

(*c*) Public welfare programs should be family centered and should provide effective services to all who require them, including financial assistance and preventive, protective, and rehabilitative services, and these services should be available to all persons without regard to residence, settlement, citizenship requirements, or circumstances of birth.

Services for prevention and rehabilitation in public welfare

The bill now before your committee, Mr. Chairman, proposes a number of changes in the public assistance and child welfare titles of the Social Security Act which, in their overall effect, would bring about some rather substantial changes in the content and administration of these programs. While they would not constitute a major departure from the general outlines of the public welfare system as it is now established, these changes would bring a new emphasis on the preventive and rehabilitative potentialities which are inherent in the public welfare program. Essentially they would be further steps in the progression of constructive measures which Congress has taken in improving the system in response to changing needs and conditions. Through this process of continuing congressional review and amendment, together with the support of State and local governments and the dedicated efforts of the administrative agen-

cies, the public welfare program stands as a humanitarian achievement in which our Nation can take pride.

It is the view of the American Public Welfare Association that most of the present proposals would contribute significantly to the capabilities of public welfare agencies to provide the assistance and services which are required in 1962 and in the coming years.

From the time the Social Security Act was first adopted, and even before that, this association has urged the development of preventive and rehabilitative services on a sound professional basis as an integral part of public welfare programs. We have supported this view from time to time before your committee, and we wish again to express our gratification for the actions you have taken on measures to "help maintain and strengthen family life and to help * * * parents or relatives to attain the maximum self-support and personal independence * * *."

The basic purpose of public assistance categories from their beginning has been to provide assistance to needy individuals and families. This will obviously continue to be true. The routine provision of financial assistance to individuals and families falling within an eligibility formula, however, fails to take into account the many complex factors which may have contributed to their dependency and which, in many instances, could be alleviated or resolved through the use of appropriate services and facilities.

Although the value of preventive and rehabilitative services in public welfare has been long recognized and repeatedly demonstrated, these services have not yet been built up to a level which even begins to approach their potential effectiveness. Some States and localities have made more progress in this direction than others, and it might be argued that they could all do more. Under the existing Federal-State-local system of public welfare, however, the tone and tempo, as well as the quality, of program advances are determined in large measure by Federal legislation and leadership. For that reason the proposals now being considered take on an added dimension of importance.

What is most urgently needed is a clear declaration of policy, set forth in Federal statute, which places a major emphasis on prevention and rehabilitation. The public welfare agencies would then have a solid platform upon which to develop services and facilities necessary to accomplish that objective. This is the central purpose of the amendments recommended in the present bill. As I have indicated earlier, it is in the main consistent with the Federal legislative objectives which have been adopted by the board of directors of our association.

There is one point in the proposal for the "improvement in services to prevent or reduce dependency," however, upon which we would raise a question. That is the clause which would prohibit the State public welfare agency from providing any services which are available from the State vocational rehabilitation agency, except to the extent agreed to by the vocational rehabilitation agency.

We have long advocated that the programs of the vocational rehabilitation agencies be expanded and strengthened, and we have supported measures designed to accomplish that purpose. Moreover, the services provided through these two fields are basically different in nature, and it is to be hoped that the renewed emphasis on rehabilitation as a public welfare function will not be diverted as a result of the similarity of terminology used in these two fields. However, certain services may be "available" through the vocational rehabilitation agency but in some States they may not be specifically available to all persons who need them. We fully acknowledge the proper responsibility of Congress to define the limits and purposes of the programs in which the Federal Government will participate financially. But we doubt the advisability of incorporating language in the Federal statute which would permit the State agency in one field to exercise unilateral discretion in the interpretation of the program requirements of another State agency in another field. We therefore recommend that this provision be deleted from the bill with respect to all four public assistance categories.

Training of personnel

Among the specific proposals in this bill we attach great importance to the authorization of grants for the training of personnel for reemployment in public welfare agencies, as well as the proposal to authorize States to pay for the costs of training under the increased matching formula for services. The acute shortage of personnel qualified to provide services through public welfare agen-

cies is unquestionably the major obstacle to overcome in attaining the objectives of prevention and rehabilitation as projected in this bill. In fact, there have always been a great many vacancies for qualified personnel in the public welfare agencies, and there is no doubt that much more could have been accomplished, even without these proposed amendments, if the personnel had been available. Therefore, we would select these training features for the highest priority. At the same time, it should be recognized that it will take several years before the impact of these training programs will attain their maximum usefulness.

It is not possible to predict how many public welfare recipients will be enabled to leave the assistance rolls through increased services, and it may be that the results can never be precisely measured. It is known, however, that skilled counseling service is often effective in keeping families together, and in restoring families after a parent has deserted. Day-care facilities for children, vocational training opportunities, and realistic budgeting of the costs of holding a job, can enable some ADC parents to take employment without neglecting their children. However, if the welfare agency does not see a family until after the father has deserted, it is too late for prevention. And if the caseworker does not have the time or the skill or the resources to help a mother prepare for employment, she may continue to receive ADC at a cost much greater than the cost of the training or guidance she needs.

However much or little preventive and rehabilitative services may result in a net cash saving in assistance costs, they can be justified by their accomplishments in strengthening the fabric of family life, and in helping children to become productive and responsible citizens. It is also worth noting that in view of the present level of expenditures for public assistance the restoration of a relatively small proportion of families to self-support would offset the cost of the present proposals.

Identifying service costs

Separation of the costs of administration and services, and an increase in the Federal share for services as proposed in this bill, would give a further impetus to the attainment of the objectives of prevention and rehabilitation. The present method of charging all costs to either assistance or administration reflects unfavorably on those agencies that make the greatest effort to provide services, since expanded services are reported as increased administrative costs and may be interpreted as implying inefficient administration. A truer picture would be given by identifying separately expenditures for assistance, administration, and services, as H.R. 10606 would do, and it would not mislead the public and the legislative bodies in their evaluation of the progressive agencies.

Coordination of public assistance and child welfare

Along with qualified personnel and fiscal support there are also a number of other adjustments and resources that are needed in order to enable the public welfare agencies to give full implementation to the objectives set forth in this bill. Of primary importance is the need for a high degree of coordination among the various specialized services, under both public and private auspices, so that they can be utilized to maximum effectiveness.

One of the most fruitful possibilities in this respect lies in bringing about a closer working relationship between public assistance and child welfare. While these two programs are usually administered by a single agency at both the State and local levels, there are inherent differences in their purpose and approach which make difficult their close integration. An important difference is that as a rule public assistance workers have large caseloads; they have little or no professional training; and even when they have the competence they may not have enough time to spend on services beyond the determination of financial eligibility. Child welfare workers usually have smaller caseloads (though often still too large); they usually have some professional training; and the central focus of their activities is on service. By assisting and encouraging States to improve the quality and coverage of services in both public assistance and child welfare the possibilities for a closer coordination would be greatly enhanced. The result would be a more effective utilization of services in the attainment of both the special as well as the common objective of these two important programs.

Strengthening child welfare services

As a logical corollary to improved coordination the bill proposes a long-term plan for strengthening and improving child welfare services. The grants to States for this program under title V of the Social Security Act have been

relatively small in comparison with those provided for under other titles of the act, but they have been of inestimable value in stimulating and supporting the development of public child welfare services throughout the country. Without question, these funds have been a major factor in building up the supply (small though it is) of professionally qualified personnel in the public welfare field today.

One of the special virtues of these grants is the latitude permitted to the States in experimentation, demonstration, and program development. In order to keep pace with the growing demands for service and the expanding child population, however, a marked increase in these funds is required. Child welfare services have always been so limited in their coverage that they have of necessity devoted too much of their efforts to crisis situations without doing enough in early treatment and prevention. Your committee has periodically voted to increase the amount authorized for these grants, and increased appropriations have followed. In the last fiscal year, however, Federal grants to States for child welfare services consituted only about 6 percent of State and local expenditures for the same purpose. In view of the special value of these grants, and of the many urgent needs, we strongly recommend the continued support of your committee for the further expansion of this program. The schedule for progressive increases in the authorization for these funds is a desirable feature in that it would enable States to plan an orderly expansion of the services which are dependent upon these funds.

Day-care services

The proposal for an immediate increase in the child welfare funds for the specific purpose of providing day-care services for children would encourage States to give greater attention to the development of these much-needed facilities. Working mothers have taken their place as a prominent and indispensable part of the social and economic scene of this country. When the children of working mothers can be properly cared for during the working day the likelihood of harmful effects are greatly reduced. In most communities, however, the existing facilities for the day care of children are inadequate in capacity and, too often, below desirable standards. This shortage places a double burden on those parents who are unable to pay the costs of such facilities as are available and whose only option may be to work and neglect their children or to stay at home and receive support from ADC.

In accordance with the rehabilitation concept of ADC, adequate day-care facilities, especially for low-income families, are therefore a necessary resource in carrying forward a program for the preservation of family life and the prevention of dependency. It should be emphasized, however, that the development of day-care facilities should not be promoted as a means for exerting pressure on ADC mothers to take employment, but rather to facilitate employment when it is in the best interest of the family.

Unemployed parents

Consistent also with the purpose of further strengthening the aid to dependent children category as an instrument for keeping families together is the proposal for making permanent the extension of assistance to families in need because of the unemployment of a parent. This provision, which was enacted on a temporary basis last year, has, to date, been put into effect by only 15 States. This is due in part to the fact that some State legislatures have not had an opportunity to take necessary action to participate since he amendment was enacted last year. Other States have hesitated because of the short-term nature of the extension. It is fair to assume that the number of participating States will be substantially increased if the measure is made permanent.

The present outlook is that, especially among the unskilled and the undereducated, the rate of long-term unemployment will persist at a level which will place a substantial number of families in need of assistance. These families are no less in need than those eligible because the father is absent or disabled. Moreover, simply from the view of sound public policy, it does not seem desirable to set up a provision in Federal law which authorizes assistance to those families in which the father deserts, and denies assistance when the father remains with his wife and children and faces his responsibilities as best he can.

Community work and training programs

We are in general agreement with the proposal to authorize Federal financial participation in work projects for public assistance recipients, and we commend it for your favorable consideration. A widespread public impression has arisen that a great many recipients of public assistance are able-bodied, employable persons who should reasonably be expected to perform useful work in return. Recommendations have, therefore, been forthcoming from various sources that these persons be required to work for the assistance they receive, and that Federal funds be made available for matching the cost of their wages. Such a proposal is embodied in the bill now before you. While no objection can be raised to the principle that employable persons should work to earn their support, certain practical difficulties stand in the way of the large-scale adoption of such a plan in public assistance. In the first place, the number of employables receiving public assistance is not as great as the public apparently believes. Secondly, the overall costs, including administration and supervision, the cost of materials and equipment, the preponderance of unskilled labor, and the high rate of work force turnover, would increase the costs of assistance for a minimal return in civic benefit. And, finally, a basic question can be raised as to how far the proper functioning of public welfare extends to the solving of the problem of unemployment and the sponsorship and administration of public works.

At the same time it is wholly appropriate that the States and localities be given the option (with such safeguards as to family protection, working conditions, and wage rates, as are prescribed in the bill) to establish community work programs for employable public assistance recipients. The practical advantages of occupational training and of maintaining work habits, if aggressively implemented, have been amply demonstrated and should be given special emphasis when programs of this kind are undertaken. Carefully planned and supervised work programs of this kind might be expected to prove most successful in communities having a high rate of long-term unemployment.

Residence restrictions

It has been a disappointment to us that this bill, as it came to the Senate, did not include the provision for limiting to 1 year the period of residence that may be required for eligibility for all public assistance categories.

Much has been written on the subject of restrictive residence laws as they apply to public welfare assistance and the arguments have long been well developed. Almost every published word is to the effect that these restrictions should be abolished or sharply reduced. However, a deep reluctance persists on the parts of States and localities to take such action, mainly because of the fear that an unfair burden might fall upon some jurisdictions. The fact remains that a very small proportion of assistance applicants are recent arrivals, and restrictive laws are not as great a protection against assuming responsibility for those in need as they might seem. In addition to their inhumane aspects, the primary effect of these laws is to complicate and increase the costs of public welfare administration, since as long as any restrictions whatever remain, the residence status of every applicant must be fully investigated and established. The elimination of restrictive residence laws would free the agency staffs to spend their time to more productive purposes. It appears unlikely, however, that very many States, acting unilaterally, will be able to abolish or drastically reduce these restrictions. This was clearly recognized by the Governors' conference in 1959 in the adoption of a resolution calling for Federal legislation to prohibit States to impose residence requirements in excess of 1 year as a condition for eligibility for public assistance. The conference at the same time recommended further that States join in a voluntary compact to eliminate these restrictions completely. The proposal contained in the original bill would mark a step forward, and we would favor its restoration.

Assistance for both parents

One of the shortcomings of the ADC program, in the view of our association, has been the limitation of Federal matching funds to cover the costs of assistance for only one parent or adult relative in the home. Prior to the addition of unemployment as a condition of eligibility this limitation affected only those families receiving assistance because of the disability of the breadwinner, but in those cases it has constituted an anomalous departure from the stated purpose of the program, with children paying the penalty. If unemployment is to be continued as a condition of eligibility in ADC it becomes that much more im-

portant to provide Federal matching for the assistance needs of both parents. To do otherwise would be to weaken the potentialities of the program for keeping families together.

We therefore commend to you the provision for including both parents in the ADC budget when they are both living in the home and in need.

Protective payments

It is common knowledge that some parents receiving assistance through ADC are unable to manage their funds to carry out the intended benefit for their children. While these instances are relatively few in number, when they exist they seriously jeopardize the well-being of the children involved, and they bring forth adverse criticism against the program. Various possible solutions to this problem have been considered among administrators and specialists in public welfare, without any clear consensus emerging. There is general agreement, however, that the unrestricted money-payment principle should be preserved for the mass of public assistance recipients.

The proposal in the bill for "protective payments," with the carefully prescribed safeguards, appears to satisfy the major objections that arise in this connection. We are also in general agreement with the objectives which are set forth in section 107(a) with respect to special services which might be brought to bear in situations where ADC funds are not being used in the best interests of the children. We do view with serious concern, however, the clause in lines 5 to 8 of that section which would permit the operating agencies to take any action authorized under State law in dealing with situations of this kind.

The States have always been allowed a good deal of latitude in determining the content of their public assistance plans. From the beginning, however, Congress has set forth in the statute the objectives and purposes of the programs, and has established certain requirements designed to insure their attainment. It has generally been accepted as a proper exercise of congressional responsibility to require this measure of accountability for the expenditure of the very substantial amounts of Federal funds involved in these programs. In our judgment, however, the language of this section (107(a)) would have the effect of committing the Federal Government in advance to participating in an unspecified variety of conditions and procedures which could conceivably run counter to the objectives of the program as defined by Congress. In any case it would have the effect of nullifying the safeguards which surround the procedures outlined for protective services. Moreover, the conflicting interpretations which are inherent in this section could well result in needless complications in Federal-State relationships.

Our special concern, however, is that this provision would open the way to an erosion of the unrestricted money-payment principle. During the years in which the public assistance categories have been in existence this principle has been firmly maintained. We urge that it be preserved.

In this connection I am pleased to refer to a comment by the late Senator Millikin, who is remembered with respect for his years of distinguished service as a member of this committee. In 1950, in response to a recommendation for the breaching of the money-payment principle, Senator Millikin said:

"* * * we want to make the acceptance of assistance as consistent with human dignity as possible * * *. Individual human dignity. That is the No. 1 thing. This is not an almhouse proposition. It is not a county poor farm proposition. We are trying to elevate this thing beyond that, so that the taking of assistance when it is needed is as dignified a thing as is possible and will comport, as much as possible, with the maintenance of individual dignity.

"Now, when you commence to set up a detailed category of what he must spend his money for, you have got to send a swarm of agents going around smelling people's breaths and snooping into all of their habits; and that can be carried to a point where most people would say that it is not American."

As I have indicated earlier, we are well aware that there are situations in which assistance funds are not used in the best interests of the children. We also believe that the public welfare agencies should be enabled to take measures to overcome these conditions and to protect the children involved. But we submit that this objective would be promoted and not hindered by the prescription of safeguards to insure that these measures would be applied constructively and with regard for the basic rights of the families involved.

We believe that the procedures set forth in the bill for "protective payments" is consistent with this objective, as well as the general language of section 107(a), with the exception which has been noted. We would therefore urge that

this proposal be modified in the light of these considerations, and in accordance with the objectives of prevention and rehabilitation which are the central purposes of the bill now before your committee.

Incentives for employment

For employable persons receiving assistance, who are not needed at home to care for their children, the best possible rehabilitation is to find a job. The public welfare agencies should, therefore, do everything possible to conduct their assistance and service programs to promote that objective. One of the important means for accomplishing this is to adjust the assistance budget to enable persons to meet the added expenses necessary to holding a job, and provide some incentive to earning at least part of their support. The proposal in the bill which would permit and encourage States to take this factor into account is consistent with the rehabilitation objective.

Foster care

As in the 1961 ADC amendment to extend assistance to unemployed parents, the temporary amendment to pay for the support of children in foster care has not been widely adopted up to this time. Some of the same reasons apply in both instances—the need for State legislation, and the short-term character of the provisions. The relatively small number of children receiving assistance through this provision is accounted for by other factors as well. One is that the number of children who might be expected to require this type of assistance, under the terms of the law, is not large. Another factor is that only those children may be assisted who have been removed from their homes since the time the amendment was enacted. The effect is therefore cumulative. It started from zero and may be expected to build up gradually over several years.

Federal participation in these payments would help assure that children who are removed from their family homes would have available to them the care and services they need.

Demonstrations

In a program affecting large numbers of people, as public assistance does, it is necessary to require that assistance be available on the same terms to needy persons in all parts of a State. One consequence of this safeguard, however, is that it tends to inhibit innovation and experimentation. This bill would permit States, under prescribed and limited conditions, to obtan Federal matching funds for the support of research and demonstration and pilot projects designed to promote the objectives of the program. Projects of this kind should be encouraged. The proposal in the bill seems feasible and desirable and holds promise of contributing to the improvement of public assistance administration.

Simplification of categories

The proposed option to States to combine the three "adult" public assistance categories into a single category is a step in the direction of integration and unification in a situation where the tendency has more often been in the other direction. Perhaps the ultimate consequence of this option cannot be foreseen in detail, but there is every good reason why States should be permitted to follow this organization if they prefer. Among the obvious advantages would be the need to prepare only one State plan, and the consolidation of all reporting for these several categories. This option would also provide for the equalization of Federal matching for medical care by extending the OAA formula to include the other two categories.

Removal of dollar limitations for Puerto Rico, the Virgin Islands, and Guam

The association is deeply interested in the efforts of Puerto Rico, the Virgin Islands, and Guam, to improve the opportunities for their people. The provision of adequate assistance to persons in need, with Federal financial participation on the same basis as for other jurisdictions, is consistent with this purpose, and has therefore been set forth as one of the Federal legislative objectives of the association.

We are pleased that these jurisdictions would benefit from prposed increase in the maximum on the funds they may receive, but we would further recommend the elimination of these fixed limitations. This would not result in any great increase in costs, and it would enable at least one of these jurisdictions to come closer to meeting the assistance needs of its public assistance recipients.

Advisory council on public welfare

Every effort must be made to insure that the public welfare programs are responsive to the needs of the people they are designed to serve, and that at the same time they stand accountable to the general public. The hearings conducted by your committee, Mr. Chairman, are fundamental in carrying out this purpose. Other studies and reports of advisory groups are available to the Department and to your committee. We believe it would also be desirable, however, for a broadly representative citizens' group, such as the proposed Advisory Council on Public Welfare, to be appointed periodically to conduct a careful review of the major purposes and directions of the public welfare programs. The Advisory Councils on Public Assistance and Child Welfare authorized by Congress in 1958 amply demonstrated by their studies and by their reports the values that can be derived from such advisory groups.

CONCLUSION

Mr. Chairman, the American Public Welfare Association is pleased to support the principles and objectives and general means embodied in H.R. 10606. The objectives of our association have consistently stressed the need for developing services and resources for the prevention of dependency and for the rehabilitation of those who become dependent, and we have long urged the adoption of most of the measures contained in the bill now before your committee. We also recognize that the attainment of these objectives is a long-term undertaking in which further experience will be gained as to the best way to proceed.

With the exceptions which we have noted, we commend these proposals for the favorable consideration of your committee, and pledge to you our best efforts in carrying out their purpose.

FEDERAL LEGISLATIVE OBJECTIVES, 1962

American Public Welfare Association—Prepared by committee on public welfare policy, approved by the board of directors, November 27, 1961

The American Public Welfare Association believes that the States and their political subdivisions have the primary responsibility for developing and administering effective public welfare services in the United States. The Federal Government has the obligation to develop nationwide goals and guides for program content and to use its constitutional taxing power to equalize the financing of public welfare so that public welfare services may be available on an equitable basis throughout the country. The States, their political subdivisions, and the Federal Government, in cooperation, must provide the leadership and the professional and technical personnel to carry out these obligations. The association's legislative objectives are based on these premises and on the recognition of the important role of public welfare in preserving and strengthening family life, encouraging self-responsibility, and assuring humanitarian concern for all individuals and families.

To accomplish these purposes the association believes in the following basic principles:

(*a*) A democracy has the special obligation to assure to all persons in the Nation full and equitable opportunity for family life, healthful living, and maximum utilization of their potentialities.

(*b*) Contributory social insurance is a preferable governmental method of protecting individuals and their families against loss of income due to unemployment, sickness, disability, death of the family breadwinner, and retirement in old age; and against health costs of OASDI beneficiaries.

(*c*) Public welfare programs should be family centered and should provide effective services to all who require them including financial assistance and preventive, protective, and rehabilitative services, and these services, should be available to all persons without regard to residence, settlement, citizenship requirements, or circumstances of birth.

(*d*) The benefits of modern medical science should be available to all; and to the extent that individuals cannot secure them for themselves governmental or other social measures should assure their availability.

These general principles are amplified in other policy statements approved by the board of directors of the association. The committee on public welfare policy of the association has reviewed all of these statements in the light of

current needs and has developed specific legislative objectives for 1962. While the following list does not include all of the association's policy positions, it presents in condensed form those immediate and longer range legislative objectives which are most likely to be of current significance in improving public welfare services.

PUBLIC WELFARE PROGRAMS

Scope of program

1. The comprehensive nature of public welfare responsibility should be recognized through Federal grants-in-aid which will enable the States to provide not only financial assistance, including medical care, and other services for the aged, the blind, the disabled, and dependent children, but also general assistance and services for all other needy persons.

2. Federal financial aid should be available to assist Sates in carrying out public welfare responsibility for preventive, protective and rehabilitative services to all who require them, irrespective of financial need.

The Federal Government should participate financially in State and local projects which would encourage, extend or establish programs for self-support, self-care or the rehabilitation of persons receiving or likely to need public assistance.

To carry out these objectives State and local public welfare services should be strengthened by provision for reduced and specialized caseloads, homemakers and other specialized personnel.

3. The Federal Government should participate financially only in those assistance and other welfare programs which are available to all persons within the State who are otherwise eligible without regard to residence, settlement, or citizenship requirements.

4. Federal financial participation for medical assistance should be available to all needy individuals on the same basis.

5. The Federal Government should continue to participate financially in assistance to needy dependent children only if such assistance is available to all needy children living in the home of a relative. The circumstances of a child's birth or the suitability of the family environment should not be factors in determining eligibility for assistance, but should be dealt with through appropriate social services and judicial processes.

6. Federal financial participation in assistance and other services for needy children should be extended on a permanent basis to include both parents when in need and living in the home.

7. Provision for Federal financial participation in the maintenance of children in foster care should be continued and strengthened.

8. Child welfare services should be broadened in scope and should specifically include services for the delinquent child and provisions for day care. Federal funds authorized and appropriated should be increased sufficiently to extend, improve, and support adequate child welfare programs.

Federal financial assistance to the States to stimulate and support programs for the prevention and control of juvenile delinquency should be provided. This should include research and the training of personnel.

9. Federal financial participation should be available to the States for assistance to needy disabled persons without regard to any age requirement or any requirement that a disability be permanent and total.

10. Specific provision should be made for Federal financial assistance to States to stimulate and support services and facilities to promote the health and welfare of aged persons irrespective of their financial need.

11. The Federal Government should participate financially in the costs of any State and local civil defense welfare services.

12. Federal legislation should continue to provide funds for American nationals who are repatriated from abroad and in need of assistance and other services.

13. The Federal Government, in cooperation with the States, should study: (a) the costs and policy implications of and the alternatives to removing the restrictions on Federal financial participation in assistance payments to, or in behalf of, individuals living in mental hospitals, tuberculosis hospitals, and public nonmedical institutions; and (b) the costs and policy implications of exemption of income earned by public assistance recipients.

Methods of financing programs

14. The continuation of the Federal open-end appropriation is essential to a sound State-Federal fiscal partnership in all aspects of public assistance. Since it is not possible to predict accurately the incidence and areas of need, flexibility and comprehensiveness are necessary in financing public assistance programs.

15. Federal financial participation should be on an equalization grant basis provided by law and applicable to financial assistance, including medical care, for all needy persons; welfare services, including child welfare; and administration.

16. Any maximums on Federal participation in public assistance, including medical care, should continue to be related to the average payment per recipient and should be increased sufficiently to assure for all needy individuals reasonable standards of maintenance, comprehensive medical care of high quality and appropriate quantity, and the preservation and strengthening of family life.

17. Federal participation with respect to dependent children should be increased to a level which will assure treatment of such children equitably with that accorded other public assistance recipients.

Provisions should be made so that children with earnings from employment may be allowed to retain all or part of such earnings.

18. No change should be made in the Federal matching formulas which would result in a reduction in the Federal share of State and local administrative costs.

19. Federal aid for public assistance should be on the same basis for Puerto Rico, the Virgin Islands, and Guam as for other jurisdictions. The annual dollar limitations on Federal participation for these jurisdictions should be removed.

Administration

20. States should have the option to administer Federal funds for assistance and services by categories, by a combination of two or more of the present categories, or by a single comprehensive program covering all needy persons.

21. Adequate and qualified personnel is essential in the administration of public welfare programs. Administrative and service costs of State public welfare programs should be identified separately and Federal financial participation in such costs should be sufficient to enable States to provide for the adequate administration of all public welfare programs, and the rendering of appropriate services.

22. Adequate Federal funds should be appropriated to assist States in training State and local public welfare staff.

23. All public welfare programs, including financial assistance, medical care for needy persons, and other services, in which the Federal Government participates financially should be administered by a single agency at the local, State, and Federal level.

24. Federal, State, and local public welfare agencies should participate in and assist in the administrative coordination of all related programs in which there is Federal financial participation.

25. The Federal responsibilities relating to financial assistance and welfare services should be closely interrelated at an effective operating level.

SOCIAL INSURANCE PROGRAMS

OASDI

26. The contributory old-age, survivors, and disability insurance program, as a preferable means of meeting the income-maintenance needs of people, should be strengthened. Among the needed improvements are: making benefit payments more adequate; increasing the amount of earnings creditable for contribution and benefit purposes in line with current earning levels: broadening the scope of disability insurance protection, especially by eliminating the requirement that the total disability be of long-continued and indefinite duration; and extending coverage to earners and their dependents still excluded.

27. Health costs of old-age, survivors, and disability insurance beneficiaries should be financed through the OASDI program. The health costs of aged, surviving, and disabled individuals and their dependents who are not insured OASDI beneficiaries should be met through an effective governmental program. Arrangements for achieving this objective should take into account the priority needs of the groups to be served; availability of facilities, personnel and

services; and protection and encouragement of high quality of care, including the organization of health and related services to effect the most appropriate utilization of services and facilities.

28. The funds of the insurance program should be available to help restore persons on the OASDI disability rolls to gainful employment since such expenditures would result in a net saving to the fund and increase the number of persons rehabilitated.

29. To the extent that changes to improve the OASDI program increase the cost of the program, contributions should be increased to insure the financial stability of the program.

30. The membership of the Advisory Council on Social Security Financing should include representation from public welfare.

Unemployment insurance

31. The unemployment insurance program, as a preferable means of meeting the income-maintenance needs of unemployed people and as a means of keeping the need for public assistance to a minimum, should be strengthened. Among the needed improvements are: establishing Federal standards which would assure more adequate benefit payments including benefits for dependents; extension of coverage to earners still excluded; provision for a minimum duration of benefits; provision for more equitable eligibility conditions; provisions for less restrictive disqualification requirements; and an increase in the amount of earnings creditable for contribution and benefit purposes in line with current earnings levels.

There should be Federal provision on a permanent basis for extended benefits during any period of extended unemployment.

Other social insurance

32. The Federal Government should provide leadership, funds, and research in order to give more effective aid to the States in the improvement of State workmen's compensation programs. Study should be given to ways of improving and extending, on a sound social insurance basis, temporary disability insurance benefits and workmen's compensation programs, with emphasis on planning for effective medical care and vocational rehabilitation.

PLANNING, RESEARCH, AND DEMONSTRATION

33. An Advisory Council on Public Welfare should be appointed periodically to study and report on all aspects of public welfare, with particular emphasis on keeping the program in line with changing social and economic conditions.

34. The Federal Government should provide leadership and adequate funds for research and demonstration and for special projects directed toward the reduction of dependence, and the strengthening of family life.

RELATED PROGRAMS

35. The Federal Government should provide leadership, funds, and research for the promotion of health and the prevention of sickness and disability contributing to dependency. Federal health programs should establish guides to encourage and enable State and local health departments to make a more effective contribution to broad programs of physical restoration. The amounts authorized and appropriated for maternal and child health and crippled children's services should be increased.

36. Public welfare has a responsibility to assure that comprehensive rehabilitative services are made available to persons who require them. Adequate funds should be available to public welfare agencies to carry out their responsibility to restore individuals to self-care and independent living and to strengthen family life. Public welfare agencies are concerned with ahe availability of adequate vocational rehabilitation services for individuals who can benefit from them.

Since many eligible individuals still are deprived of vocational rehabilitation services, such services should be strengthened so that all vocational handicapped persons who present reasonable possibilities of attaining a vocational objective would be served. States should be permitted to designate the State agency which can most effectively administer the vocational rehabilitation program.

37. Federal programs should provide more effective aid to help meet the needs of mentally retarded and other handicapped children.

38. Federal programs should provide more effective aid to help meet the needs of migratory workers and their families.

39. Federal leadership and provision for appropriate financial assistance for urban renewal, the revitalization of communities where unemployment is heavy and persistent, and the retraining of unemployed workers should be strengthened.

40. Work opportunities at prevailing wages, not competitive with regular jobs in private or public employment and with other appropriate safeguards to protect the health and dignity of the worker, should be available to able-bodied recipients of assistance for whom jobs cannot be found within a reasonable time and for whom such work opportunities are desirable. Such work should, where possible, provide training and be directed toward the preservation and development of work skills. Federal financial participation should be extended to include payments to recipients assigned to such projects.

41. A program with Federal participation should be established for the training the employment of youth through projects for the conservation of natural resources and the provision of community services.

Mr. KERR. Mr. Wayne Vasey.

STATEMENT OF WAYNE VASEY, NATIONAL ASSOCIATION OF SOCIAL WORKERS

Mr. VASEY. I am Wayne Vasey representing the National Association of Social Workers. I am dean of the School of Social Work at Rutgers State University, New Brunswick, N.J. I am accompanied today by Mr. Rudolph T. Danstedt, director of the Washington branch office of our association.

In the past I have worked in the welfare field, public welfare field, and in local, State, and Federal areas as a county welfare director, a State welfare staff member, and at one time assistant regional representative of the Bureau of Public Assistance and other Bureau family services of what was the Federal Security Agency.

Last year, I served as consultant to Secretary Ribicoff's Ad Hoc Committee on Public Welfare. I think you heard a description of that committee, its makeup and its purpose, so I will not go into that.

In deference to the committee's time, and a list of witnesses to follow I would like to file this formal statement and speak from it as briefly as possible.

Senator KERR. The statement will be made a part of the record following your oral presentation.

Mr. VASEY. Thank you.

The first observation I would like to make is our favoring the 75-percent matching for services.

We think this is a definite forward step and could result in a great improvement in the administration of public welfare. We feel that public welfare agencies have been held responsible for the problems they are set up to meet and we feel that this increase of support for services could have the result of giving them more resources and probably holding them more accountable for results.

Senator KERR. Or making them better qualified to obtain results.

Mr. VASEY. Pardon?

Senator KERR. Or putting them in a better position to obtain results.

Mr. VALEY. You are right.

They are not going to work any miracles; this is too tough and complicated a problem to be solved overnight. It is going to take time and a lot of work, but this will put them in a better position, we suggest.

We also, like the previous witnesses, are opposed to section 107. I certainly don't want to attempt to improve on the eloquent statements or even to match the eloquent statements that have been made. But we feel very strongly that this bill would open the door to some flagrant abuses and assaults on the dignity of people. We can understand why State and local authorities are concerned and badgered by these problems that keep coming up.

They are complicated, they are hard to solve and they can even by exasperating but they don't represent a large enough portion of the load to justify measures which might, as the first witness indicated, under the pressure of a highly charged local emotional situation lead to restrictive measures that would hurt a lot of people to get to a few, and we would strongly urge the deletion of this particular portion of the bill.

Senator KERR. The first witness, I believe, addressed her opposition to about three lines in the section.

Do you address yourself to the entire section?

Mr. VASEY. I do; we do, actually.

We think that section 108 takes care of it. We think that this particular provision is inconsistent with the general character and tenor of the measure itself.

Senator KERR. All right.

Mr. VASEY. We also have an objection to one portion of the bill which I don't believe has been mentioned by the previous witnesses.

This is the section, title I, part A, improvement in services——

Senator KERR. Where is that in the bill?

Mr. VASEY. It is title I, part A, first part, very early part of the bill. It is the section which would apply to each of assistance categories, the requirement that the public welfare agency may not engage in any services designed as vocational rehabitation under the Vocational Rehabilitation Act, except to the extent agreed to by such State vocational rehabilitation agency.

We certainly are not advocating any confusion of functions on the part of agencies but we think this would be an extremely difficult rule to apply.

Sometimes a problem is not easy to classify as vocational rehabiltation or welfare and it could lead to a situation in which jurisdictional considerations could take priority over a real constructive plan to meet human needs.

The cooperation between vocational rehabilitation and public welfare in many States has been excellent. It has proceeded along the lines of administrative operation and agreement and we think that is a better way than trying to legislate the behavior of these agencies.

So we are opposed to this particular portion of the bill.

Senator KERR. Do you favor its deletion or amendment?

Mr. VASEY. We favor its deletion.

I think I had better talk on the positive side here. We certainly endorse the proposals extending ADC to needy children of unemployed parents, the scheduled increases and authorization for child welfare services and we also think this program of day care is extremely important. We believe that by providing this resource, the care of children who have to have such care out of their own homes during the day can be vastly improved with some standards applied and some

protections and safeguards available so we thoroughly endorse this provision.

We also feel that we would like to see residence requirements modified.

The original 1-year requirement with authorizations to the States to eliminate residence entirely, we feel is in keeping with the population movement that the previous witness mentioned.

We think it could avoid a lot of hardships that occur when there are disputes among States as to who really has responsibility or even localities, as to who really has responsibility for the care of a person. As a local welfare administrator in California, which certainly is a place which has had a lot of inmigration, I became convinced over the years that welfare assistance provisions had practically nothing to do with people moving. They don't move, I am convinced, just to get better welfare payments. They move for many other reasons.

How this is done, whether it is done through incentives or whether it is done through a mandatory requirement, of course, is a matter of legislative judgment but I would like to see a measure which would work toward the reduction and even ultimately the elimination of State residence requirements.

Senator KERR. Well, now, were you here yesterday?

Mr. VASEY. No, I was not.

Senator KERR. One of the Senators asked the Secretary to name the four States of the Union which had the highest percentage of the people over 65 years of age on the old-age assistance roles.

Oklahoma was the fourth of the States named.

In other words, there were only three States in the Union according to that statement that had a higher percentage of its people of 65 years of age on the old-age assistance rolls.

Now, the director in Oklahoma tells me that one of the reasons for that has been the fact that Oklahoma pàys a higher rate of payment than any of the States around it, save one which barely just borders it. A considerable part of its load by reason of migration into the State is of people in time to qualify for the higher benefits that are available in Oklahoma to those that are eligible.

If the residence requirements were eliminated he said he has no way to estimate the increased load that there would be on Oklahoma's welfare rolls.

Mr. VASEY. Well, that is a tough problem. The only experience I could suggest which might be counter to that, would be the experience of States like California which, and Colorado, which have had high residence requirements but still have had large inmigration of older people who seem to go there for other reasons.

Senator KERR. I don't know what those could possibly be. [Laughter.]

Mr. VASEY. I forgot to mention two of the States in which I worked are Colorado and California. [Laughter.]

I also want to speak to this point of the importance of grants for training. The original provision which provided for grants directly to institutions of higher learning, I think was a very constructive measure and would have helped very materially to increase the supply of qualified people.

I have been serving on the advisory panel to the National Institute of Mental Health with respect to training grants and I have been struck with respect to how payment of grants directly to the institutions helps step up the requirement of people and helps in a very direct way to enlarge the supply of qualified persons in these programs.

I had the same experience as a member of the advisory council of the Office of Vocational Rehabilitation. It seems to me this does not take the place of grants to States for training purposes but it supplements it and complements it in a very effective way.

So we would like to urge a consideration to including grants directly to institutions of higher learning.

Now, another point that we want to stress is the inequity between adult and children's payments.

The first witness spoke to that point, and we think that the findings of the advisory council on public assistance 2 years ago, to the effect that there is a gap of several hundred million dollars between estimated needs of ADC families and Federal and State appropriations is significant. The grants for ADC are low and there is an inequity of payments or commitments for ADC compared with oldage assistance, aid to the blind and aid to the disabled.

We feel that some adjustment upward of the ADC grants is very important if children are to have a chance that the previous witness, Mr. Larson, mentioned is so important.

So, we would like to urge consideration to increasing the amount of Federal matching of the proportion of ADC to a point closer to parity with the other forms of aid.

Now, these are the major provisions; I think I have covered all of them, which we had planned to comment on.

I do want to emphasize that this bill is important. We think it is a major step forward and with the exceptions that we have noted, we feel it would improve very markedly the quality of services and would help to mount a nationwide attack on the problems of dependency through a program of rehabilitation and preservative services we think are the answers to the problems of dependency in this country.

Thank you very much for the opportunity to testify.

Senator KERR. Thank you, Mr. Vasey, for a good statement and a contribution to our record and our information.

(The statement of Mr. Vasey follows:)

STATEMENT OF WAYNE VASEY FOR THE NATIONAL ASSOCIATION OF SOCIAL WORKERS

Mr. Chairman and members of the committee, I am Wayne Vasey representing the National Association of Social Workers. I am employed as the dean of the School of Social Work at Rutgers State University, New Brunswick, N.J. I am accompanied today by Mr. Rudolph T. Danstedt, director of the Washington branch office of our association.

To qualify me further for testimony on this legislation, I would like to indicate that I have been a county welfare director, a State welfare staff member, and an assistant representative of the Bureau of Public Assistance, now the Bureau of Family Services, of the former Federal Security Agency.

SECRETARY RIBICOFF'S AD HOC COMMITTEE ON PUBLIC WELFARE

Last year I served as consultant to Secretary Ribicoff's ad hoc committee on public welfare. This committee, composed of 25 outstanding persons in the social welfare field, was appointed by the Secretary to examine the public welfare program and to make recommendations for change.

This ad hoc committee resulted in part from a conference which representatives of our association had with Secretary Ribicoff in February of 1961. The Secretary indicated to our group that he wanted to make an intensive examination of the public welfare program and asked if our association would be interested in assisting in developing a group to conduct such an examination. We agreed and as a result the ad hoc committee on public welfare was established. Comprised of 25 persons with varied and extensive experience in the administration of social welfare programs, this group met at their own expense through the spring and summer last year, and presented its report to the Secretary in September 1961.

Many of the recommendations of this ad hoc group were contained in the original administration bill, H.R. 10032, and have been carried over to the present bill, H.R. 10606. Since our association, in the main, endorsed the recommendations of the ad hoc committee, I want to register at this time the support of our association for the pending legislation and urge its early consideration.

THE IMPORTANCE OF 75 PERCENT MATCHING FOR SERVICES

In our judgment the key provisions of this bill are contained in title I, part A, which provides 75 percent Federal financial participation in the cost of services. The emphasis of the Secretary on services to help families become self-supporting and independent and his rejection of a role for the public welfare worker in which he essentially acts only as a conduit for funds is one we endorse emphatically.

For too long public welfare has been strongly, and at times unfairly, criticized for the behavior of its recipients and rising costs of assistance and charged with perpetrating dependency. Over the years, caseloads per worker have continually risen while the number of staff qualified to provide essential preventive, protective and rehabilitative services has constantly fallen so that today less than 5 percent of public welfare workers have the necessary knowledge and skill that would enable them to provide these services.

Title I provides the framework, authority and funds for gradually reducing this acute and undesirable situation. As it is effected, the public welfare agency can be held accountable for providing constructive results which, in the course of time, will develop capacities for self-help and self-care and will strengthen and maintain family life, thus reducing dependency.

In the delicate and difficult area of human behavior no responsible person is going to guarantee immediate and remarkable results but we do know that the capacities of people to meet their problems and to behave responsibly can be reinforced by knowledgeable, well-directed help that builds their self-respect.

OUR OBJECTIONS TO SECTION 107—PAYMENTS FOR BENEFIT OF CHILD

Because we know this, it is our firm judgment that section 107 of the bill, which amends section 405 of the Social Security Act to provide payments for the benefit of the child, might produce practices that would completely destroy such potential for self-respect even a highly disorganized person might possess. We are not presuming that the States, under the authority of this section, are going to search out or develop highly punitive practices to deal with or restrict the ADC family which is not managing its funds for the best interest of the children, but we are concerned about the effect on the otherwise constructive tone of this legislation.

We can understand why State legislators are puzzled, concerned, and even irritated by the rising costs of public assistance and occasional flagrant abuses. We believe, however, that if the legislators understand the general purposes of this bill and the desire of the Congress and the administration to use protective, preventive, and rehabilitative approaches to the problems of public welfare, the use of this section to apply punitive or restrictive practices will be seen as evidently contradictory and even destructive of the positive approaches the bill proposes.

However, we are concerned that in the House discussion of this section 107, reference was made to use of vouchers or relief in kind under this authority. This, we would consider a regressive step that serves no useful purpose and is completely destructive of any modicum of self-respect a recipient might possess. It will not assure that payments will be made for the benefit of the child since merchandise can be trade for many things that won't benefit the child. Moreover, the local welfare office would be subjected to pressures from vendors to

place on vouchers further recipients who are conscientiously trying to manage their budget but have insufficient funds to meet their needs, or, like many of us, are just not the best managers of money.

We suggest, therefore, that section 107 be stricken from the bill, first, because it is a contradictory provision in an otherwise forward-looking bill, and second, it is unnecessary because of the provision of section 108 which authorizes the appointment of a representative payee under an approach which looks to helping the recipient achieve as soon as possible the capacity for adequate management of his funds.

ENDORSEMENT OF VARIOUS PROPOSALS

The proposals in this legislation for extending ADC to the needy children of unemployed parents, the scheduled increases in the authorization for child welfare services and the initiation of a program of day care are essential elements in the preventive, protective, and rehabilitative emphasis of the bill. These proposals were recommended by the ad hoc committee and have been among the legislative objectives of our association for a number of years. We endorse these provisions and urge their enactment.

However, there are several areas in this bill where the House altered or deleted provisions contained in the introduced bill, H.R. 10032. We ask that this committee consider with care these changes.

OUR OBJECTION TO A SPECIAL RULE ON VOCATIONAL REHABILITATION SERVICES

In title I, part A, Improvement in Services To Prevent or Reduce Dependency, a rule is applied to each of the assistance categories which requires that the public welfare agency may not engage in any services defined as vocational rehabilitation services under the Vocational Rehabilitation Act, except to the extent agreed to by such a State vocational rehabilitation agency. We believe this will be a difficult rule to apply but would argue more fundamentally that the responsibility for assuring that there is no unnecessary duplication among State agencies should rest with the Governor and not be subject to the veto power of any particular State agency. We are sure that the State public welfare agencies and State vocational rehabilitation agencies can continue to develop cooperative understandings just as they have done over the years with not only vocational rehabilitation agencies, but also with State health agencies, and State employment agencies, without a special requirement for the vocational rehabilitation field.

This rule seems an unnecessary restraint on the ability of the public welfare agency to move quickly and significantly into services and ought to be removed.

RESIDENCE REQUIREMENTS SHOULD BE MODIFIED

We are concerned that the pending legislation makes no provision for moving forward in the reduction of residence requirements or the voluntary elimination of such requirements. Over the years, it has been amply demonstrated that very few people move from one part of the country to another for the purpose of obtaining assistance. This is particularly true of elderly individuals to whom cutting of ties with friends and families is painful and difficult.

We would urge, therefore, that provisions of the originally introduced legislation providing for a uniform 1-year residence for all assistance titles and the payment of an incentive to those States which are willing to entirely eliminate residence be restored. As a minimum we would further suggest that States be permitted, category by category, to reduce residence to 1 year or eliminate it entirely.

THE IMPORTANCE OF GRANTS AND CONTRACTS FOR TRAINING

We are also concerned that H.R. 10606 eliminated the provisions contained in the original legislation for direct grants to or contracts with public or private institutions of higher learning for training personnel who are employed or preparing for employment in public welfare and substituted instead the present authorization which provides grants to the States for the training of personnel. We would like to see the burden and responsibility for recruitment and training of personnel for the public welfare field carried by the field of social work and institutions of higher learning directly, rather than by the employing agencies. Part of the success for the response there has been to recruitment and training

in mental health and vocational rehabilitation is due to the broad interest on the part of many groups in the recruitment and preparation of people for these fields rather than leaving the problem to the operating agencies to struggle with alone.

INEQUITY BETWEEN ADULT AND CHILDREN'S PAYMENTS

Finally, we want to underline that the adequacy of our public welfare program demands, not only the protective, preventive, rehabilitative services to which this bill so strongly addresses itself, but also adequate assistance grants. While man does not live by bread alone, bread is a prime requirement. The Advisory Council on Public Assistance, in its report of a couple of years ago, found that there is a gap of several hundred million dollars between the estimated needs of ADC families and Federal and State appropriations. The report noted further that the average State food allowances for ADC are substantially below the U.S. Department of Agriculture's low cost food plan. We would urge therefore, that the inequity between payments for adults and payments for ADC families in this legislation be most carefully considered.

We appreciate this opportunity to testify on this important legislation representing as it does the first changes of any significant moment that have been proposed to the public assistance titles of the Social Security Act in a long time. We hope this legislation can soon be enacted, with due consideration to some of the concerns about the provisions of the pending bill that we have indicated.

Senator KERR. Dr. Paul A. Harper.

Dr. Harper.

STATEMENT OF PAUL HARPER, M.D., APPEARING FOR THE AMERICAN PUBLIC HEALTH ASSOCIATION

Dr. HARPER. Mr. Chairman, I am Paul Harper, appearing for the American Public Health Association.

I am professor of maternal and child health in Johns Hopkins School of Maternal and Child Health, and I have a short statement here which I might submit for the record, if I might, and then just talk from it.

Senator KERR. Very well, it will appear following your oral presentation.

Dr. HARPER. First, I would say that the American Public Health Association wishes to support those sections of the Public Welfare Amendments of 1962 which provide for the expansion and improvement of child welfare services, and I refer particularly to the graduated increases in the ceilings from the present level of $25 million up to a new level of $50 million by fiscal 1960, and also to the new section on day care.

Senator KERR. How do you interpret the section on day care?

Dr. HARPER. Well, sir, I have read this section but I am not an authority on day care.

My field is pediatrics and medicine, but I do know that in the area which I work there is an increasing proportion of women who are going into the labor force. This is magnified many times since the beginning of World War II, and in the area where I come from, one of the big problems is how to provide better care for the children of these women.

We actually ourselves give service to about 200 families right around the Hopkins Institutions and a good many of these women work, and we go into the homes and see the conditions under which these children live while their mothers are away.

I think the attempt, as I understand it, under this section, is to provide better supervision or better regulation of the organizations that are providing care for these children while their parents are at work.

The American Public Health Association would recommend that this bill, H.R. 10606, be amended to provide similar graduated increases in the ceilings of parts I and II, that is the sections for services for maternal and child health and for crippled children, that each of these ceilings be increased in the same manner as recommended for child welfare in part III, and I should like to speak briefly in support of these recommendations.

First, I think it is important to point out that the ceilings for parts I, II, and III of title V have traditionally been raised together and there is a good reason for this because the services are interrelated.

For example, in the section which you spoke about, which is concerned with day care, there is a provision that there shall be cooperative arrangements with the State health agencies to see to it that the children under these services are insured adequate health protection, and I think the State health agencies would need additional funds for this purpose.

I would also point out that while the importance of maternal and child health is well understood there is a great increase of need in certain segments of our population.

We are all familiar with the trend to the suburbs by the middle and upper income groups, but this has left our cities in a large number of cases with an increasing number of low-income and relatively poorly educated families who are putting an increasing burden on and an increasing need for medical and welfare services.

For example, in the city of Philadelphia, there are approximately 10,000 pregnant women each year who come to the hospital for delivery without having had any care or any adequate prenatal care.

This same situation holds true in Baltimore where I come from. We have done studies which show that these women who do not have prenatal care have twice the risk of losing their baby as do mothers who have prenatal care.

This need is dramatized by these figures from the city, but the need for better prenatal care is equally great in rural areas, especially in those segments of the population which are low in income and low in education.

Additional grants-in-aid moneys are needed by the States to provide for these low-income mothers, and also to provide more care for their children in child clinics.

Furthermore, additional funds are needed to extend the diagnostic and preventive services for children with mental retardation, and here I would point out there an interrelationship. The provision of better prenatal care will lead to a decrease in handicaps and in mental retardation.

I think it makes good sense that better obstetrical care would lead to fewer birth injuries and fewer cases of mental retardation.

I would like now to say a few things for services to crippled children which have been one of the major developments in recent years.

As you know, many categories of patients are covered in this; children with epilepsy, children with hearing and speech defects, and those needing open heart surgery and prophylaxis of rheumatic fever.

It has been both my observation during the years I was in private practice and more recently in my present work that the Federal dollar which is spent in crippled children's services provides more value in results obtained than any other Federal dollar that I know of for medical care.

And yet a good many of these services are not as well developed as they should be.

For example, with present methods of diagnosis and treatment we can either stop the convulsions completely or greatly control the convulsions in all children with epilepsy.

Now, the first State in this country which had a statewide program for epileptic children started this program in 1950 and served about 800 children in that year. And in the interval in the last 10 years this number has increased to about 6,000.

But almost all of this increase has occurred in less than 15 States. At the same time or at the other extreme, there are more than half of the States which are at the present time seeing less than 20 children a year in their programs for epileptic children.

The success of the programs in the pilot States has been so great that a good many of these States would be glad to expand services for epileptic children and for other types of handicaps if more funds were made available.

I would emphasize primarily in respect to crippled children the fact that there are more children, that hospital costs have been rising and we have to have more funds just to keep up with our present services, and I use the point that Alice in Wonderland said, "We have to keep running just to stay where we are."

Now, the American Public Health Association would also like to raise a question of whether or not it would be appropriate to further amend this bill by including the provisions contained in the Senate bill 2273 which was introduced by Senator Kerr for himself and for Senator Hill. This amendment would give the Children's Bureau authority to make grants in support of research projects for the purpose of general support of maternal and child health services.

This bill, as you know, was a companion bill to the Senate bill which would establish an institute of child health and human development.

Now, the proposed new institute, I think, would amply provide for basic medical research. This proposed companion bill, S. 2273, would provide for research in how to make more widely available what we already know in medicine.

For example, there is a problem of early detection of infants with phenylketonuria which often leads to mental retardation and if we could find and discover better ways of finding these children, many of these cases could either be prevented or greatly ameliorated and this is just one example of many different types of research which needs to be done in making what we already know more widely available.

Finally, the American Public Health Association would like to go on record as favoring the eventual adoption of an amendment which would provide funds so that the States could assist their cities in making maternal and child health and crippled children services

more available to those increasing numbers of low-income families who are beginning to crowd our cities.

I would like to thank you for the opportunity of appearing before you and presenting this testimony.

Senator KERR. Thank you, Dr. Harper, for a very intelligent and constructive presentation.

(The prepared statement of Dr. Harper follows:)

STATEMENT BY PAUL HARPER, M.D., APPEARING FOR THE AMERICAN PUBLIC HEALTH ASSOCIATION

The American Public Health Association wishes to support those sections of the public welfare amendments of 1962 which provide for the expansion and improvement of child welfare servires. We refer particularly to the graduated increase in authorization of appropriations from the present ceiling of $25 million to a new ceiling of $50 million for fiscal 1969 and also to the new section on day care.

The American Public Health Association also recommends that the bill H.R. 10606 be further amended to provide similar graduated increases in the ceilings of parts I and II of title V of the Social Security Act so that the authorized ceilings for maternal and child health and for crippled children's services, each shall be increased to $50 million in a manner comparable to that provided for child welfare in part III. I should like to speak briefly in support of these recommendations.

First it should be noted that the ceilings for parts I, II, and III of title V of the Social Security Act have traditionally been raised together. There is good reason for this since the services are interrelated. For example, the proposed amendments to part III provide with respect to day care that there shall be cooperative arrangements with the State health authority to assure provision of the necessary health services. Additional funds will be needed for this purpose.

The importance of maternal and child health services is well understood but the great increase in need for these services among certain segments of our population is not as well known. The movement to the suburbs in many cities has been accompanied by a great increase in families with limited education and low income in our cities. For example, the New York Academy of Medicine estimates that one-half of the population of Manhattan will be medically indigent by 1965. And in the city of Philadelphia, about 10,000 pregnant women each year come to the hospital for delivery without having had any or adequate prenatal care. A similar situation exists in Baltimore, and there, we have made studies which show that the mother who does not get prenatal care is twice as likely to lose her baby as is the mother who gets adequate prenatal care. The need for prenatal care is equally great in rural areas, especially among the lower socioeconomic groups.

Additional grant-in-aid moneys are needed by the States to provide for these low-income mothers and for more care in well-child clinics for their children. Additional funds are also needed to help the States expand their diagnostic and preventive services for children with mental retardation. It is emphasized that the provision of more adequate prenatal care will also reduce the risk of birth injury in infants and so lead to a decrease in various handicaps including mental retardation.

Services for crippled children have been one of the major health developments in recent years. Many categories of children have been helped, including those with epilepsy, cleft palate, hearing and speech defects and those needing heart surgery or prophylaxis of rheumatic fever. It has been my observation both during my years in private practice and now in my teaching position that the Federal moneys which are used for crippled children purchase more service and results per dollar than any other Federal money spent for medical care. Many of these handicapped children can be completely or largely rehabilitated so that they can become fully or partially self-supporting. And yet these services have not expanded as rapidly as they should. For example, modern treatment can stop or control convulsions in about three-quarters of all epileptic children if they are brought under treatment early enough. State health department programs for children with epilepsy began in 1950 and the number of children served increased from about 800 in 1950 to over 6,000 in 1960. But

90 percent of this increase occurred in 11 States, Puerto Rico, and the District of Columbia. Other States do very little for these children; half of the States provide services to less than 20 epileptic children apiece. These programs have been so successful in the pilot States that other States would be glad to provide similar services if funds could be found.

In summary, the funds for crippled children's services are up to the ceiling. New developments, such as those in epilepsy and in open heart surgery, make it possible to help many more children. At the same time, there has been an increase in both the number of children and in hospital costs, so that more money is needed just to keep even. As Alice in Wonderland said, "We have to run just to stay where we are."

The American Public Health Association would also like to raise a question as to whether or not it would be appropriate to further amend H.R. 10606 by including the provisions contained in Senate bill 2273, which was introduced by Mr. Kerr for himself and Mr. Hill. Such an amendment would give the Children's Bureau authority to make grants in support of research projects for the purpose of improving maternal and child health and crippled children's services. This bill (S. 2273) was a companion bill to S. 2269 for the establishment of an Institute of Child Health and Human Development. The proposed Institute of Child Health and Human Development would provide amply for basic research. The companion bill (S. 2273) would provide for research in how to make new advances in medicine more widely available. For example, there is need to learn how to find infants with phenylketonuria, which leads to a form of mental retardation that can be prevented or greatly ameliorated if found in the early weeks of life. Similarly, there is need for study of such problems as (a) clinics for children with multiple handicaps and (b) better ways of providing prenatal care.

Finally, the American Public Health Association would like to go on record as favoring eventual adoption of an amendment which would provide funds so that the States could assist their cities in providing maternal and child health and crippled children's services to the increasing number of low-income families who are living in our cities.

Senator KERR. Kennard J. Besse.

STATEMENT OF KENNARD J. BESSE, APPEARING ON BEHALF OF THE ILLINOIS STATE CHAMBER OF COMMERCE

Mr. BESSE. Mr. Chairman, I am a partner in the law firm of Besse & Besse, in Sterling, Ill.

This statement is presented on behalf of the Illinois State Chamber of Commerce and is based mainly on work done by its public assistance and welfare committeee, of which I am a member.

The Illinois State Chamber of Commerce is a statewide organization with a membership of more than 18,000 businessmen, representing companies located in 418 towns and cities in every part of the State of Illinois.

These members are engaged in virtually every type of business, ranging from some of the Nation's largest corporations to many smaller corporations and the self-employed.

This statement is based upon recommendations prepared in the first instance by the Illinois State Chamber's Public Assistance and Welfare Committee of 75 members, who have given serious study to the public-assistance issues under consideration, and are representative of the chamber's membership.

Reflected herein is the considered judgment of our committee, supported by the State chamber's 70-man board of directors.

Viewpoints expessed herein broadly represent those of Illinois businessmen concerning 11 of the sections in H.R. 10606. Before presenting our position on specific provisions of this bill, I would like to make

some general comments that we consider to be of basic importance in considering public assistance policy.

We believe that this committee shares the view of the Illinois State Chamber of Commerce that continuing increases in the number of persons on public assistance and the increase in costs are matters of serious concern. Under these circumstances two objectives impress us as being of key importance. One is to have further assurance that public funds will be paid only to those who are actually in need and are unable to help themselves. The other is to provide training and other programs to help supply the skills and to provide the necessary social readjustments, to the end that public assistance recipients can become self-supporting members of society. We feel these two are the basic objectives of the program.

The Illinois State Chamber of Commerce worked for the furtherance of these objectives by supporting legislation that was adopted in the regular 1961 session of the Illinois General Assembly. We endorse certain features of H.R. 10606 which, in our opinion, would direct the Federal laws specifically toward these basic goals by:

(1) Providing for Federal financial participation in expenditures made in the form of payments for work performed, by an adult ADC recipient, on State work programs;

(2) Requiring States to take into account the amount of money spent by a relief recipient in earning an income;

(3) Authorizing Federal matching funds to States that make "voucher payments" to persons when a relative's inability to manage money is contrary to the welfare of the child; and

(4) Federal financial participation in the cost of caring for children in approved foster family homes and private nonprofit child-care institutions.

Last year our chamber sponsored legislation also that helped establish perjury, for example, for the Responsible Relative Act. So that when they make statements as to their income they meant something. We sponsored an ADC pilot day care program, which is now being implemented by the Cook County Welfare Department in the State of Illinois, to use mothers wherever possible to supplement the social workers in this day care problem.

We sponsored a work program for able-bodied persons receiving aid, and we sponsored the bill implementing the Kerr-Mills medical bill.

However, we are opposed to a number of other provisions of H.R. 10606 that represent further Federal encroachment into facets of public assistance programs that, we believe, should be handled by the individual States, or under present Federal matching provisions to the States.

In the remainder of this statement we make detailed comments and recommendations in relation to 11 of the sections of H.R. 10606. These sections are as follows:

101. Services and Other Administrative Costs Under Public Assistance Programs.
102. Expansion and Improvement of Child-Welfare Services.
105. Community Work and Training Programs.
106. Incentives for Employment Through Consideration of Expenses in Earning Income.
108. Protective Payments Under Dependent Children Program.
109. Aid for Spouse of Relative With Whom Dependent Child Is Living.

121. Advisory Council on Public Welfare.
122. Waiver of State Plan Requirements for Demonstrations.
131(a) Extension of Aid to Dependent Children of Unemployed Parents Program.
131(b) and 135. Federal Payments for Foster Care of Dependent, Children in Foster Family Homes and Child-Care Institutions.
132. Increase in Federal Share of Public Assistance Payments.
141. Optional Combined State Plan for Aged, Blind, and Disabled.

SECTION 101—SERVICES AND OTHER ADMINISTRATIVE COSTS UNDER PUBLIC ASSISTANCE PROGRAMS

Recommendations: The proportion of Federal financial participation in self-help, rehabilitation, and training services for recipients under the categorical assistance programs should not be increased. Neither should there be any increase in the proportion of Federal funds paid in relation to training present or potential State and local public welfare workers, nor should the Federal Government pay 50 percent of the service cost of persons who are likely to become relief recipients.

Explanation: Under existing law the Federal Government pays 50 percent of costs for administration and rehabilitation services for recipients on old age assistance, aid to dependent children, aid to the blind, and aid to permanently and totally disabled.

This section changes the formula so that the Federal Government will pay 75 percent of the cost of services, as determined by the Secretary of Health, Education, and Welfare, to applicants for, or recipients of, relief under the four categorical assistance programs, and will also increase by 50 percent the Federal share of the cost of training present or potential State and local public welfare workers. Additional 50 percent of the cost of services to persons who are likely to become relief recipients would be paid by the Federal Government. Other administrative costs would continue to be matched at 50 percent. Provision is made for payments to nonprofit private agencies, or with State agencies, if the State or local welfare department cannot provide such services as effectively or economically.

While the Illinois State Chamber realizes that rehabilitation and training are necessary to restore many individuals and families, now on public assistance, to self-support status, we believe that the Federal Government's share should not be increased.

SECTION 102—EXPANSION AND IMPROVEMENT OF CHILD-WELFARE SERVICES

Recommendation: The Federal Government should not increase grants to the States for child-welfare services beyond the current authorization of $25 million per year.

Explanation: Child-welfare services would be expanded to increase and improve preventive and protective services for children, by authorizing $30 million in 1963, and providing for further increases in subsequent years until $50 million is authorized in 1969 and thereafter. It is specified that the excess above $25 million of the annual appropriation for child-welfare services, up to a maximum of $10 million, shall be earmarked for day care.

We believe that the States should finance any expansion in these services beyond the $25 million Federal share. The Illinois State Chamber supported legislation passed by the general assembly last

year which provided $250,000 for three pilot day-care centers in Chicago. Additional needs in Illinois for child-welfare services, including day care, should be financed by Illinois taxpayers without Federal help. Many ADC mothers could be trained to assist social workers in the operation of day-care centers, thereby releasing social workers for other important, necessary work.

SECTION 105—COMMUNITY WORK AND TRAINING PROGRAMS

Recommendation: There should be Federal financial participation in expenditures made in the form of payments for work performed, by an adult ADC recipient, on community work-relief projects that serve a useful public purpose.

Explanation: Under existing law there can be no Federal matching for payments to ADC recipients for work performed on State work-relief programs. We believe that able-bodied recipients should be required to work, that States requiring work to maintain ADC eligibility should not be "penalized," and that Federal matching funds should be authorized if Congress extends the temporary aid to dependent children-unemployed parents program.

SECTION 106—INCENTIVES FOR EMPLOYMENT THROUGH CONSIDERATION FOR EXPENSES IN EARNING INCOME

Recommendation: States should be required to take into account the amount of money spent by a relief recipient in earning an income.

Explanation: Under present procedures a recipient's grant is reduced $1 for each dollar of income earned; except that in the case of a blind recipient the first $85 of monthly income, plus one-half of the earned income in excess of $85 a month, is disregarded before this grant is reduced.

We support this provision for recognition of expenses entailed in working, believing that it will provide an incentive for recipients to work, and hopefully lead to eventual self-support.

SECTION 108—PROTECTIVE PAYMENTS UNDER DEPENDENT CHILDREN PROGRAM

Recommendation: Federal matching funds should be paid to States that make "voucher payments" to person when a relative's inability to manage money is contrary to the welfare of the child.

Explanation: We support this provision because it will allow more efficient use of ADC funds.

As an example, this will allow a State to withhold funds from an alcoholic mother who has not used the relief grant as intended for the proper care of her children, and make payments directly to a vendor for food and other necessities.

We question whether the limitation on protective payments (that they may not in any month exceed 5 percent of the number of the recipients of such aid) provides sufficient latitude to cover all the recipients for whom such payments should be made.

SECTION 109—AID FOR SPOUSE OF RELATIVE WITH WHOM DEPENDENT CHILD IS LIVING

Recommendation: Federal matching funds should not be made available to both relatives caring for a child on ADC when both are living in the home with the child.

Explanation: While the temporary ADC-unemployed parents program authorized the transfer of families to ADC, the Federal Government continued to provide matching payments for only one of the adults; the other adult is paid exclusively from State relief funds. In cases where one of the parents has been incapacitated and the family has been on ADC, the incapacitated parent has been paid from either disability assistance or general assistance funds. The effect of this proposed change is estimated to cost the Federal Government $34 million in fiscal 1963. We believe that the Federal Government should not take on this additional obligation.

SECTION 121—ADVISORY COUNCIL ON PUBLIC WELFARE

Recommendation: An Advisory Council on Public Welfare should not be established by the Federal Government.

Explanation: The bill provides that the Secretary of HEW shall establish an Advisory Council on Public Welfare in 1964 to report to Congress, not later than July 1, 1966, its recommendations on the relationship of all income-maintenance programs and the respective fiscal capacities of the States and Federal Government.

Succeeding advisory councils are authorized to report every 2 years thereafter. The Secretary of HEW would be empowered to set rates of compensation not to exceed $75 per day, including travel time, in addition to travel expenses including per diem in lieu of subsistence. We oppose this proposal because it authorizes the Secretary to appoint subsequent advisory councils after July 1, 1966, for which the need has not been established.

SECTION 122—WAIVER OF STATE PLAN REQUIREMENTS FOR DEMONSTRATIONS

Recommendation: The Federal Government should not provide $2 million annually for Federal matching for experimental, pilot, or demonstration projects.

Explanation: We are opposed to the appropriation of $2 million per year during the next 5 years for this purpose. We believe that pilot projects are essential in solving problems in the public assistance field, but we are of the opnion that these projects should be financed by the individual States.

SECTION 131(A)—EXTENSION OF AID TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS PROGRAM

Recommendation: The temporary aid to dependent children of unemployed parents program should be terminated on June 30, 1962, by the Federal Government.

Explanation: Prior to last May the aid to dependent children program covered only families with children deprived of parental support or care by reason of the death, continued absence from the

home, or physical or mental incapacity of a parent. Congress changed this long-standing concept by temporarily including children of unemployed parents in the ADC program to ease the financial burden on the States of high unemployment during the recent recession.

Traditionally, during the last quarter century, assistance to unemployed families had been provided by the States and/or local governments within each State under their general assistance programs.

Illinois is now involved in what we believe to be a serious and harmful side-effect of the ADC–UP program. The attorney general of Illinois recently ruled that strikers and their families, who qualify under the Illinois Public Aid Commission's definition of need, are entitled, under present law, to grants from the temporary aid to dependent children–unemployed parents program. This puts the State and Federal Government in the position of taking sides in a labor dispute, financing elements of one party to the dispute with funds derived from all. This the Illinois State Chamber believes is contrary to the intent of the public assistance programs and contrary to the impartial role a government should pursue in such disputes. The balance of economic pressure would be permanently destroyed.

This problem is not limited to Illinois. Of the 15 States with ADC–UP programs in operation, we are informed that at least two other States, New York and Pennsylvania, make payments to families of strikers on the basis of need. This practice should be stopped before it spreads and endangers funds for those on assistance who are more needy and for whom assistance was initially intended. For example, a strike in a major industry, such as steel, could well dissipate the ADC funds of a particular State.

We hope, of course, that your committee will not extend the temporary ADC–UP program. However, if you decide upon extension, we recommend that you amend H.R. 10606 to prohibit the use of Federal and State ADC funds to pay strikers and their families. We suggest that section 407(2)(B) be amended as follows: by adding—

if and for as long as the unemployment of the parent is caused by the stoppage of work due to a labor dispute, and (3) * * *.

SECTION 131(B) AND SECTION 135—FEDERAL PAYMENTS FOR FOSTER HOME CARE OF DEPENDENT CHILDREN IN FOSTER FAMILY HOMES AND CHILD-CARE INSTITUTIONS

Recommendation: Federal ADC funds should be continued for children in approved foster family homes, and made available for foster care in private nonprofit child-care institutions that have been approved by the State.

Explanation: The Federal Government has participated in payments to children in approved foster family homes since May 1961. We believe that extension of Federal ADC funds to foster care in private nonprofit child-care institutions will help assure that a child removed from an "unsuitable home" will not be in want. We further believe that this will insure proper channeling of funds to care for a child in cases where parents misuse public funds.

SECTION 132—INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

Recommendation: The $1 temporary increase in maximum expenditures matchable by the Federal Government under the old age assistance, aid to the blind, and aid to the permanently and totally disabled programs should not be renewed. Federal matching should be based on the formula in effect prior to October 1, 1961.

Explanation: Last year's social security amendments temporarily increased the maximum expenditure matchable by the Federal Government under the OAA, AB, and APTD programs by $1, through June 30, 1962.

This bill proposes to raise the permanent maximum expenditure matchable by the Federal Government from $65 to $70 per person each month, and increases the Federal share of another part of the formula from 80 percent of the first $30 of the average assistance payment to twenty-nine thirty-fifths of the first $35. The additional Federal cost during fiscal 1963 is estimated to be $140 million, was not included in the President's budget, and would throw the budget even further out of balance than is now anticipated by many experts.

We oppose this increase because we believe that the Federal Government now assumes a larger share of public assistance costs than it should, and wish to point out that there is no assurance that the States will pass on this increase to aged, blind, and disabled recipients. I know there have been some statements here this morning that this is what would be done, but there is certainly no indication from the present operation that this would be done.

Senator KERR. There is no requirement for it in the bill.

Mr. BESSE. That is right.

We believe that the States should assume a larger share of the cost of these assistance programs, and submit that the individual States can determine additional needs and then proceed to finance them themselves.

SECTION 141—OPTIONAL COMBINED STATE PLAN FOR AGED, BLIND, AND DISABLED

Recommendation: States should not be given the option to combine OAA, AB, and APTD under one program to provide Federal matching funds for medical care of AB and APTD recipients as now provided persons on OAA. The Federal share for these three programs should continue to be figured separately.

Explanation: The Federal Government now matches 50 percent of an amount up to $15 per month spent per person on old age assistance for vendor medical payments. This would now be extended to cover recipients on the blind and disabled programs. States have been responsible for meeting this cost, and we believe they should continue to do so.

This section would also allow States to average their assistance payments for the aged, blind, and disabled which would be to the financial advantage of some States. We believe that the Federal share for each program should continue to be figured separately.

RESIDENCE REQUIREMENTS

We agree with the action of the House in dropping from the bill proposals to limit States' residence requirements to 1 year for eligibility under the categorical assistance programs, and to provide an incentive to States that remove all residence requirements.

I appreciate the time of the committee.

Thank you very much.

Senator KERR. Thank you very much, Mr. Besse, for your statement.

STATEMENT OF GEORGE McLAIN, REPRESENTING THE CALIFORNIA AND NATIONAL LEAGUE OF SENIOR CITIZENS, AND CALIFORNIA'S CITIZENS ADVISORY COMMITTEE ON AGING

Mr. McLAIN. Mr. Chairman, my name is George McLain, with headquarters at 1031 South Grand Avenue, Los Angeles, Calif.

I am the president of the National League of Senior Citizens and chairman of the California League of Senior Citizens, was a delegate to the White House Conference on Aging, and I am a member of the Citizens Advisory Committee on Aging for the State of California.

The National League of Senior Citizens has a membership in all 50 States, with active chapters in 33 of them. For the past 22 years I have been engaged daily for the elderly in the field of administration of the public assistance section of the Social Security Act, and I am pleased to see that this committee is concerning itself with much-needed amendments in our Federal laws regarding public assistance.

For 25 years, because of lack of Federal protection for the aged, the blind and totally disabled on public assistance, the States have individually imposed all of the vicious provisions of the Elizabethian poor laws, outmoded years ago in Great Britain.

This lack of Federal protection has caused the 50 States to have a hodgepodge of public assistance programs, no two alike. Paupers' oaths, shame lists, unreasonable residence requirements, lien laws, deduction for home ownership, discrimination because of sex, strict limitation of real and personal property, responsible relatives laws, overzealous welfare workers, costly duplication of administration, and recipients prohibited from retaining even the smallest of earnings.

We recommend that the following be included as amendments to H.R. 10606:

(1) The elimination of the ceiling on Federal matching funds to the States, so as to encourage the States to grant a realistic and decent standard of living for their needy.

(2) The Secretary of HEW be authorized by Congress to establish a floor below which no State shall be allowed to go on what constitutes a "needy person" (real and personal property, etc.). This will help establish a nationwide uniform administration of public assistance;

(3) To assure State uniformity, the act should be amended to provide only for State administration, thereby eliminating costly duplication and friction caused by dual administration by counties, cities, and towns;

(4) That the age of an applicant for old-age assistance should be lowered to 62 years to correspond with the age set for old-age and survivors insurance benefits;

(5) It would be unfair to States who have shown concern with the welfare of their needy to abolish residence requirements until such a time as Congress establishes realistic and decent standards of living for the needy under its public assistance laws. At this time we recommend that the present residence requirement of 5 years maximum be lowered to 3 years maximum.

(6) In this new public assistance bill, provisions have been made to allow those who are on the needy children's program, the blind and the disabled, to have a small amount of earnings each month without jeopardizing their aid. No similar provision has been made for the elderly. We recommend that an aged recipient be permitted to earn at least a net of $50 a month without deductions from their grant.

(7) The present law provides that all outside earnings, income, and resources must be taken into consideration by the State in arriving at the amount of grant a recipient is entitled to. When a recipient lives in his own home, which is free and clear, an occupancy value is set and a deduction is taken out of their grant as free rent. We recommend that under these circumstances home ownership be exempt as a resource and the individual be allowed to occupy their home without penalty.

(8) In some States the welfare department came up with the theory that females eat less than the males, and a deduction of $4 to $5 a month is taken from a little old lady's grant on this theory. We contend that there is need of an amendment that there shall be no discrimination because of sex.

Senator KERR. Do you think that discrimination is because of sex or because of the difference in the need?

Mr. McLAIN. Well, Senator, I am sure that you have enjoyed the same privilege that I have——

Senator KERR. Now, let's don't go into that.

Mr. McLAIN. Well, let me say this then, Senator——

Senator KERR. You talk about your privileges and let mine be for me to talk about.

Mr. McLAIN. Very good.

Senator KERR. There might be some discretion there.

Mr. McLAIN. The privilege of taking out ladies to dinner and I have never found them to eat less than I do. Sometimes I have found them to eat more than I do.

Senator KERR. Maybe you should take them more than once a day and then you wouldn't have to do that. [Laughter.]

Mr. McLAIN. We find in the State of Illinois that they have adopted the policy there that women are supposed to eat less than men and they do deduct $4 to $5 a month out of their grant because they are a female and are supposed to eat less than men and, therefore, we think there is discrimination.

Regarding the public assistance program we feel that the time has come when Congress should give serious consideration to eliminating the State and Federal old-age assistance program, and provide in the public assistance section a provision that the Government will

assure every elderly person a livable monthly income. A provision where the Government will augment the individual's income from whatever source to bring it up to not less than the minimum wage law ($173 a month).

The California State Legislature enacted medical assistance for the aged, conforming to the Kerr-Mills bill passed by the 1960 session of Congress.

Under this law an oldster cannot be better off than a recipient of public assistance. A means test must be met—and here is the grim joker—the needy oldster must pay out out of his own pocket or resources his first 30 days hospitalization. It is within this 30 days that an operation occurs, which means the elderly patient must have available anywhere from $1,500 to $2,000. The irony of this is that in order to qualify for this medical care in the first place, with such funds he would be ineligible to qualify under the State's means test.

In the event he has a little home, he will have to take a mortgage on it for his hospitalization, and with no prospects in the future to pay off this debt, he would eventually lose his home.

So you see, Mr. Chairman, these senior citizens have three strikes against them. The ones who benefit from this new medical assistance for the aged law are the counties. The counties heretofore have been carrying the expense in this field without State and Federal participation.

What is needed is that your committee help the senior citizens by making these payments available during the first 30 days when he is first admitted for hospitalization, etc.

A fifth category of aid should be added to the public assistance section of the Social Security Act to be known as general assistance, with minimum standards established by the Federal Government to assure all Americans the right to receive temporary emergency help in times of extreme need.

By doing so, the Federal Government would relieve both the taxpayers of a considerable burden, while meeting an important human need. Local taxes now pay the whole cost of general relief. Homeowners and other county taxpayers suffer severely when certain regions become "pockets of unemployment."

Federal and State funds, and Federal and State standards would correct this unfair situation.

Senator, I have been instructed by the Citizens Advisory Committee on Aging of the State of California to submit to you a resolution adopted by that committee, if there is no objection.

Senator KERR. It may be made a part of the record.

(The information referred to follows:)

CITIZENS' ADVISORY COMMITTEE ON AGING, STATE OF CALIFORNIA

RESOLUTIONS

Overall, the Citizens' Advisory Committee on Aging endorses and supports the objectives of H.R. 10032, known as the Public Welfare Amendments of 1962 because of the timely emphasis placed on services, prevention of dependency, incentives to enable persons receiving assistance to regain self-support, rehabilitation, and the training of public welfare personnel to achieve the foregoing objectives. Such legislation, if enacted by the Congress, will provide for the development of sound and realistic public welfare programs and enable the States to more adequately meet their responsibilities to persons receiving

public assistance and offers an intelligent approach to the reduction and modification of the causes of economic dependency.

However, with respect to those provisions of H.R. 10032 which provide for a reduction in the present Federal residence to 1 year in the Federal-State old-age assistance program, the committee does not favor this action unless the following amendments are included:

1. The elimination of the present calling on Federal matching funds to the State to encourage the States to provide or maintain adequate and realistic assistance payments to persons who received old-age assistance.

2. As a protection to those States experiencing rapid population growth, including migration into such States of large numbers of persons 65 and over, the inclusion in the present Federal matching formula of equalization funds for those States which have a large number of persons 65 and over in their population in proportion to the national population of persons 65 and over, and that such an equalization formula be related to migration experience of a particular State rather than solely to the proportion of persons 65 and over in a given State's population.

Such amendments would afford safeguards to those States who have achieved, in their old-age assistance program, a level of assistance payments designed to maintain adequate living standards for needy aged people. At the same time, the foregoing amendments would make it possible for such States, including California, to continue to maintain adequate assistance payments should the Federal residence requirements in old-age assistance be reduced as now provided in H.R. 10032.

Mr. McLain. Thank you, sir.

Senator Kerr. Thank you very much, Mr. McLain for your statement.

I would inquire of Mr. Rudolph Pohl the amount of time he will need to submit his statement.

Mr. Pohl. We can brief it very much and the statement of Mr. Charles O'Neill, who follows us is included in our file, sir. I think we could conclude in 10 to 15 minutes.

Senator Kerr. Very good. We will hear from you.

Mr. Pohl. With the Chair's permission I would like to have our staff here.

Senator Kerr. After this witness has concluded his testimony we will recess until 2:30.

STATEMENT OF RUDOLPH P. POHL, CHAIRMAN OF FINANCE COMMITTEE, MILWAUKEE COUNTY BOARD OF SUPERVISORS; ACCOMPANIED BY JOSEPH E. BALDWIN, DIRECTOR, MILWAUKEE COUNTY DEPARTMENT OF PUBLIC WELFARE; CHARLES A. O'NEILL, EXECUTIVE SECRETARY, ST. VINCENT DE PAUL SOCIETY OF MILWAUKEE; AND JOHN R. DEVITT, MILWAUKEE COUNTY ASSISTANT CORPORATION COUNSEL

Mr. Pohl. Mr. Chairman, my name is Rudolph P. Pohl, chairman of the Finance Committee of the Milwaukee County Board of Supervisors.

This delegation includes Supervisor John P. Murphy and Supervisor Donald F. Weber, members of the finance committee; Mr. Joseph E. Baldwin, welfare director of Milwaukee County; Mr. John Devitt, our assistant corporation counsel in welfare matters, and in addition a private citizen, an expert on welfare, Mr. Charles O'Neill, executive secretary of the St. Vincent de Paul Society in Milwaukee County.

Milwaukee County is deeply appreciative of this opportunity to appear before your committee. We are gratified that you are considering bill H.R. 10606 which we feel has substantial merit.

We feel, however, that some parts need strengthening to really strike at the heart of the problem; the ever-increasing burden of those who will not help themselves to become self-supporting, upon those who work hard to maintain their homes in a decent manner.

Milwaukee County does not come here as a supplicant for alms. We are proud to carry the load which is ours as a working community. However, we do need your help in the form of legislation which will permit us to insure the proper use of ADC funds. We are warned by the State welfare officials that we cannot inquire as to the manner in which ADC funds are spent by the recipient under penalty of loss of all Federal aid to the State of Wisconsin.

On April 9, the Wall Street Journal printed an article by Jonathan Spivak, informing us that the District of Columbia is doing things to get at the problem in spite of welfare objections (see attached exhibit A). We would like to be able to get ahead of the problems and will inquire while visiting here as to the District's methods and success.

Milwaukee County government is the sole agency for public welfare in our community of 1 million people. Our 1962 budget is over $100 million.

Senator KERR. Is that the entire county budget or the entire budget for welfare?

Mr. POHL. The entire county budget is $100 million.

Senator KERR. All right.

Mr. POHL. Two-thirds of this is spent for relief or related institutions; the remaining one-third has to do with our great facilities such as airports, expressways, sewers, courts, jails, and parks, all of which have had to be financially curtailed in order that we might carry the welfare load.

We have made strides in our efforts to gain efficiency in the handling of the welfare problem to make more effective the efforts of our social workers. In one efficiency project alone we have doubled the actual social worker's time spent with recipients by elimination of needless paperwork. We are streamlining our work relief program. We have taken women from our welfare rolls and trained them to aid others in learning to run a home properly. We have not been remiss in our efforts to hold up our end, and we have come here to propose strengthening this bill in the manner recommended by the Milwaukee County Board of Supervisors.

Our assistant county corporation counsel, Mr. Devitt, who is present here today, has drafted a proposed amendment to bill H.R. 10606, which would accomplish the objectives sought by our county. This amendment reads as follows:

AMENDMENT NO. — TO BILL NO. H.R. 10606

Amend the bill as printed as follows:

SECTION 107 (b)

On page 88, line 20, strike the quotation marks and period and add the following:

"; or shall any such payment be withheld for any period beginning on or after such date, notwithstanding any other provision of the Social Security Act

to the contrary, because any local governing body, public welfare agency, or other agency administering or distributing such payments at the local level in any political subdivision of the States decides in appropriate individual cases to make aid to dependent children available in the form of commodities (or vouchers redeemable in commodities) or decides to demand from any recipient who is granted such aid in the form of money payments an accounting of the purposes for which and the manner in which such aid is used by the recipient, whenever any decision in regard thereto is deemed advisable at the local level as a means of attempting to rehabilitate the recipient or of preventing misuse of mismanagement of such aid on the part of the recipient."

The effect is to give us the right to inquire as to how the money is spent by the recipient and also to allow us to use vouches where necessary.

Senator KERR. In other words, you approve section 108 of the bill?

Mr. POHL. Yes. We are offering an amendment to 107 which would extend that to those ends.

Senator KERR. Well now, does not——

Mr. POHL. There is a limitation, sir, of 5 percent, as to the use of vouchers, and we feel that that would probably be inadequate. It is a step in the right direction.

Senator KERR. In other words, instead of eliminating section 107 you would strengthen it?

Mr. POHL. We would expand it, yes.

Senator KERR. Thank you.

Mr. POHL. Yes; these are the ideas which are the will of the Milwaukee County Board of Supervisors as expressed in the attached resolutions (see attached exhibits B and C). The Legislature of the State of Wisconsin has twice passed resolutions expressing a position which is identical with that taken by our county, and a copy of one of these State resolutions is submitted as part of our written statements (see attached exhibit D).

The written comments of Mr. Baldwin, our director of public welfare, are also submitted as part of our testimony (see attached exhibit E) and would you at this point want to summarize your position, Mr. Baldwin?

Mr. BALDWIN. Senator, I would like to urge your favorable consideration of H.R. 10606 with certain amendments.

Among its many forward looking provisions is the simplification of categories as defined in section 141. Combinations as envisaged here would eliminate unnecessary paper work and permit a greater concentration on rehabilitative efforts.

I also commend to you the House plan to continue for another 5 years the extension of Aid to Unemployed Parents. This will tend to strengthen family life and negate the apparent premium that Aid to Dependent Children has in the past put on broken families.

The bill as it was passed by the House Ways and Means Committee wisely emphasizes that additional services are needed if there is to be any reversal in the rising load of dependent persons, particularly dependent children.

Such services as are suggested include provision for day care centers for the children of working mothers, community work and training programs to increase the skills of the parents and other relatives of dependent children, and more and better equipped social casework within the departments administering the program.

In the case of the latter—better services within the State and county departments of welfare—provision is also made for training grants to public welfare personnel.

Wise, humane and farsighted as these provisions are, they will fall short of achieving the goal of reducing dependency unless operating agencies are given more discretion in the use of the money payment.

Up until the passage of this bill, the only exceptions to the money payment occurred in the case of vendor medical payments. This bill expands these exceptions to include "protective payments" to interested persons other than the relative in instances not exceeding 5 percent of the total number of recipients. (Section 108–a). The bill also provides (Section 107–A) that when a "State agency" believes that money payments are not being used in the best interests of the children involved, it may take remedial steps including—

other action authorized under State law which is deemed necessary to protect the interest of such child.

While these new exceptions are aimed in the right direction, I do not believe they go far enough. The 5 percent limitation in section 108–a is purely arbitrary and the figure bears no relation to the number of cases in Milwaukee County which might need protective payments.

Twenty-six percent of the aid to dependent children caseload, for example, is made up of unmarried mothers.

Furthermore, section 107–a vests with the "State agency" the responsibility of determining whether or not payments are being made in the best interests of the child. In Wisconsin, it is the County Welfare Department which works with the families and children and is best able to evaluate the conditions.

It is possible that in some States where by the use of statutory or administratively determined ceilings on the amount of assistance, or through insufficient appropriations resulting in grants representing only a percentage of actual need, no such limitations as these are actually needed.

In Wisconsin, however, where 100 percent of need is given, where when additional children come into the family, additional assistance is granted, some limitation of the unrestricted money payment is needed.

Between December 31, 1957, and December 31, 1961—a matter of just 4 years—the aid to dependent children caseload in Milwaukee County increased by 84 percent. During this same period, the number of non-white unmarried mothers included in the aid to dependent children load increased by 139 percent.

Statistics released by the Department of Health, Education, and Welfare in its pamphlet "Illegitimacy and Its Impact on the ADC Program" show a similar nationwide increase in the number of non-white unmarried mother recipients over the last several years.

I do not believe the unrestricted money payment, even when supplemented by adequate and skilled casework services, will by themselves reverse the continued increase in the number of unmarried mothers.

It will take a number of other forces to produce the change in cultural patterns which almost everyone seems to agree is needed. Many of the remedies—such as better education, better housing, more equal

job opportunities, revision of the criminal statutes, and adequate law enforcement—lie outside the jurisdiction of the welfare departments.

The one remedy which could vest with the department would be the judicious use of the money payment: granted when the best interests of the children were being served; withheld when the welfare of the children is being jeopardized by the questionable conduct of the mother.

I believe that the substitution of voucher for money payments in appropriate cases and accountability on the part of the recipient should be inserted into H.R. 10606 as an added alternative to section 107-a and 107-b. This would give public welfare departments sharper tools and I would urge your support of the amendment.

Mr. POHL. Mr. Chairman, we will now ask Mr. O'Neill to make his statement.

Mr. O'NEILL. I am executive secretary of the Society of St. Vincent de Paul in Milwaukee, but I am appearing as a private citizen to give my experience gained in more than 32 years of private charitable work. One of the most troublesome problems in my work is how to deal with the persons who receive adequate Government welfare cash allotments, but who are not capable of using that assistance properly. They are continually knocking on the doors of private agencies asking that we supplement to make up the deficits caused by their mismanagement or misuse of these welfare funds.

I appreciate this opportunity to present my testimony on the public welfare amendments of 1962, H.R. 10606. I would like to confine my comments to sections 107 and 108 of the bill which deal with aid to dependent children.

First of all, I must say that the provisions of the bill, which allows for protective payments to third persons up to 5 percent of the monthly State aid to dependent children's caseload, is an improvement over the present law. Likewise, the provision, which allows States to pass laws authorizing a State agency to take other action deemed necessary to protect the interests of the child, short of denial of payments, is a step forward.

The trouble is, however, that while these provisions give sufficient latitude and discretion to the States, they do not per se give local communities the two basic tools that are needed to properly administer the funds under the law. These tools are:

1. Authority for local government to be able to demand an accounting from any recipient of funds spent during any particular month.

2. Authority for the local government to distribute aid to any given recipient in commodity, or voucher form for whatever length of time is necessary for that person's well-being.

These tools can be imployed most usefully by local governments not only to prevent the mismanagement or misuse of funds, but, more importantly, in helping to rehabilitate many recipients. If recipients respond to training and rehabilitation then such recipients should be returned to the cash allotment system so that they may have every opportunity to demonstrate that they had learned to spend money properly.

As compared to the device of making payments through third persons, these tools would provide a far less cumbersome method of insuring that the aid would actually be used for the best interest of the child.

And, finally, what is equally important is that these tools are urgently needed by the local welfare officials, and workers, who have the closest personal contact with the aid recipients. If such authority is granted them they can use it wisely and well to help train and rehabilitate those persons having custody of dependent children in a responsible and socially accepted way of life. It is the sound middle ground between the spoon feeding method of protective payments and the blank check method of unrestricted cash grants.

Thank you.

Senator KERR. Thank you, Mr. O'Neill.

Mr. POHL. Mr. Chairman, my corporation counsel hands me a note saying that he does not think I have made it clear that the amendment to give counties the right to use the voucher payment and to demand accounting is limited to those cases where the local agency determines that such steps are necessary for the rehabilitation or to prevent the misuse of funds.

Senator KERR. May I ask you a question.

Is your counsel here.

Mr. DEVITT. Yes.

Senator KERR. Does Wisconsin law permit your probate court to appoint a guardian for these children in the event the presentation is made and it is found that money being paid to their parents for their benefits is not wisely used or on any other basis or specifications governing the appointment of guardians?

Mr. DEVITT. Senator, our law does permit such steps and in my personal capacity with the Government, I handle the procedural steps of having these guardians appointed by the court.

But we have found that this is a very cumbersome method. It increases government redtape. It provides the courts with an opportunity to appoint third persons as guardians who must be paid for their services, these persons, in turn appoint attorneys, they must be paid for their services, and all the money is being drained for the administrative costs of these guardianships, together with the annual reporting to the court and hundreds of other steps where it could be much simpler if the guardian procedure could be eliminated, with the limited right or in place of the limited right of the local community to put the problem cases on voucher for as long as the problem exists.

Senator KERR. Who would put them on that voucher?

Mr. DEVITT. We can, but we lose Federal funds.

Senator KERR. I say who?

Mr. DEVITT. The local welfare agency.

Senator KERR. Do they work for nothing?

Mr. DEVITT. The cost of the local welfare agency——

Senator KERR. They work for nothing?

Mr. DEVITT. No, they do not, Senator Kerr. But it would be less expensive——

Senator KERR. Couldn't your probate court appoint one of them as the guardian under your law?

Mr. DEVITT. On occasion the courts do that.

Senator KERR. Do they have that authority?

Mr. DEVITT. They have that authority.

Senator KERR. Would that involve the payment of extra wages?

Mr. DEVITT. It does not, Senator. But——

Senator KERR. You mean by reason of the fact that your law gives them the right to appoint a guardian on a compensation basis, and recognizes the services of the lawyer, that the probate courts in your State dissipate the funds that are available to them in the payment of guardian fees and lawyer fees rather than to appoint somebody who would handle it for the benefit of the child?

Mr. POHL. Mr. Chairman, maybe our welfare director could help on that matter.

Mr. BALDWIN. Only to this extent, Mr. Chairman.

The previous administrative ruling by the Department of Health, Education, and Welfare would have denied reimbursement in cases where a member of the staff was made a guardian.

Senator KERR. But if the amendment you advocate is passed, then the member of the staff would be reimbursed?

Mr. BALDWIN. Yes.

Senator KERR. Well, then, what you are arguing about is the cost of the program, not the principle.

Mr. POHL. Mr. Chairman, I don't believe that is our interpretation of it. What we are thinking about instead of the cumbersome methods of guardianship——

Senator KERR. What is so cumbersome about a system that permits a probate judge to make a decision instead of the local welfare director making the decision?

Mr. POHL. Well——

Senator KERR. Don't either one of them have to have the facts before them?

Mr. POHL. Certainly, sir.

Senator KERR. Who would give the facts to the probate court?

Mr. POHL. Well, it could be the Department official or—Mr. Baldwin, can you answer that?

Mr. BALDWIN. Only to this extent again, Senator Kerr, I don't believe any of the duties which a welfare worker would have to do with respect to establishing continued eligibility, making grants of assistance in accordance with whatever the State plan requirements are, would be lessened as a result of the court-appointed guardian.

If the court-appointed guardian is in the picture that is over and above what the welfare department continues to do.

The proposal made here is, of course, that in certain aggravated cases where guardianship is the remedy, that it should be used, but in cases where the situation is not as aggravated as to need a guardian, then the administrative plan of voucher payments is proposed.

Senator KERR. What you are telling the committee is that you favor these decisions with reference to the ability of the mother or father or of the foster parent. You favor giving the welfare director the arbitrary power of deciding that, rather than to have it decided by the court.

Mr. BALDWIN. Sir, I am sure there has been testimony offered here today about how this would be unfortunate——

Senator KERR. I am not talking about testimony here today. I am talking about your position.

Mr. BALDWIN. Well, I was hoping to come in the backdoor on that by saying that in most of the States where the testimony had been offered that money, that any abrogation of money payment would be a bad thing, those same very States do this routinely and regularly with general assistance.

The decision is made in Kansas counties, I am sure, and in Illinois counties and it certainly is in Wisconsin counties, by the local director, as to whether the payment in a general assistance case is made by voucher or by money payment. So that decision is being made daily throughout the United States right now.

Senator KERR. Very well, gentlemen, thank you very much for your testimony.

Mr. POHL. Mr. Chairman, may I finish my concluding statement here and I will be through.

In addition, our elected county executive, Mr. John L. Doyne, will file a separate written statement with your committee before May 18, 1962.

In conclusion, I wish to speak as an elected official. I represent an area that has the least relief in the whole county, only about 1 percent as many cases as the highest district of similar population. In my district there is occasional heated comment on the welfare problem, but this is mild compared to the violent roar of the factory hand, Joe Schmidt, whose $75 take-home pay is further reduced by State income and local property taxes with no added sums because he's had another child and no kindly social worker to inquire as to his needs.

He pays his way, buys his home, limits himself to a few inexpensive pleasures and worries about a layoff. Contrast him with his neighbor, a widow (?)—on welfare, ADC—Each new child brings more money—no work—free doctors and hospitals, the best in the county, a parade of boyfriends, the children call them "uncles," money to spend to help the current "uncle" with car expenses, for a trip to another city, for liquor, for TV or what have you. Can you wonder that Joe Schmidt roars his protests on this subject? On this matter he doesn't listen to his union leaders. He is mad, he is intolerant, and he wants action, and gentlemen, so do we, his representatives.

We recommend that the local governing body be given authority to make payment in the form of vouchers in appropriate cases and be given the authority to be able to require the accounting by recipients for their aid expenditures.

Gnetlemen, we are asking the privilege of being guardian over your funds as well as ours. There is no watchdog over this part of our money.

Thank you, sir.

Senator KERR. Thank you very much.

(The exhibits referred to follow:)

EXHIBIT A

[From the Wall Street Journal, Apr. 9, 1962]

WELFARE CONTRAST: WHILE KENNEDY PUSHES NATIONAL BUILDUP, CONGRESS CRACKS DOWN IN CAPITAL ITSELF

(By Jonathan Spivak)

WASHINGTON.—Here in the shadow of Capitol Hill, local public welfare reform is proceeding in major philosophical conflict with the "great new program of human renewal" proposed for the Nation by President Kennedy's welfare planners.

The national welfare reforms, which Congress is receiving warmly, aim at expanding programs through rehabilitation and retraining in hopes of longrun savings. The District of Columbia program, on the other hand, seeks an immediate retrenchment by ferreting out cheaters and ineligibles.

The contradiction is more than a minor embarrassment to the administration: Many of the practices it most firmly opposes are being quietly enacted here by southern Members of its own party, who head the congressional subcommittees charged with overseeing the District's affairs.

Consider the contrasts:

Health, Education, and Welfare Secretary Ribicoff proclaims that "all (studies) indicate the proportion of ineligible persons who receive assistance is not more than 1.5 percent" and urges that welfare efforts concentrate on providing service, not merely passing on eligibility. In the District, a detective-like probe of reliefers is turning up more than half—57.8 percent to be precise—who are not entitled to payments.

CONTRADICTORY POLICIES

Mr. Ribicoff argues that welfare woes will be solved only by spending more money; the District fathers cut 5 percent from the local welfare department's budget this fiscal year and may make deeper incisions next year.

Kennedy welfare strategists insist that the unemployed be included in local welfare programs to spur their rehabilitation; District officials adamantly refuse this liberalization, arguing it will cost too much.

HEW experts suggest that local welfare agencies increase the size of their grants for needy families. The District, to make ends meet, recently cut monthly payments from $2 to as much as $42 for families with more than four children.

There's no doubt that these contradictions irritate the Kennedy administration. "The District is just breeding a lot of problems," complains a Kennedy welfare expert. "Kicking people off the rolls is no solution." Solution or not, the Nation's Capital, burdened with a 100-percent increase in welfare costs since 1956, is seeking to control burgeoning welfare expenditures so rising outlays for new schools, roads, and other public improvements can be accommodated. This same problem, faced by many communities, led Newburgh, N.Y., to attempt its highly publicized welfare crackdown.

Though their objectives are the same, the District and Newburgh retrenchments differ in technique and result. An examination of them, in contrast to the Kennedy administration approach, may provide valuable insight into the continuing controversy over welfare.

Simply stated, the administration wants to spend more now to save later. Mr. Kennedy would like to qualify more people for public aid and expand services on the assumption that this will restore their independence and prevent future generations from coming on the public dole.

EXTENDING ELIGIBILITY

His reform bill, which has already passed the House and is almost certain to receive Senate approval in a few months, calls for making the out-of-work eligible for welfare payments, setting up local job training programs, encouraging States to provide rehabilitation services, training more case workers, and establishing child care centers to allow welfare mothers to work. The first year cost is $193 million; the savings, if any, won't be calculable for decades.

Newburgh embarked on its 13-point welfare crackdown last year. In the words of City Manager Joseph Mitchell, the program was designed to end "the right of moral chiselers and malingerers to squat on the relief rolls forever." State courts, however, ruled 12 of the 13 points invalid and allowed only 1 to go into effect—a requirement that relief recipients report monthly to the city welfare department.

Here in the District the approach has been one of rigorously enforcing existing welfare laws (not adding new ones) to determine the prevalence of cheating, dishonesty, and fraud. The results to date confront administration experts—who insist welfare dishonesty is minimal—with the embarrassing evidence of widespread abuses in their own backyard.

A team of local welfare sleuths under orders from economy-minded Senator Robert Byrd, Democrat of West Virginia, chairman of the Senate District Appropriations Subcommittee, has been investigating the eligibility of a 5 percent, 280-case segment of the aid to dependent children's program. This particular category of welfare, which now provides payments to one parent (the Kennedy reform will would make it both) and the children in needy families, has been climbing most abruptly here in the District, as well as the Nation.

While the survey is only partly finished—37 families declared ineligible out of 64 investigated—local officials are disturbed. "The percentage is higher than we had thought," concedes one official.

How does the District detect such a surfeit of dishonesty when others fail? The answer is by substituting the sophisticated techniques of detective work for welfare's normal examination procedures.

A special investigation unit, composed of 10 ex-policemen, lawyers, and other trained sleuths (no welfare workers allowed) operates autonomously from the rest of the welfare department. Congress recently ordered 10 General Accounting Office investigators into the fray to speed the survey and report independently on any irregularities in welfare administration.

Every 20th case is selected at random from welfare department files. It's first scrutinized by a "ready-evaluator" team which picks out items of doubtful eligibility. Then field investigators are dispatched to verify dubious claims—as many as 20 points might need checking, including length of residence, outside financial resources, marital relationships, and number of dependents.

The 37 cases already thrown off the rolls have included violations of all categories of local welfare regulations. Mothers have been found secretly holding down full-time jobs; fathers—reported dead, missing, or disabled—have been discovered at home and capable of supporting their families; offspring, for whom welfare payments are being made, turn up in foster homes; welfare mothers are caught in illicit affairs.

INVESTIGATION TEAMS

To uncover lies and deception investigators work at odd hours in teams of two and three to catch reliefers off guard. One investigator might engage a welfare mother in conversation while the other wanders through her apartment looking for unauthorized men. Several sleuths might station themselves at side and rear entrances—"covering all exits for suspicious departures," explains one investigator.

It's calculated that each investigation requires 25 to 32 hours and may involve up to 13 repeat visits to the welfare recipient's home. The cost is roughly $200 per case; the monthly savings in decreased grants are estimated at $5,000.

This kind of prolonged legwork is out of the question for regular welfare workers, who have neither the time nor the training.

The most intriguing question, of course, is whether the high percentage of ineligibles found in the District is indicative of the Nation at large. Local investigators say probably yes. They argue that studies quoted by Mr. Ribicoff, of the welfare situation in such places as Chicago and California, have been based on paper work reviews which reveal only the most flagrant and obvious abuses. The District's is the first thorough scientific field investigation, they claim.

Welfare experts retort no. They contend that District rules, far stricter than those in most States, are unnecessarily punitive and encourage a high percentage of violations. Many of the cases thrown off the rolls after great effort and expenses will soon be back on, they claim. "When you close a case, it doesn't stay closed," declares one official.

However, when hearings open in 2 months on the District's budget, Senator Byrd's subcommittee will probably push for an expansion of the current probe for cheaters. This study already is slated to poke into another one of the five categories of aid, general relief.

Mr. Byrd may also start separate surveys into the possession of automobiles and television sets by welfare recipients. He's already started one on the extent of welfare check cashing in District liquor stores. The last such survey, in 1951, revealed a 5.7-percent proportion.

FEAR AND UNCERTAINTY

District welfare officials are far from enthusiastic about such a broadening of the local crackdown. They assert it has already created an atmosphere of fear and uncertainty in the District which could discourage legitimate relief clients from applying for aid. "We've got to decided if we are a welfare department or a detective agency," declares one administrator.

The local welfare experts, just as does the administration, want to spend more money and time on rehabilitation. They'd like to provide more health services for the indigent; added training in budget management; increased vocational rehabilitation services. But the Byrd committee, which vetoed a minor $50,000 rehabilitation request last year, is unlikely to go along with expanded schemes in the face of prevalent local abuses.

So, as the administration proposes national welfare liberalization, Congress continues on its contradictory course of seeking to cut back outlays in the Nation's capital. But it appears that, whichever course is followed, difficulties arise and welfare's stubborn problems continue to defy quick solution.

RESOLUTION

Milwaukee County Board of Supervisors—Adopted May 8, 1962

A resolution memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases.

Whereas a news item appearing in the Milwaukee Journal on Sunday, October 16, 1960, reported the fact that in August of this year 10,571 Wisconsin families with 27,660 children received financial help through the aid to dependent children program, which is partially financed by contributions from the Federal Government under the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare; and

Whereas the Federal Government contributes funds for such aid to dependent children program, which is commonly known both as mothers' aid and as State aid, only upon the condition that such aid be disbursed in cash payments, and that no accounting be demanded of individual recipients thereof as to how such cash is spent; and

Whereas the 1959 annual report of the Milwaukee County Department of Public Welfare has disclosed that in that year said department disbursed over $5,500,000 in aid to dependent children payments, of which the Federal Government contributed 48.28 percent and the State government contributed 33.05 percent; and

Whereas the same annual welfare report revealed that in December of that year 2,888 women in Milwaukee County were receiving cash payments for themselves and their children under the aid to dependent children program, and that of su[illegible] women 32 percent were divorcees, 24.2 percent were unmarried mothers, and 1[illegible] percent were wives abandoned by their husbands, or a total of 72.9 percent, which figures tend to show that the vast majority of aid recipients under this assistance program are women in rather unfortunate circumstances; and

Whereas another recent news item in the daily press on the subject of such aid has indicated that according to records in the office of the clerk of Milwaukee County circuit court, about one-third of the women and their children involved in the 10,000 current support and alimony cases on file in that office are getting public assistance from which it can be assumed that most of these women are receiving aid to dependent children; and

Whereas it has also been reported in the press that the present Democrat and Republican nominees for Congress in the Wisconsin Fifth Congressional District have agreed in public debate that local authorities should have more discretion and control in the above matters; and

Whereas it would be beneficial to the public interest to permit local authorities to exercise such discretion and control in cases where the recipients of such aid either manage their money unwisely, or conduct themselves improperly, or care for their children inadequately: Now, therefore, be it

Resolved by the Milwaukee County Board of Supervisors, That the Congress of the United States be respectfully requested to consider and enact legislation in 1961 amending the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare to grant discretionary authority to local governing bodies and public welfare directors to enable them to demand an accounting from recipients of cash payments under the aid to dependent children program, and also to enable them to distribute such aid in the form of commodities or vouchers for the same in lieu of direct cash payments, as such local governing bodies of public welfare directors may deem appropriate in individual cases; and be it further

Resolved, That authenticated copies of this resolution be transmitted to the Wisconsin Members and Wisconsin Members-elect of the Congress of the United States, as well as to the respective boards of supervisors of the other 70 counties in this State; and be it further

Resolved, That such Wisconsin Members and Wisconsin Members-elect of Congress be requested to take joint action to insure that this resolution be spread upon the Congressional Record for the purpose of making known the contents thereof to all Members of the Congress of the United States; and be it

Resolved, That the legislative committee of said Milwaukee County Board of Supervisors be, and they hereby are, instructed to sponsor a similar resolution in the 1961 legislature so that the foregoing objectives will be adopted by the latter body as the intent and public policy of this State.

OFFICE OF THE COUNTY CLERK,
Milwaukee, Wis., May 10, 1962.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Supervisors of Milwaukee County, at an annual meeting (continued) of said board held on the 29th day of November 1960.

CLEMENS F. MICHALSKI, *County Clerk.*

EXHIBIT C

RESOLUTION

Milwaukee County Board of Supervisors—Adopted May 8, 1962

Whereas Federal legislation relating to the public assistance and child welfare services programs of the Social Security Act, commonly known and cited as the Public Welfare Amendments of 1962, has passed the House of Representatives in amended form and is now pending before the U.S. Senate as bill H.R. 10606; and

Whereas said bill contains amendments governing the payment of Federal grants to State agencies under the aid to dependent children (ADC) program: Now, therefore, be it

Resolved, That authorization be and is hereby granted to a county delegation consisting of the county executive, any member of the finance committee who may desire to attend, the director of the county department of public welfare, a representative of the corporation counsel's office, and one citizen member; namely, Charles A. O'Neill, to attend the Senate Finance Committee public hearings on this pending legislation at county expense (which hearings are presently estimated to be scheduled at the end of June 1962) for the purposes of submitting oral testimony and written statements, or either, in regard to certain conflicts in said bill H.R. 10606, and in support of a further amendment thereto which would permit distribution of commodities or vouchers for the same to ADC recipients in lieu of cash payments, and which would also authorize accountings from ADC recipients who do receive cash payments, at the option of any local government or authority distributing ADC benefits, when-

ever either or both of said measures are deemed advisable as an aid in attempting to rehabilitate any such recipient or to prevent misuse or mismanagement of ADC funds.

OFFICE OF THE COUNTY CLERK,
Milwaukee, Wis., May 10, 1962.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Supervisors of Milwaukee County, at an annual meeting (continued) of said board held on the 8th day of May 1962.

CLEMENS F. MICHALSKI, *County Clerk.*

EXHIBIT D

STATE OF WISCONSIN

[Jt. Res. No. 51, A]

NO. 57, 1961

A JOINT RESOLUTION Memorializing Congress to enact legislation permitting localities to demand an accounting from recipients of cash payments under the aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare, and also permitting distribution of such aid in commodity or voucher form in appropriate cases

Whereas a news item appearing in one of the daily newspapers in the State recently reported the fact that in 1 month 10,571 Wisconsin families with 27,660 children received financial help through the aid to dependent children program, which is partially financed by contributions from the Federal Government under the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare; and

Whereas the Federal Government contributes funds for such aid to dependent children program, which is commonly known both as mothers' aid and as State aid, only upon the condition that such aid be disbursed in cash payments, and that no accounting be demanded of individual recipients thereof as to how such cash is spent; and

Whereas the 1959 annual report of one of the local county departments of public welfare disclosed that in that year said department disbursed over $5,500,000 in aid to dependent children payments, of which the Federal Government contributed 48.28 percent and the State government contributed 33.05 percent; and

Whereas it was also reported in the press during the last congressional election that both the Democratic and Republican nominees for Congress in at least one congressional district agreed in public debate that local authorities should have more discretion and control in the above matters, and both said nominees pledged support of such a proposal if elected; and

Whereas it would be beneficial to the public interest to permit local authorities to exercise such discretion and control in a limited number of cases where the recipients of such aid either manage their money unwisely, or conduct themselves improperly, or care for their children inadequately; and

Whereas in the last 6 months at least eight county boards in this State have already expressed support for the proposal hereinbefore set forth: Now, therefore, be it

Resolved by the assembly, the senate concurring, That the Wisconsin Legislature respectfully request the Congress of the United States to consider and enact legislation in 1961 amending the laws relating to aid to dependent children categorical aid program administered by the Federal Department of Health, Education, and Welfare to grant discretionary authority to local governing bodies and public welfare directors to enable them to demand an accounting from recipients of cash payments under the aid to dependent children program, and also to enable them to distribute such aid in the form of commodities or vouchers for the same in lieu of direct cash payments, as such local governing bodies of public welfare directors may deem appropriate in individual aggravated cases; and be it further

Resolved, That authenticated copies of this resolution be transmitted to all Wisconsin Members of the Congress of the United States; and be it further

Resolved, That such Wisconsin Members of Congress be requested to take joint action to insure that this resolution be spread upon the Congressional Record for the purpose of making known the contents thereof to all Members of the Congress of the United States.

DAVID J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.
J. P. KROMLER,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

EXHIBIT E

MILWAUKEE COUNTY DEPARTMENT OF PUBLIC WELFARE,
Milwaukee, May 4, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Washington, D.C.

DEAR SENATOR BYRD: I would like to urge your favorable consideration of H.R. 10606 with certain amendments.

Among its many forward-looking provisions is the simplification of categories as defined in section 141. Combinations as envisaged here would eliminate unnecessary paperwork and permit a greater concentration on rehabilitative efforts. I also commend to you the House plan to continue for another 5 years the extension of aid to unemployed parents. This will tend to strengthen family life and negate the apparent premium that aid to dependent children has in the past put on broken families.

The bill as it was passed by the House Ways and Means Committee wisely emphasizes that additional services are needed if there is to be any reversal in the rising load of dependent persons, particularly dependent children. Such services as are suggested include provision for day care centers for the children of working mothers, community work and training programs to increase the skills of the parents and other relatives of dependent children, and more and better equipped social casework within the departments administering the program. In the case of the latter—better services within the State and county departments of welfare—provision is also made for training grants to public welfare personnel.

Wise, humane, and farsighted as these provisions are, they will fall short of achieving the goal of reducing dependency unless operating agencies are given more discretion in the use of the money payment. Up until the passage of this bill, the only exceptions to the money payment occurred in the case of vendor medical payments. This bill expands these exceptions to include "protective payments" to interested persons other than the relative in instances not exceeding 5 percent of the total number of recipients (sec. 108–a). The bill also provides (sec. 107–a) that when a "State agency" believes that money payments are not being used in the best interests of the children involved, it may take remedial steps including "other action authorized under State law which is deemed necessary to protect the interests of such child."

While these new exceptions are aimed in the right direction, I do not believe they go far enough. The 5 percent limitation in section 108–a is purely arbitrary and the figure bears no relation to the number of cases in Milwaukee County which might need protective payments. Twenty-six percent of the aid to dependent children caseload, for example, is made up of unmarried mothers. Furthermore, section 107–a vests with the "State agency" the responsibility of determining whether or not payments are being made in the best interests of the child. In Wisconsin, it is the county welfare department which works with the families and children and is best able to evaluate the conditions.

I believe that a better remedy for protecting the interests of children growing up in aid to dependent children families has been offered by Hon. Clement J. Zablocki, Representative from the State of Wisconsin, in his H.R. 9168 now pending in the House. His bill provides "that the local governing body, public welfare agency, or other agency administering or carrying out the plan at the local level in any political subdivision of the State may elect in appropriate individual cases to make aid to dependent children available in the form of commodities (or vouchers redeemable in commodities)" and "may demand from any individual receiving aid to dependent children * * * an accounting of the purposes for which and the manner in which such aid is used by the recipient."

Congressman Zablocki's bill does not place an arbitrary limit on the number of cases where deviation from the money payment may be made, does not rely on the administratively cumbersome and expensive plan of the third party, and places responsibility for determining the best interests of the children on the department which actually administers the program.

It is possible that in some States where by the use of statutory or administratively determined ceilings on the amount of assistance, or through insufficient appropriations resulting in grants representing only a percentage of actual need, no such limitations as Congressman Zablocki proposes are actually needed. In Wisconsin, however, where 100 percent of need is given—where when additional children come into the family, additional assistance is granted—some limitation of the unrestricted money payment is needed.

Between December 31, 1957, and December 31, 1961—a matter of just 4 years—the aid to dependent children caseload in Milwaukee County increased by 84 percent. During this same period, the number of nonwhite unmarried mothers included in the aid to dependent children load increased by 139 percent. Statistics released by the Department of Health, Education, and Welfare in its pamphlet "Illegitimacy and Its Impact on the ADC Program" show a similar nationwide increase in the number of nonwhite unmarried mother recipients over the last several years.

I do not believe the unrestricted money payment, even when supplemented by adequate and skilled casework services, will by themselves reverse the continued increase in the number of unmarried mothers. It will take a number of other forces to produce the change in cultural patterns which almost everyone seems to agree is needed. Many of the remedies—such as better education, better housing, more equal job opportunities, revision of the criminal statutes, and adequate law enforcement—lie outside the jurisdiction of the welfare departments.

The one remedy which could vest with the department would be the judicious use of the money payment: granted when the best interests of the children were being served; withheld when the welfare of the children is being jeopardized by the questionable conduct of the mother.

I believe that the provisions of Congressman Zablocki's bill—substitution of voucher for money payments in appropriate cases and accountability on the part of the recipient—should be inserted into H.R. 10606 as an added alternative to section 107-a and 107-b. This would give public welfare departments sharper tools to use in combating chronic dependency. With this amendment, the bill should be supported.

Very truly yours,

J. E. BALDWIN, *Director*.

MISCELLANEOUS EXHIBITS

[From Milwaukee Journal, Oct. 12, 1960]

FOES AGREE ON TWO ITEMS—REUSS AND HENDEE

Representative Reuss and his Republican opponent, State Senator Hendee, agreed on two points Tuesday afternoon in a debate before the Milwaukee Public Affairs Forum at the central YMCA.

They disagreed on other issues, generally taking the position advanced by the Democratic and Republican national platforms. About 100 persons attended.

They agreed that—

Aid to dependent children should be controlled to a greater degree by local welfare authorities, whether the aid was in cash or in voucher form.

Troops should not be sent to Cuba to quell Fidel Castro unless he attacks American military installations there.

WHY NOT VOUCHERS?

The question of aid to dependent children was raised by John Devitt, an assistant county corporation counsel. Devitt said that about $5.2 million is paid in such aid in Milwaukee County annually. The Federal Government, he said, paid half and insisted that it be paid to mothers in cash.

"Why not allow people on the local level to decide if it be by voucher?" Devitt asked, pointing out that some mothers receiving it have several illegitimate children. He said he knew of mothers who used the money for luxuries rather than taking care of a family's immediate needs.

Reuss replied that greater local control should be in force. The Federal Government's system, he said, is wasteful, and has a good deal of redtape.

MORE EFFICIENCY SEEN

Hendee said he approved any plan which would give local authorities more discretion.

"When the program hamstrings the local people, it prevents the efficient distribution of the money," he said.

[From Milwaukee Journal, Nov. 22, 1960]

VOUCHER USE IS SUGGESTED—COUNTY WELFARE PLAN

The county board's institutions committee Monday afternoon approved discretionary powers for the public welfare department to issue vouchers, rather than cash, to some women receiving aid to dependent children. Vouchers, not issued here in 20 years, are used to "buy" household needs.

The committee proposal must be approved by the Federal Government which contributes nearly half of the payments.

Supervisor Patrick H. Fass, who wrote the resolution, said it should be used only in "aggravated" cases. He said many women receiving cash did not manage their budgets wisely.

TWO THOUSAND EIGHT HUNDRED RECEIVING AID

There are 2,800 women now receiving such aid in Milwaukee County—32 percent of them divorced, 24 percent unmarried mothers, 16 percent abandoned by their husbands, and 28 percent married but receiving insufficient income to support their families.

Last year $5,500,000 was distributed in Milwaukee County under the program. The Federal Government paid 48 percent, the State 33 percent, and the county 19 percent.

A total of 10,571 families in Wisconsin received such aid as of August.

Fass suggested that the county board urge State legislation seeking a change in the Federal law which demands that aids be paid in cash.

FORTY PERCENT GET CASH

General assistance relief payments are distributed in about 40 percent of the cases in cash form, said Charles O'Neill, executive secretary of the St. Vincent de Paul Society. O'Neill said the rest was in vouchers.

Supervisor Cornelius Jankowski proposed that the county welfare department investigate whether more frequent payments of cash migh help families who cannot manage budgets for monthly periods. The committee approved, and also agreed to seek definite accounting for funds spent by families.

District Judge Christ T. Seraphim, to whose court those who abuse welfare aid are taken, said Tuesday that he fully approved the proposal.

"From the experience of this court there have been noted many abuses," he said. "Parents use cash earmarked for the support and maintenance of children for unauthorized purposes. This would go a long way toward eliminating such abuses."

[From Milwaukee Journal, Nov. 27, 1961]

VOUCHERS, NOT CASH

County Executive Doyne has requested the county board to give strong support to a bill introduced in Congress by Milwaukee's Representative Zablocki to permit local governments to pay aid to dependent children allotments by voucher instead of cash.

Voucher payments make sense. When mothers show they can't or won't use cash for the proper care of their children, local administrators ought to be allowed to issue vouchers that can be used only for rent, groceries, and other essentials. But ADC is financed almost 50 percent by the Federal Government, and Federal regulations specify that ADC allotments must be in cash.

The Department of Health, Education, and Welfare gives evidence of wanting to stick to "cash only." Doyne says that when Wilbur Cohen, former Wisconsin resident who is Assistant Secretary of HEW, was asked about voucher payments recently he said that when Wisconsin repealed its 1-year residency requirement for relief eligibility he would talk about other changes.

The residency law has nothing to do with voucher payments to mothers of needy children. The proposed change is worthy and should be made regardless of other welfare laws.

(Mr. Pohl subsequently submitted the following for the record:)

PUBLIC WELFARE AMENDMENTS OF 1962 (H.R. 10606)

Supplemental statement of Rudolph P. Pohl, chairman of Finance Committee, Milwaukee County (Wis.) Board of Supervisors

During the testimony presented by the spokesmen of the Milwaukee County delegation on May 15, 1962, the question was asked:

"Would a greater reliance on the use of court-appointed guardians eliminate the need for an amendment authorizing voucher payments?"

I. Under Wisconsin law, a guardian means "one appointed by a court to have care, custody, and control of the person of a minor, an incompetent, or the management of the estate of a minor, an incompetent, or a spendthrift." Section 319.01(1).

The Wisconsin law further provides "A spendthrift means a person who because of the use of intoxicants or drugs or gambling or idleness or debauchery or other wasteful course of conduct is unable to attend to business or thereby is likely to affect the health, life, or property of himself or others so as to endanger the support of himself and his dependents or expose the public to such support." Section 319.01(4).

II. When the above conditions are met, the welfare department in Milwaukee County petitions the county court for the remedy of the legally appointed guardian.

III. There is difficulty in finding anyone to act as guardian. The only assets possessed by the ward would be the monthly assistance check and guardians generally would not feel they could be adequately compensated for the extensive services they performed.

IV. Having a guardian appointed will not in any way relieve the administrative responsibilities which the welfare departments have to perform. Eligibility has to be determined, grants of assistance paid to the guardian, budgetary changes need to be made in order to keep abreast of changes in environmental and social characteristics and social services offered.

With a guardian, these unavoidable additional costs are superimposed on the ongoing administrative costs of the department. In instances where guardianship proceedings are instituted by legal counsel for the county and where a county welfare employee is appointed as guardian, these costs, although not so immediately apparent, are nevertheless present. Conversely, if the administrative agency has the authority to make voucher payments, this duplication is avoided. The welfare worker authorizes payments to various vendors in the regular line of duty.

V. When the director of the Milwaukee County department was recently appointed by a Milwaukee County court to be a "spendthrift guardian" for an aid to dependent children mother, the State of Wisconsin was informed that Federal reimbursement would no longer be forthcoming on this case or any other where a staff member of the welfare department was appointed guardian.

VI. Supplementary to the use of guardianships in suitable situations, the welfare department should still have the authority to make vendor payments in appropriate cases. Some situations follow in which it is doubtful that a guardianship could be established under Wisconsin law but in which for the proper education and acculturation of children growing up in ADC families some direct guidance of expenditures would be necessary: repeated moving from one house to another to avoid payment of rent causing suffering, hardship, and additional expenditures; repeated failure to meet utility payments causing shutoff and resultant suffering on the part of children; repeated use of funds budgeted for food and shelter for other purposes, such as entertainment and unnecessary purchase of luxury items; ADC mothers with a multiple number of illegitimate children.

CONCLUSION

For the foregoing enumerated reasons, Milwaukee County believes that the legal device of guardianship is not an adequate substitute for local authority to make voucher payments in appropriate cases.

Senator KERR. The committee will recess until 2:30, at which time the other three witnesses will be heard.

(Whereupon, at 12:30 p.m., the committee stood in recess, to reconvene at 2:30 p.m., the same day.)

AFTERNOON SESSION

Senator KERR (presiding). Mrs. Mariana Jessen. You are substituting for Mrs. Guggenheimer?

STATEMENT OF MARIANA JESSEN, EXECUTIVE DIRECTOR, NATIONAL COMMITTEE FOR THE DAY CARE OF CHILDREN, INC.

Mrs. JESSEN. Mr. Chairman, my name is Mariana Jessen. I am the executive director of the National Committee for the Day Care of Children, Inc., and I am appearing for Elinor C. Guggenheimer, giving her statement with a few minor enlargements, which will be included in my presentation for the record..

Mrs. Guggenheimer is president of the National Committee for the Day Care of Children, Inc., which was organized a few years ago in order to promote the development of good programs for children who cannot receive adequate care in their own homes during the day. We are interested in the development of family care for children under three and for those children over three for whom the long day in a group may be too tiring.

We are also interested in seeing that good group programs are available in every community. Such programs must be housed in safe, light, and airy quarters, must have carefully selected play equipment, and must employ staff trained in the skills needed to compensate for the child's loss of a home environment during so many of his waking hours.

The need for such programs is being felt in every part of the country. This stems from growing awareness of the number of young children who are being neglected during the day. Among the reasons for neglect are the continuing increase of mothers in the labor force, the problems in migrant camps, the overcrowding in our urban areas, and a variety of other kinds of social problems.

In addition to these, there are many children with special problems and needs, such as the mentally retarded, emotionally disturbed, and the physically handicapped child.

These children need equal opportunity with other children to realize their potential while their parents are gone, to be helped with their care and supervision.

We have long been aware, as I am sure all of you are, that there is great danger inherent in the neglect of children. We therefore welcome and heartily endorse the proposal set forth in those sections of H.R. 10606 which would include the appropriation of $5 million in the first year and $10 million in successive years in order to help provide good day care programs in all of our States, for those families

according to their ability to pay, with safeguards assuring that day care is provided in cases where it is in the interests of mother and child and where a need exists.

The amount of money suggested is small; however, it could stimulate the development of services that have been sadly lacking. In almost every other country in the world, government has taken responsibility for at least part of the operating costs of day care. In Norway, Denmark, Finland, France, the United Kingdom, Yugoslavia, in all the Communist countries, and in most of the new countries in Africa, day care is a prime concern of the government.

The theory underlying this assumption of responsibility has been twofold: First of all, it is sound economy to provide such care since almost all of the most expensive forms of social breakdown show patterns of early neglect.

Secondly, it is not sound for any country to waste potential leadership and to destroy the ability of any of its people to function up to his capacity.

It is almost impossible to undo in later years the damage to the young child during the period that every psychiatrist characterizes as the most formative in the development of the human being. Such damage may result in the loss of the talent and leadership that can keep any country strong. None of us would care to contemplate the potential artists, the scientists, and the builders who will never make the constructive contribution of which they are capable, because their normal growth, physically, mentally, and morally, has been stunted by neglect.

In America, the theory underlying Government responsibility was stated a century ago by President Abraham Lincoln. He said:

> When, for reasons outside the control of the individual, his well-being and security cannot be assured by his own resources and effort, because of the denial of full opportunities already referred to, or for whatever reason, his protection and care become a responsibility of Government. Public welfare is one of the Government's instruments for fulfilling this responsibility and for doing for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their several and individual capacities.

We believe that this statement applies to the present situation. The need is great and communities have been unable to develop or finance adequate services. A good many aspects of the current need can be documented.

(1) The number of mothers in the labor force is constantly increasing. In the 10 years between 1948 and 1958, there was an 80-percent increase and the number has continued to mount. A survey taken by the Bureau of Census indicates that there are at least 400,000 children under the age of 12 whose mothers work full time and for whom no arrangements whatsoever are made during the day.

In addition, there are approximately 600,000 children, some 280,000 of whom are probably under the age of 6, who are being cared for in arrangements other than "at home, or by relatives, or in group care." Some of these arrangements include working in the fields; part-time supervision by a neighbor; and irregular care provided by a combination of arrangements.

(2) There are 2,621,252 children in families receiving aid to dependent children. We hope that more mothers will be enabled to stay at home rather than seek employment, since it is certainly desirable that

young children, wherever possible, receive parental care during the day. However, there are many families in which patterns of dependency have persisted for one, and even two, generations. Unless these children are able to see at least one wage earner in the family, there is grave question whether such patterns can ever be changed. In the 4 million broken families, where there is one parent, the mother may be the only possible wage earner.

(3) I mentioned the migrant farm camps. Surveys have revealed shocking conditions. Children start work in the fields before they are 7 years old. Dr. Cyrus H. Karraker, president of the Pennsylvania Citizen's Committee on Migrant Labor, recently studied migrant conditions in Colorado and California. He reports that in these two States alone, there are 25,000 pre-school-age children whose needs can only be met with any degree of satisfaction with the use of Federal funds. There are a few voluntary day-care centers, but they reach a very small percentage of the children. In most of these the advantages of trained personnel, of stability and permanence are not possible.

(4) The housing situation in our cities results in large families living in inadequate size apartments and houses. Children in such homes have no place to run or play—or to lead normal lives. The resultant family tensions may act adversely, not only on the children, but on the stability of the family. It is imperative that children in our most crowded and deprived city areas be given the opportunities for healthy growth that a good day-care program can afford. In relation to the handicapped, every year in this country 126,000 children are born who will function as mentally retarded during some part of their lives. Undoubtedly many thousands of these could profit by day-care experiences. The needs of the emotionally and physically handicapped are equally as great.

The New York City day-care program is one of the largest in the country, and yet 4,000 children are annually recorded on its waiting lists. Almost anyone who has lived in a city is aware of the number of quite young children who are left unsupervised during the day. The newspapers often headline the stories of dramatic tragedies that occur because a child is alone in an apartment or house, or because he is playing alone on the streets. We do not, however, record the daily grinding-away tragedy of neglect that destroys personalities, that accounts for school dropouts, and that throws young children into the company of street gangs and narcotic pushers.

We write about the cost of maintaining prisons and mental institutions, the often futile seeming expense of maintaining generation after generation on public assistance. We are troubled by the names in our national ledger that might be listed under the account labeled "Failures." We have not been troubled enough, however, to provide the "vaccines" that would prevent these diseases of our society.

We often use the word "suffer" in relation to neglect. We say that children "suffer from neglect." I would like to point out that this is real suffering. We have so many examples of children who have been physically hurt; of potentially bright children who show symptoms of retardation and who may grow up to pass their patterns of deprivation on to a new generation; of children who, when they start school, are unable to compete with their peers because they have had

so few opportunities, and who learn, therefore, from the first day, the dislike of school that leads to truancy.

The National Committee for the Day Care of Children, representing a large number of organizations and members throughout the country, has asked me today to record both our concern for the neglect of children and the heartwarming hope that the provisions in the bill under consideration will put an end to the cruelty and inhumanity that so many of our children are forced to face in their early years.

Surely, the time is long past when we in America should begin to take seriously the conservation of that resource without which we have no future.

We wish to thank you for the opportunity to appear before you today and present this testimony.

Senator KERR. Thank you, Mrs. Jessen, for your statement.

Mrs. JESSEN. Thank you, sir.

Senator KERR. Clark W. Blackburn.

STATEMENT OF CLARK W. BLACKBURN, GENERAL DIRECTOR, FAMILY SERVICE ASSOCIATION OF AMERICA

Mr. BLACKBURN. My name is Clark W. Blackburn, and I am the general director of the Family Service Association of America.

I am here today to present the position of the board of directors of the association on the proposed Public Welfare Amendments of 1962. Also, I wish to add my own support to the views expressed by our national board at their spring meeting last week. Personally, I served as a member of the Ad Hoc Committee on Public Welfare which was advisory to the Secretary of Health, Education, and Welfare. I am also experienced as a former executive of local family service agencies in Connecticut, New Jersey, and Minnesota.

I am submitting a statement for the record, but I will be rather brief in my presentation today.

My first concern is about personnel and I will speak particularly to that.

The Family Service Association of America, which celebrated its 50th anniversary last year, is a federation of over 300 local family service agencies throughout the country—largely supported by local community chests and united funds. These agencies help troubled families by providing counseling and related social services.

Our clients come from all walks of life and their problems are varied. They include serious marital difficulties, money management and employment problems, parent-child relationships, illness, unmarried parenthood, et cetera.

Because of our specialized experience in working with family problems, and the resultant specialized knowledge we have gained from this experience, we believe we are uniquely qualified to comment on H.R. 10606. The Family Service Association of America is particularly interested in promoting sound public welfare programs and until public welfare includes a service component, including counseling service, it will not perform effectively.

Therefore, we have followed with particular interest the public welfare legislation introduced this year. We know from firsthand experience how indispensable social services are in helping troubled families to sound family life.

We are particularly pleased to see that H.R. 10606 encourages public welfare to provide such essential services to welfare recipients. We are grateful that the preventive aspect of the Family Service concept is also being emulated in this legislation. It authorizes the public welfare departments to given counseling and other special aid to persons who need help in order to prevent their becoming dependent, as well as to help those already in need of financial assistance.

We are concerned about the welfare of families no matter where they may reside in the United States. From Maine to Hawaii, and from Florida to Minnesota, there are families in need of help and for whom we hope service will be available. Some of these families need financial assistance alone, but many more need help beyond the receipt of a monthly check.

Today, our member agencies are geographically available to only 50 percent of the population of the United States, and since the passage of the Social Security Act our services do not include the provision of basic financial assistance. Thus people's needs go beyond that care which voluntary agencies are able to provide.

We therefore urge and welcome the expansion of the necessary social services which should be available in all communities in this Nation. Family Service agencies will continue to serve, as far as possible, all those people who request our help. But we want to be sure that those in need of financial and other help from the public welfare services will also benefit from the kind of counseling which we have found to be so useful in helping families solve their problems in constructive fashion.

In order to accomplish this very worthwhile goal by a modern rehabilitative approach to the solution of welfare problems, however, certain changes must be made in H.R. 10606 which is now before you.

The board of the Family Service Association wishes to stress to you the extreme priority importance of sufficient trained social work staff in order to carry out the mandate of this proposal. Family Service Association member agencies employ only caseworkers who have at least completed a graduate course of social work education at an accredited graduate school. The solution of family problems require skill and professional knowledge, and we believe that these tasks can only be done successfully by persons who are specially trained.

Many public welfare clients have even more complicated problems which cannot be solved by money alone, nor by the ministrations of untrained personnel no matter how well meaning they may be. Unfortunately, there is already an acute shortage of trained social workers for both the voluntary and the public welfare services. Our member agencies have a chronic 10-percent staff shortage of trained caseworkers and the shortage in the public welfare services is even more desperate.

Our board was shocked to learn that there is only 1 trained graduate social worker in the public welfare services throughout this country for every 23,000 recipients of public assistance. We therefore believe that the utmost priority attention must be given to programs which

will increase the number of trained social workers in the professional manpower of this country.

The immediate investment now in the financing of training programs will pay off one hundredfold in the future. Since it takes time to train social workers this is a program which should have been launched years ago, but we can hope at least to start immediately.

We, therefore, request that the Senate Finance Committee reinstate the riginal proposal to authorize Federal funds for a program to be directed lunder Federal auspices for fellowship and scholarship aid and for grants to schools of social work to enlarge their facilities for training. The personnel shortage is a problem nationwide in scope and deserves a national remedy.

Just as there are Federal training programs for personnel in the fields of mental health, vocational rehabilitation, et cetera, there should be such aid to enlarge the number of social workers available for the public assistance program. This is particularly vital since public assistance is responsible for the administration of a major share of the HEW budget.

Naturally, we also support the provision which encourages States to train persons already employed in their welfare departments, but we believe that the need is so urgent that it requires national action to recruit persons throughout the Nation to train for his important service. Once this program is authorized, we will continue to urge the appropriations of proper funds to implement the authority which we hope will be granted by Congress.

Without adequate training programs we will continue to be without the personnel who are vital to solve the problems of families in need. We cannot save families, or community funds, by hiring untrained persons to do the family counseling which requires the skill of trained social workers.

The other three points which I stress in this statement, official statement, have been covered, I think, quite adequately by Miss Wickenden, and so I see no particular purpose in repeating some of the things that she said.

One is, of course, on the inadequacy of the ADC grants as compared with other public assistance.

The second point is subsection (a) of section 107 which we certainly think needs to be eliminated.

Finally, the question of residence laws.

Our organization for a number of years has stood for the idea of working toward and ultimately abolishing residence laws throughout the country.

Finally, we close by commending to you the progressive approach to public welfare embodied in most of the provisions of this bill. These include the desirable changes in the ADC program which would provide for the coverage of children of an unemployed father, provide for grants to both parents when they were in the home, and increase the social service available to help those children and their parents to sounder family living.

With the permission of the chairman we would also like to submit for the record excerpts from "ADC Facts, Fallacies, Future," a summary of a study made in Cook County, Ill., by Greenleigh Associates. (Pp. 7-46.)

Senator KERR. Without objection.

Mr. BLACKBURN. In the interest of strengthening family life and preventing family breakdown, which is the core of the Family Service movement, we hope that you will make the necessary changes in H.R. 10606.

We are grateful for the time given to us to present our views to you on this legislation which is so basic to sound family life for all America.

Thank you.

Senator KERR. Thank you, Mr. Blackburn.

Mr. BLACKBURN. Thank you again.

(The prepared statement and excerpt referred to follows:)

TESTIMONY ON H.R. 10606, PUBLIC WELFARE AMENDMENTS OF 1962 BY CLARK W. BLACKBURN ON BEHALF OF THE FAMILY SERVICE ASSOCIATION OF AMERICA, NEW YORK, N.Y.

My name is Clark W. Blackburn and I am the general director of the Family Service Association of America. I am here today to present the position of the board of directors of the association on the proposed Public Welfare Amendments of 1962. Also, I wish to add my own support to the views expressed by our national board at their spring meeting last week. Personally, I served as a member of the Ad Hoc Committee on Public Welfare which was advisory to the Secretary of Health, Education, and Welfare. I am also experienced as a former executive of local Family Service agencies in Connecticut, New Jersey, and Minnesota.

The Family Service Association of America, which celebrated its 50th anniversary last year, is a federation of over 300 local Family Service agencies throughout the country—largely supported by local community chests and united funds. These agencies help troubled families by providing counseling and related social services. You may know the Family Service Agency in your own community as the place to which families may turn or be directed by their ministers, doctors, and others concerned with their welfare for help with their problems. Our clients come from all walks of life and their problems are varied. They include serious marital difficulties, economic and employment problems, parent-child relationships, illness, unmarried parenthood, and so forth.

Because of our specialized experience in working with family problems, and the resultant specialized knowledge we have gained from this experience, we believe we are uniquely qualified to comment on H.R. 10606. The Family Service Association of America is particularly interested in promoting sound public welfare programs and until public welfare has a service component, including counseling service, it will not perform effectively. Therefore, we have followed with particular interest the public welfare legislation introduced this year. We know from firsthand experience how indispensable social services are in helping troubled families to sound family life.

We are particularly pleased to see that H.R. 10606 encourages public welfare to provide such essential services to welfare recipients. We are grateful that the preventive aspect of the Family Service concept is also being emulated in this legislation. It authorizes the public welfare departments to give counseling and other special aid to persons who need help in order to prevent their becoming dependent, as well as to help those already in need of financial assistance.

We are concerned about the welfare of families no matter where they may reside in the United States. From Maine to Hawaii, and from Florida to Minnesota, there are families in need of help and for whom we hope service will be available. Some of these families need financial assistance alone, but many more need help beyond the receipt of a monthly check. Today, our member agencies are geographically available to only 50 percent of the population of the United States, and since the passage of the Social Security Act our services do not include the provision of basic financial assistance. Thus people's needs go beyond that care which voluntary agencies are able to provide. We therefore urge and welcome the expansion of the necessary social services which should be available in all communities in this Nation. Family Service agencies will continue to serve, as far as possible, all those people who request our help.

But we want to be sure that those in need of financial and other help from the public welfare services, will also benefit from the kind of conseling which we have found to be so useful in helping families solve their problems in constructive fashion.

In order to accomplish this very worthwhile goal by a modern rehabilitative approach to the solution of welfare problems, however, certain changes must be made in H.R. 10606 which is now before you.

The board of the Family Service Association wishes to stress to you the extreme priority importance of sufficient trained social work staff in order to carry out the mandate of this proposal. Family Service Association member agencies employ only caseworkers who have at least completed a graduate course of social work education at an accredited graduate school. The solution of family problems require skill and professional knowledge, and we believe that these tasks can only be done successfully by persons who are specially trained. Many public welfare clients have even more complicated problems which cannot be solved by money alone, nor by the ministrations of untrained personnel no matter how well meaning they may be. Unfortunately, there is already an acute shortage of trained social workers for both the voluntary and the public welfare services. Our member agencies have a chronic 10-percent staff shortage of trained caseworkers and the shortage in the public welfare services is even more desperate. Our board was shocked to learn that there is only one trained graduate social worker in the public welfare services throughout this country for every 23,000 recipients of public assistance. We therefore believe that the utmost priority attention must be given to programs which will increase the number of trained social workers in the professional manpower of this country. The immediate investment now in the financing of training programs will pay off 100-fold in the future. Since it takes time to train social workers this is a program which should have been launched years ago, but we can hope at least to start immediately.

We, therefore, request that the Senate Finance Committee reinstate the original proposal to authorize Federal funds for a program to be directed under Federal auspices for fellowship and scholarship aid and for grants to schools of social work to enlarge their facilities for training. The personnel shortage is a problem nationwide in scope and deserves a national remedy. Just as there ar Federal training programs for personnel in the fields of mental health, vocational rehabilitation, and so forth, there should be such aid to enlarge the number of social workers available for the public assistance program. This is particularly vital since public assistance is responsible for the administration of a major share of the HEW budget. Naturally, we also support the provision which encourages States to train persons already employed in their welfare departments, but we believe that the need is so urgent that it requires national action to recruit persons throughout the Nation to train for this important service. Once this program is authorized, we will continue to urge the appropriations of proper funds to implement the authority which we hope will be granted by Congress.

Without adequate training programs we will continue to be wtihout the personnel who are vital to solve the problems of families in need. As Winifred Bell pointed out in her article, "The Practical Value of Social Work Service,"[1] which documents the usefulness of caseworkers in public welfare departments, "We do not save money by hiring 10th graders to build missiles," nor can we save families, or community funds, by hiring untrained persons to do the family counseling which requires the skill of trained social workers.

Secondly, a word about ADC. Our agencies have been reporting to us about the inadequacy of relief grants in many communities. Particular reference has been made to the problems created by the inadequacy of payments in the ADC category. The needs of small children are being badly neglected. Under current law, even now, the grant in ADC cases is on the average about half the grant in the other categories. Since the Federal matching share is greater for other categories, States have tended to be less generous to ADC. We know from experience that a certain minimum amount of money is a first essential in helping families to a sound way of life. Services are useful in making the most constructive use of financial help, but casework services without adequate funds to cover the necessities of life are a foolish waste.

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[1] This paper, which is part of the "Project on Family Services for Families and Children," sponsored by the New York School of Social Work, was published in the hearings before the House Committee on Ways and Means on H.R. 10032, Feb. 7-13, 1962, at p. 371 and at p. 410.

The new proposal for additional matching funds in all categories but ADC will serve to increase even further the disparity which already exists. In the States where ADC grants are already likely to be the lowest, the States will be further encouraged to spend their funds for the other categories. Families with children will continue to suffer.

The Family Service Association of America therefore urges that the bill be amended to insure more adequate grants for the ADC programs which could provide sounder family living for many children in our communities.

Thirdly, we believe that subsection (a) of section 107 (as added in H.R. 10606 by the House of Representatives) is an unnecessary and dangerous amendment to the Social Security Act. We have had experience in adapting services to meet the varying needs in different parts of the country. However, we believe that there is a certain minimum standard for the quality of service no matter where the service is given. In our own association for example, we have certain requirements and certain standards which must be met by our member agencies in order to insure a minimum quality of service. Naturally, some agencies will provide more or different services than others, but none can give less than what we consider to be a decent minimum if they wish to be accredited as a member of the Family Service Association.

We believe that the same logic should be applied to public welfare services. Certain minimum standards should be set by the Federal Government if the States are to benefit from Federal funds. We believe that Federal standards can safeguard families no matter where they reside. Every needy family should receive at least a basic minimum service, and have its rights protected by such laws. As Federal taxpayers, we are concerned that Federal funds should be expended in proper fashion in every State which uses them. For this reason we are very much concerned about subsection (a) of section 107. We believe it would undermine the national standards for federally assisted public welfare programs, and conflict with the rehabilitative approach of this bill. It threatens to infringe upon the welfare of families who require assistance in the ADC category.

In contrast to section 107, we believe that section 108, which provides for "protective payments," permits sufficient leeway to the States to deal with the few cases which may need some special help in handling of money grants. We believe that section 108 has the proper kind of Federal safeguards and standards. We would, therefore, urge that subsection (a) of section 107 be eliminated from the bill as unnecessary and dangerous. From our own experience in working with families who have problems of money management, we know that punitive measures are not helpful, but that skilled counseling services do assist families to learn to handle funds wisely.

We also believe that it is helpful to the sound administration of State welfare programs to have basic standards written into the Federal law as a protection against temporary and local pressures. This truly serves the best interests of all the citizens of this Nation in the long run. We believe that our Government should be equally concerned for families no matter where they reside.

For the same reasons our association has long urged the abolishment of residence laws which restrict eligibility for public assistance. This leads to our fourth request for a change in H.R. 10606. In a country where it is desirable to have a mobile labor force we feel that it is wrong to penalize the persons who move in search of work by denying their families the right to assistance if misfortune strikes. Many of our agencies have been reporting the difficulties which they see as a result of residence restrictions. We, therefore, urge that the Senate restore the provisions which were in the original version of the bill in the House. These provisions would have offered a financial incentive to States which abolished their residence provisions entirely, and would have lowered the permissible requirement for residence to 1 year. This would have been a step in the right direction.

We close by commending to you the progressive approach to public welfare embodied in most of the provisions of this bill. These include the desirable changes in the ADC program which would provide for the coverage of children of an unemployed father, provide for grants to both parents when they were in the home, and increase the social services available to help these children and their parents to sounder family living.

In the interest of strengthening family life and preventing family breakdown, which is the core of the Family Service movement, we hope that you will make the necessary changes in H.R. 10606. We are grateful for the time given to us to present our views to you on this legislation which is so basic to sound family life for all Americans.

Introduction

Aid to Dependent Children, adopted by Congress in 1935, is "an essential part of a broad social plan of public services, including education, health, welfare and the social insurances that the Nation is progressively developing to assure its children opportunity to:

1. Grow up in a setting of their own family relationships;
2. Have the economic support and services they need for health development;
3. Receive an education that will help them to realize their capacities; and
4. Share in the life of the neighborhood and community."

Throughout the nation approximately 3 million individuals are receiving ADC, of whom 2.3 million are children. One hundred thousand of these recipients, 81,000 of them children, are in Cook County.

While our economy has been growing wealthier, the ADC problem has grown greater, with more families requiring greater public expenditures than ever before. The families are different, and the problem is more complex than it was when ADC began in Depression days. The public is confused, to say the least. Without understanding, many people and many groups are accusing and hostile toward the ADC program and the ADC family itself. This hostility, feeding on isolated ADC cases of fraud or neglect, has led at times to crash programs to reduce costs at the expense of helpless children and families.

The reasons why the ADC problem has grown are obvious when one stops to review our past 20 years. The unprecedented increase in our population, with an even higher increase of the proportion of children; the national labor market which has caused people to move about for jobs, disrupting normal family life; the unemployment or underemployment intensified by automation; a resulting rise of rootlessness, desertion, divorce, separation, unmarried parenthood, mental illness, juvenile delinquency — all these are reflected in ADC.

In Cook County 10 years ago, in July 1950, there were some 50,000 ADC recipients at a monthly cost of approximately $1.4 million. In July 1960 there were more than 100,000 at a cost per month of $4.4 million. By July 1970, if the trend continues, there will be 230,000 recipients at a monthly cost of more than $13 million.

This does not include the cost in wasted human resources, in broken and frustrated lives and in perpetuation of dependency from generation to generation.

What is happening in the ADC program in Cook County is only slightly different from what is happening in every metropolitan area throughout the country. The ways in which the program has helped in Cook County have been helpful elsewhere. Its weaknesses, some of which Congress tried to remedy with the 1956 amendments to the Social Security Act, prevail generally.

This study was made to throw light on this crucial and perplexing problem. The Greenleigh study staff of specialists painstakingly and objectively sought the facts, placed them in perspective, recommended some directions for change.

Greenleigh Associates used several methods. They organized the inquiry around many specific questions, which are printed as an appendix to this report.* Specialists conducted depth interviews of a random sample of 1,010 active ADC cases,—919 non-white (mostly Negro), 99 white. They also review a sample of recently closed and rejected cases. They interviewed a sample of new cases with no dependency background to find out what caused them to become dependent. They analyzed ADC families' rehabilitation potential. They examined ADC in 12 major cities. They reviewed state and federal laws.

They made recommendations in every area of concern.

They weighed two alternatives — to continue ADC as it is now, a minimum process of checking eligibility and handing out funds; or to add, and stress, a program of services and rehabilitation that would reduce dependency and in many cases end it.

This latter program was the aim of the U. S. Congress and the State of Illinois when they created ADC 25 years ago. Its power to rehabilitate families was strengthened by the 1956 Social Security Act amendments. How far it has fallen short of this aim, and what can be done to recapture and fulfill it, will be summarized in the chapters that follow.

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*See Pages 47-48

I

The ADC Mother is 97 Per Cent Better Than the Public Thinks

The majority of the people of Cook County — and of the United States — have an almost completely false impression of the mother who receives Aid to Dependent Children. They have had little chance to see her as she is. They have read spectacular stories of the occasional and rare instances of the ADC mother who neglects her child, and the child is hurt or dies; or of the mother who fraudulently accepts public money while a "hidden father" supports her. It is always an ADC child who is bitten by a rat!

We hesitate to repeat these stories. But they are "news;" they stick in the mind. They are not only dramatic "human interest;" they also concern the public's money. The routine drab story of the ADC mother pinching pennies, giving her children meat while she eats bread, making a warm home out of a bleak slum, is not news, and it is not written.

ADC, in short, has been a whipping-boy, roundly — but not soundly — criticized. The false basis for the criticism has grown out of misinformation, lack of information, prejudice, and, perhaps, out of public embarrassment that so many penniless families should have to exist on ADC in our abundant society.

This study was made, therefore, by an objective, outside research and consulting firm, to find out the facts. It was concerned, specifically, with the facts about 81,000 children on ADC in Cook County, and with approximately 2.8 million children on ADC in the nation at large.

These children have the double handicap of being both destitute and fatherless, and many have the added burden of illegitimacy. If the public is misinformed about them and therefore hostile in Cook County, it is misinformed and hostile in a dozen other metropolitan areas where ADC is trying to do its job.

The public has gained a false image of a mother who is shiftless and lazy, unwilling to work, promiscuous and neglectful of her children. She is seen as spending her time and her ADC check in the local bar while her children roam the streets and the cupboard stays bare. She is believed to be bearing child after child to get more ADC money, and complacently accepting the public largesse on which she lives.

This study found very few mothers, not more than 3 per cent, who fit this image "in one or more ways."

It found no clear-cut cases of fraud.

It concluded, from its statistics, that "only 1.9 per cent of all those studied gave any reason for suspicion of undisclosed income or 'hidden fathers.'"

It found very little ineligibility on the ADC caseload. It did find many eligible families denied assistance, as well as some unfairly cut from the rolls. It found "clear proof" that recipients of ADC do not come to Cook County from elsewhere just to get relief. The average ADC mother has lived in the county 15 years.

It found that:

• Mothers on ADC do not have babies just to get larger allotments, and that "more children create more financial difficulty rather than less."

• For the majority, ADC comes as a last resort, when all other resources are exhausted.

• Negroes are more reluctant to ask for help than whites.

• Once a family gets ADC, it is not typically content to stay on the rolls. Forty per cent of the closed cases studied were families who stepped out and earned enough money to make ADC unnecessary.

• The fact is that almost all ADC mothers want to be self-sustaining. Well over half of them would like to work but can't because their health is poor, or they can't get jobs, or there is nobody to care for their children while they are away, or they are afraid — with reason — that the ADC budget will not permit the extra clothes and carfare that working entails.

Many have had illegitimate children, not as a result of promiscuity, but mainly due to inability to marry because a deserting husband is alive or the new father cannot support the family. Most know little about preventing pregnancy.

Most of the mothers give their children good care, denying themselves in order to provide them nourishing food. They keep their homes clean, give their children warmth and love. The study found that if the mother leaves the home, it is not typically to go to bars but to attend church or the PTA meeting.

The ADC mother does not like being dependent. She feels the scorn of her neighbors and the rejection of society. She does not want more children; and she knows that the more she has, the deeper she has had to go into debt. She feels deeply guilty if she bears an illegitimate child. Like other mothers, she wants a better life for her children.

Findings in this study raise the question: How good are the chances for this "better life for the children" if ADC, because of public suspicion and hostility, must put all its emphasis on

checking eligibility and handing out funds, rather than on rehabilitation that will end dependency?

The ADC problem is growing in quantity and complexity in practically every major center of population in the United States. Consider these figures from the report:

In Cook County 10 years ago, July 1950, there were some 50,000 recipients at a monthly cost of approximately $1.4 million. In July 1960 there were more than 100,000 recipients at a cost per month of $4.4 million. In 10 years hence, by July 1970, there will be 230,000 recipients at a monthly cost of more than $13 million if the trend for the past 10 years is projected for the next 10 years, and if the same factors governing the program continue to be present.

These figures do not include the cost in wasted human resources, in broken and frustrated lives and in perpetuation of dependency from generation to generation.

Critics of ADC and its cost have not considered the cost of alternate solutions. Even if it were believed to be beneficial to remove these children from the care of their own parent or relatives, the cost of maintaining them in foster homes or institutions would be prohibitive. There is no evidence, either, that this would decrease the number of illegitimate births.

Major recommendation in the report says:

"It must be emphasized that increased appropriations *now*, properly applied (for family rehabilitation and independence), are essential *if the rate of increase in ADC expenditures is to be reduced in the future.*"

II

The ADC Families: Who They Are, How They Live

Most of the ADC families (all but 2 per cent of the whole sample) welcomed the chance to tell their own story. Study staff members, who had anticipated defensive resistance, were surprised by the way the mothers poured out their problems. They had not realized to what extent these mothers were aware of and hurt by the adverse publicity, the suspicion and hostility.

This, then, is their story:

Contrary to what many people believe, ADC mothers did not come to Illinois or to Cook County just to get on the ADC rolls. They were here already. Almost half of them were born in Illinois or have lived in Illinois 15 years or more. Almost a third of those born elsewhere came to the state as children.

Most of them have turned to ADC as a last resort. They have tried to give their children a good home under the most difficult circumstances, have kept them from becoming delinquent, have tried to prepare them for a self-reliant future.

They want to become independent of ADC as soon as possible. They would like to work, even if the job paid less than their ADC grant, if they could arrange satisfactory day care for their children.

Only a few ADC families, less than one per cent, are recent arrivals. Only 10 per cent have been in Illinois for less than five years. White families have lived here somewhat longer than nonwhite.

Most of the ADC mothers from other parts of the United States came from the deep South, particularly from Mississippi. Adjusting to urban living has been hard for them. Their most serious handicap is lack of education and training. Nevertheless, few have had long or continuous histories of dependency. Only a few were on public assistance before they came to Illinois.

Why did they come to Cook County? To find jobs, or to be with husbands or relatives who came for jobs. Many came during World War II, responding to the demand—and recruitment—for workers in war industry.

The mothers came so as to be near relatives, to be with their husbands, to follow up on jobs of which they'd heard, or for better living conditions—in that order.

Those who came to work in the factories, in war or peacetime production, became the victims of our new industrial revolution: automation. Their jobs simply disappeared and they lacked the education and skill needed for other jobs in the changing economy.

Those who came from the Deep South or the southeastern central states were much worse off with respect to education and training than those born in Illinois. For instance, only 34 per cent of the mothers born in the southeastern central states have had some high school training, as compared with 52 per cent of those born in Illinois, and only 13 per cent of those from the South finished high school as compared to 27 per cent of those born in Illinois.

Seventy-five per cent have had no special vocational training in school or on-the-job training.

Yet 6 out of 7 ADC mothers have worked and earned, with the percentage strikingly highest among those with high school education.

Most of them have had unskilled jobs — in domestic service or as unskilled machine operators. Their earnings have been small — $184.21 a month for white mothers, $160.50 for Negro mothers.

Very few, only 4 per cent, were employed in May 1960, when this study was made. Most had not looked for a job in the past 6 months. Those who looked for a job found none, had not even one job offer. Of those not seeking work, most (83 per cent) had children too young to leave alone.

The ADC mothers held out without help for an average of one year and three months. They worked until they could no longer care for their children and keep their jobs, or illness forced them to quit, or until relatives, who had helped them, also went under with debts piled high.

Negro families maintained themselves for a significantly longer period than white families before they became dependent.

The typical ADC family became dependent because of the desertion of the father or because of unmarried parenthood. In only 9 per cent of the families was the father dead or incapacitated. In 48 per cent the father had deserted; in 35 per cent the father was not married to the mother.

Among white families divorce, legal separation, incapacity or imprisonment of the father were more frequently the causes of dependency. Among Negro families, desertion and unmarried parenthood were more frequent.

Contrary to the assumptions in the literature about Negro ADC mothers, they do not want to have illegitimate children, although they accept and love them when they're born.

Case records showed that the care mothers give their children is good, in a majority of cases; fair in a small number of instances, and poor in only a few. In only 3 per cent of the families were complaints found justified. In only 22 families out of a

total of 1,010 had children ever been delinquent, an unusually low record of delinquency.

Non-ADC mothers have no corner on worrying about children. ADC mothers worry too. Half of them were concerned about children's slow development, bed wetting, crying spells, bad companions, truancy, stealing, temper tantrums, disobedence, shyness. Mothers of older children worried about where their children were when away from home. Mothers of smaller ones were afraid to let them play outdoors alone. With the majority of neighborhoods unsafe, these mothers had good reason to fear. Many a mother had to keep her children indoors, even though it was summer, until she could go out with them. Many another sat by the window watching all the time her children played outside.

Some mothers reported children harassed by gangs. One 13-year-old had been repeatedly beaten by a gang on his way to school and, although he liked school and was doing well in his classes, he became afraid to leave home.

The ADC family lives most typically in the slums—in substandard housing at high rent. The rent allowance is the most generous part of the ADC budget, yet what it pays for is over-crowded and run-down and often dangerous to live in. Many a mother achieves a clean, attractive interior, but the outside ranges from bad to a shambles.

More than 8 out of 10 ADC families rent these overpriced dwellings from private landlords. The Negro family has to pay more than the white—the Negro family paying an av-

erage rent of $82.77 a month, the white family $64.84. This rent differential, a result of discrimination in housing, costs Illinois taxpayers at least $8.4 million a year in Cook County! The Department of Public Aid, faced with necessity of housing ADC families where it can, foots the bill. It is a bad bargain all around.

Sixteen per cent of ADC families live in public housing, physically better than private housing, roomier, regulated by law against overcrowding, reasonable in rent.

The Negro ADC family, majority tenant of the other 84 per cent of marginal and substandard housing, lives, typically, like this:

A mother and four children under 12 share a "three-room" basement apartment. It is rat-infested. A 3-year-old child who is retarded sleeps in a crib with a baby in a "third room," which is a converted clothes closet. The mother and two older children share a double bed in the living room. There is a small kitchen. For this, the family pays $80 a month. It is better, however, than the place from which they moved.

In spite of the run-down condition of the flats, 50 per cent were rated as clean and neat. A third were rated as fairly clean, and less than 20 per cent as dirty. Many mothers had plants growing, many had made cheap curtains and done some decorating. Many homes were called "islands of warmth in the midst of squalor."

Almost half the families had moved 3 or more times in the past five years, giving the children little chance to become part of the neighborhood or school. They moved because their building was going to be torn down, because they could not pay the rent, or because they thought the new housing would be better.

Health problems keep many ADC familes dependent. Health facilities of which the Department of Public Aid is justly proud can be provided to families on public assistance. But there are many reasons why the majority of ADC families fail to use them. Their health problems, physical or mental, are undetected; caseworkers do not have the skill or the time to find out about them and refer them to proper sources for attention. Families don't go to the clinics, because it is difficult to wait the long hours necessary before being seen.

The ADC mother's health suffers more than that of her children. Seventy-five per cent of the children and grantees were found to have no chronic ills. Among mothers, obesity—due to the high starch diet (all that cheap white bread and macaroni)—was a major physical handicap. Next most common ailments were heart trouble, arthritis, tuberculosis, "female disorders," hypertension and varicose veins.

Both mothers and children needed dental care.

In 27 per cent of the cases there were mental disorders, either diagnosed or suspected, in the family.

Eighty-one per cent of the families had no problem behavior such as alcoholism, drug addiction, truancy or delinquency. However, in 18 per cent there was at least one kind of problem behavior. Truancy was the most prevalent, problem drinking next, and drug addiction last.

Diagnosed mental or emotional conditions often go untreated and there is very little preventive medical care.

Schools records show that 52.3 per cent of ADC children have never had any physical examination, not even a hearing or an eye test.

All these things affect and diminish the rehabilitation efforts of the family.

The ADC mother needs help beyond the limits of current ADC attention. In 40 per cent of the cases the mother needs help in caring for her children's physical needs. She needs help in planning nourishing menus on the limited budget.

In 51 per cent of the cases the mother needs help in caring for her children's emotional needs.

ADC children tend to be "belongers." A surprising and heartening degree of participation in community affairs was found. ADC children, two-thirds of them who are old enough, belong to clubs, youth groups, church groups, or community centers. Seventy-five per cent of the mothers encourage their children to use such facilities.

The ADC children are a good educational risk. More than half of them are in the proper grade for their age, and 50 per cent of them are keeping up with their classmates.

The IQ's of the majority of those who have had intelligence tests is average: between 90 and 110. The next largest number tested between 70 and 89. (However, this may not be a measure of their native intelligence, since more intelligence tests used in schools are standardized on a white, middle-class, urban population.)

The schools report that the overwhelming majority of ADC children are well behaved and attend school regularly. Less than 20 per cent are behavior problems and less than 25 per cent have poor attendance records. At least a third of those with poor attendance records are physically unable to attend regularly.

ADC children, living in slum areas, do not always have as good school opportunities as children in uncrowded, one-shift schools. Although ADC children as a whole do not measure up to the general school population, it is surprising that so many do. Considering the educational level of their mothers, their fre-

quent uprooting, their considerable amount of absence from school due to inadequate clothing or food, and the fact that many migrated from areas of below-level schools, they are doing well.

Eighty-four per cent of the children in the tenth grade or over are planning to finish high school. Almost half of these children are taking a commercial or vocational course, and a third are enrolled in an academic course. A higher percentage of those in academic and commercial courses expect to graduate than do those ir vocational courses.

Not only do these young people expect to graduate — 88 per cent plan to continue into college. Most plan to work their way through. Some hope to win scholarships.

Forty-four per cent of the families with children 12 or older reported that their children have received some recognition in some phase of community or school life — 20 per cent for superior work in school, 8 per cent in athletics, 16 per cent in drama, art, etc. Another 20 per cent had special recognition in church groups and community centers.

ADC mothers showed pride in their children, displaying report cards, certificates of honor, badges, and other evidences of merit.

Their children have had little trouble with authorities. Less than 5 per cent of these children have been known to the juvenile court and in only 8 per cent of the cases had a truant officer or school social worker been concerned with the family.

Among some on the lower edge of this age group— in tenth grade or under — the tendency to drop out of school is proportionately large, for obvious reasons. Many are like Charles . . .

Charles is 16 and in the tenth grade. His mother is worried because he is refusing to finish high school. He wants to find work in order to have clothes like his friends.

George, on the other hand, is an example of the opposite. He is 17 and also in the tenth grade. He is doing unusually well in school. His teacher had told the mother that he has considerable scientific aptitude. She has promised to help George obtain a scholarship when he graduates from high school, so that he can work toward becoming a scientist.

Most ADC mothers (80 per cent) were found to be warm, accepting, and close to their children, doing their best to create a congenial family relationship. Half the families go to church together.

A strikingly large number of the children are good citizens. Despite the handicaps of slum living, inadequate income and discrimination due to race, the greater number of them *do* succeed in school and community life.

III

ADC Families are Underfed, Ill-Clad*

Under the state program in Cook County ADC families do not even have enough to eat. The food allowance for a typical ADC family consisting of a mother and three children, aged 13, 9, and 5, is $75.50 per month, or 21 cents per meal per person, day after day, month after month. This does not comply with the section of Illinois law that says:

"The amount and nature of the aid granted with respect to any dependent child . . . shall be sufficient . . . to provide him with reasonable subsistance compatible with health and well-being."

It is considerably lower than the standard in the low-cost food plan of the U. S. Department of Agriculture.

This food budget results, in some cases, in malnutrition and ill health of children. However, in this sample of cases it was found that mothers provided more food for their children by skimping on their own, by using money intended in the budget for clothing to buy needed food, or by other desperate means more costly to the community.

Mrs. A, for example:

Desperate need for food money drove Mrs. A to go see her husband, from whom she is legally separated because of frequent beatings, sexual abuse, and attempts to seduce her 10-year-old daughter by her first marriage. This one visit resulted in pregnancy and another child for ADC to support.

The amount she needed was $2.00!

The food budget standards are not sufficient to provide a "reasonable subsistence compatible with health and well-being."

As for clothing, the Illinois Public Assistance Code declares that the clothing allowance "shall be an amount which will provide for the replacement of clothing sufficient in kind and in amount to protect health, to permit a desirable standard of cleanliness, and to permit normal participation in community activities."

Actual allowance for clothing falls far below this description. The clothing standard has not been changed in the past 17 years despite the vast changes in materials, styles and multi-

*State standards have been brought up to 1959 prices for all requirements since the Greenleigh study was made. Adjustments for clothing, personal incidentals, and additional items for children attending school have been made. These changes became effective October 1, 1961.

plied costs. For example, can anyone imagine as adeqaute for a child, ages 2 through 6: one sweater and three union suits every three years; and one undershirt, two pants, one flannal sleeper and one cotton sleeper a year? Similar provisions cover other age groups.

The allowance for personal incidentals is supposed to be: "sufficient to provide items essential to maintain a neat personal appearance, essential first-aid items, and a minimum based on the cost of such items as an occasional newspaper, carfares for adults and paper and pencils for school children."

Here again is the gulf between IPAC policy and practice. For example, this allowance is 85 cents a month for a child ages 13 to 17, and is designed to cover two carfares a month, four pencils, four packages of notebook paper a year, one notebook a year, one per per year and two workbooks per year.

These "personal incidentals," hardly enough to cover carfare, allow nothing for participation in recreation or character-building activities which require membership fees, uniforms in some cases, supplies for projects, and carefare for transportation. Such deprivation sets the ADC child apart and handicaps his ability to grow up like the other children in the community.

Here is James, for one, as the caseworker reports:

James, 11, is failing in school this semester as a result of severe depression, presumably because of the financial problems of his family. He has been a good student and has never failed before. He takes no interest in anything now, and just sits home and broods—or when in school, spends most of his time daydreaming. He is more and more withdrawn. The main reason for his depression, according to his mother, is that James can't participate in school activities or in the Community Center where he has been a member because he hasn't money for necessary carfare or activities. These are not included in the budget. James could not afford to go on a trip with his schoolmates, because he didn't have $1.50 carfare, and he brooded over his inability to attend the summer camp of the Community Center because he didn't have the $20 it would have cost for two weeks.

Why can't James, like many another 11-year-old, earn a little extra money for such needs by running errands or doing odd jobs for the neighbors? Because this isn't that kind of a neighborhood. Nobody in the typical slum or near-slum neighborhood where most ADC families live has any means to pay anyone to run errands or do odd jobs, and if such work is needed there are unemployed men at hand glad to do it.

James' emotional problem, in any case, probably goes deeper and needs professional attention. But the caseworker has had neither time nor skill to diagnose it, and James' retreat may

continue until he becomes an institution inmate, costing the community many times his present needs.

The budget for household supplies and utilities is as ridiculous as that for clothing.

Only the allowance for shelter covers its actual cost. This, as has been explained, is comparatively high due to landlords' discrimination and gouging. But the kind of housing the average ADC family gets for it does not afford the standard of "decent health and well-being" called for in the Illinois Public Assistance Code.

To sum up: This study shows that the budget standard for ADC families is far below the reasonable standard necessary for healthful living and for rehabilitation, and is "penny wise and pound foolish." It is so low that it interfers with efforts to help families achieve personal and economic independence.

What's more, it is substantially below the level of assistance specified in the Illinois Public Assistance Code itself.

IV

ADC Pattern: Homes Without Fathers

The ADC mother must be mother and father both.

More than 90 per cent (90.6) of the fathers in the ADC families studied were absent from the home. More than a third 38.2) had deserted their families. Another 36.8 per cent has never been married to the mother. In 61 per cent of the cases, the family did not even know where the father was.

In only 15 per cent of the cases had the father made an effort to return. Reuniting the family, the case analyst felt, was unlikely in all but 4.5 per cent of the families. The family had been broken up too sharply and too long to expect reconciliation to take place.

"Why do we have no father?" ADC children often ask. Mothers often face caseworkers with this one. Mothers of adolescent boys are concerned about their sons growing up in a female world. A few seek help from community resources in providing male leadership for their sons.

The downgrading of the role of the father in the family continues to be one of the serious aspects of ADC. During the earlier years of the ADC program most of the families were dependent because of the death or incapacity of the father. Now less than 11 per cent qualify for that reason. Today most families are in need because of desertion, unmarried parenthood, divorce or separation.

"Continuous absence from the home" is what it says on most ADC grants, which are made out in most cases in the name of the mother.

As it is now, the General Assistance Program in some states makes the family with an employable member (even though he cannot find work) ineligible. In others, assistance may be given to the family with an employable member only on a very temporary basis. Under such circumstances, as the Cook County study showed, the father who can't support his family tends to desert to make his children eligible for ADC.

Sometimes there is bitterness on the father's part, from the denial of his role; often hostility or lack of respect on the part of his children; often the father is grievously missed.

ADC fathers are poor risks as breadwinners. They, like the mothers, have had a poor education and have few marketable skills. They can get only marginal jobs. When there is a labor shortage, they work; when unemployment comes along, they are the first to lose their jobs. They are last to be hired and first to be fired. The steady decline in unskilled jobs in Cook County during the last few years hit this group of men hard. Because many of them are Negro, few kinds of jobs are open to them at best.

Although 44 per cent of the families had only one father, the majority had more than one. In 80 per cent of the families none of the fathers had ever been married to the mother. This decreases the chance of support for the children.

Only one of every 4 ADC families received support from any absent father in the year preceding May 1960.

The father, obviously, cannot be made to support the family if he can't be found. The study found that of the 91 per cent of the principal fathers who were absent, the whereabouts of 61 per cent were unknown. Thirty-one per cent had been ordered, or had agreed, to support, but only about a third of these contributed in April 1960. The fathers who agreed to support were more apt to contribute than those whom the court ordered to do so.

ADC is not the basic cause of family break-up. But it does put a premium on the fatherless family. In order for a child to be eligible for ADC he must be deprived of parental support because of death, incapacity, or absence. Many a father, as said before, is just plain absent. Often he takes pains to be absent so that his family may be eligible for ADC. This is such a case:

A father with 7 children had supported them well for a number of years. He was getting $100 a week working at a filling staiton, but when a new highway destroyed the filling station he lost his job. All his efforts to get work elsewhere failed because of his age and his race. Unable to support his family, he deserted — and the family became eligible for ADC. His wife believes he left Illinois to find work in another state. The family hopes he will send for them when he finds work. Meanwhile, his 3-year-old daughter cries herself to sleep each night, clutching his picture.

The question is: Will this father return, or send for his family, when he is able to support them? Will other ADC fathers return, and support their children when they are financially able? During the two war periods many fathers returned to their families when they were able to resume support. With regular, and sometimes even good pay, in the service and in war industry, they returned in large numbers. Caseloads fell sharply during World War II and the Korean War. If this is typical, the implications at this time for increasing job opportunities and expanding job training are tremendous.

Lack of jobs also makes it impossible for fathers of ADC children to marry the mothers, who would thereby lose ADC. A number of ADC mothers reported that the only reason they did not marry the fathers was that the fathers could not support the family. In some cases married ADC mothers said they had asked the father to leave because he could not earn enough.

Study staff stresses the point of such tragic findings: Aid to Dependent Children should cover all children in need, regardless of the status of their parents. Is a family less or more needy if both parents are in the home, the father unemployed or ill or incapacitated? A generation of children brought up without fathers has a stark prospect for happiness or useful citizenship.

V

ADC Has Done Only Part of Its Job

ADC was started in 1935 "for the purpose of encouraging the care of dependent children in their own homes." It also intended "to help maintain and strengthen family life and to help . . . parents . . . attain the maximum self-support and personal independency. . ."

It has done one job but not the other.

It has kept children in their own homes, with one parent or other close relative, rather than sending them to institutions. It has protected them from want. To this extent, over the past 25 years it has preserved and strengthened family life for countless families. This itself is one of the great achievements of our time. But it is not enough.

In 1956 the Congress amended the ADC part of the Social Security Act, encouraging the states to include family-strengthening and rehabilitating services, and providing federal matching-money to make some of this possible. Firsthand inquiry in Illinois and many other states shows few who have moved in this direction.

ADC's primary emphasis has been to provide the barest necessities of life for those who qualify. The limited, overworked, and shifting staff in public welfare agencies has been preoccupied with determining eligibility and making assistance payments. Little attention has been given to the underlying problems which make the family dependent and which may keep the family dependent even into a second generation.

This report calls for more positive leadership by the U. S. Department of Health, Education and Welfare in getting ADC families back on their own feet. It says the Federal government should make a rehabilitation program mandatory, and points out that aside from the human salvage the ultimate financial savings in a program now costing over one billion dollars a year nationally would justify such emphasis.

"Increased appropriations for ADC and related programs are essential right now," the report's recommendation reads.

Without more public funds to spend on rehabilitating and strengthening the family, ADC will continue to do only part of its job and will struggle along with the serious defects this report underlines. For example:

Focusing primarily on eligibility, because of public suspicion and pressure, ADC staff does little about the cause of dependency beyond jotting down the cause of the crisis that caused the family to apply for aid.

The problems that cause dependency, preventing the family from becoming self-supporting, are not identified.

Intake process is so slow and complicated that families already damaged are often further damaged by the long delay.

The ADC grant, when finally made, is usually so inadequate as to create serious emotional stress in addition to malnutrition and other health problems.

Other community services, both public and voluntary, which together could give maximum help to ADC families, are insufficient or inadequately used in Cook County and in more than a few other areas. No public welfare department can do the entire ADC job alone.

Mothers in ADC families are being required, without regard for state policy, to accept work outside the home, weakening, rather than strengthening family life. State policy requires a mother to accept outside employment (if she can get it) only if she is physically, mentally, and emotionally able; can find a suitable job within a reasonable distance from her home; and is not needed in the home to care for her children. In actual practice, this policy is ignored except for making sure the mother is physically able to work. In most instances covered in this study, no thought was given as to whether there were any arrangements, suitable or otherwise, for the care of the children.

The budgeting policy in relation to working members of the family has either destroyed the incentive to work, or it has caused family friction. This has been especially true in the case of older children who have not been permitted to retain a fair share of their earnings and who often, therefore, leave the family.

The practice, instituted in recent years in many of the metropolitan areas, of having special investigative units hound the ADC family by surprise midnight visits to ferret out presumed fraud is threatening and often damaging.

There are two reasons for this harmful practice: The casework staff does not have time or opportunity to learn enough about its cases. The other reason is the suspicion of the presence of a father or "acting" father who, although he may have no ability to support the family, isn't supposed to be present in a "dependent" family.

This kind of police action — knocking at the door in the middle of the night, flashing a light into startled faces — naturally stirs up resentment against the welfare department.

It spoils any chance of a good casework relationship that could lead to rehabilitation of the family.

ADC has not been a static program. Congress has amended it through more realistic provisions a number of times. However, the lag in adapting the ADC program to new knowledge and to changing social, economic, and other conditions has been greater than in the social insurances or in the other categories of public assistance. It must be breached if ADC families are to become independent rather than submerged into a class dependent one generation after another.

It is the conviction of those who made the ADC study in Cook County that much greater strengths exist in ADC families than is generally realized. These strengths can be built upon.

A comprehensive public family welfare program, instead of piecemeal provisions, could be built out of what we now know. It must be geared to the needs of the whole family and to the restoration of its independence.

VI

Almost Half of ADC Families Could Regain Independence

Forty-six per cent of Cook County's ADC families could become self-supporting within a "reasonable length of time." This is a surprising and reassuring finding.

More than half — 52 per cent — have little chance to become self-supporting within a reasonable period of time, but the family can be strengthened sufficiently to give the children a good chance to become self-supporting.

Consider the 46 per cent who can get on their feet:

These families have many strong points. They have health, good family relationships, a fair amount of education, and the strong desire to become self-supporting. What kinds of help do they need from the ADC program?

They need vocational training, in some cases short-term; satisfactory day care for their children; medical or dental care to correct conditions that keep them from working. They also need more flexible arrangements from the ADC administration that might make it possible for them to become partially self-supporting.

The 46 per cent breaks down like this: Two-fifths of the mothers need training in some marketable skill; 9 families out of 10 need day care for the children. In many cases the mother could go out to earn partial support if she knew that ADC would add to the budget (from which her earnings would be subtracted) the cost of the day care, clothes to wear to work, and busfare.

Then there is a whole range of cases where a little flexibility in the terms of ADC support could bring about partial or complete self-support.

Take the case of Mrs. B, a widow with 3 children by her former husband and 3 others by the man with whom she has had a stable relationship over a number of years. The couple wants to marry, but the man's earnings, which could almost cover his 3 children, can't be stretched to cover all 6 — without ADC. They described their problem to the caseworker: If the father's income could support the mother and his 3 children, and if he could pay at least five-eighths of the rent, couldn't they marry and get ADC to cover the other 3 children and the rest of the rent? The answer was NO. This arrangement, which would have taken 3 children and a mother off ADC rolls — and, more important, would have provided a stable home without the stigma of illegitimacy was refused. There was no marriage and the 6 children, 3 of them handicapped by their illegitimate status, remain on ADC.

Another kind of case is that of Mrs. C, with 4 children, whose mother would come to care for the children if Mrs. C could get work to maintain them all. Mrs. C would be able to get work that would support the family if she had tuition money for a final semester of commercial training. ADC regulations, however, could not be bent to make this possible. So Mrs. C and her 4 remain dependent, on the rolls.

"Rehabilitation" for these families means many things: It means helping families to identify and resolve their problems, so that they may become independent, wholly or partially, or financial aid. This may be treating their physical or emotional ills; helping reunit a family; helping parents to be petter parents; helping a morther go to work when she is free to do so, as well as helping a mother who shouldn't go to work understand why she must stay home with her children and remain on ADC.

What about the 52 per cent who "have little chance to become self-supporting within a reasonable period of time?" With this group the long-range goals for the children must be the main consideration.

Here there are more weaknesses than strengths: long-term, chronic illnesses; mental retardation or mental disorder; illiteracy or meager education that makes the mother unemployable; lack of work experience or skill.

Even in this 52 per cent, however, certain kinds of services could help preserve family unity and could solve some problems by building on such strengths as there are.

There are, however, no quick and easy solutions. Many ADC families have suffered damaging experiences which will take time to overcome. Even if there were ample day-care facilities, and all of the mothers had good health and work skills, ADC would have to be continued for many families, as has been recognized by the federal and state acts.

A few ADC families can become independent very soon. Many will require months or years. Many others will not achieve self-support before their children are grown. Others may not achieve financial independence within this generation. The long-range goals for the children must be the main consideration.

The children, study staff emphasizes repeatedly in this report, are the most important source of strength for whom the ADC family life must be strengthened. They are the ones for whom ADC was written into law 25 years ago, and for whom the 1956 amendments stressed supplementary rehabilitation and strengthening services. It is not too late to help them.

VII

Pilot Projects That Helped Rehabilitate ADC Families

It is true in Cook County, as elsewhere, that a harrassed administration (driven by a hostile public) and overworked staff has had to limit its efforts to the necessity of determining eligibility. There has been little, if any, time to identify ADC families' problems other than financial need and, to some extent, medical care.

It is not true, however, that ADC administrators and staff have not thought about these problems. Some valuable demonstration experiments have been carried on in Cook County, and in many other public assistance agencies across the country — from New York to California.

Fifty welfare departments have had marked success in helping ADC families become self-supporting. At the same time they have demonstrated that over-all costs can be reduced. These special projects, in the main, consist of better trained caseworkers under competent supervision with more manageable caseloads. In some instances, as in Cook County, one experimental project is staffed entirely with graduate social workers; and in one county — Marin, in California — the entire casework staff is fully trained. In Denver, Colorado, the Department of Welfare conducted a valuable experiment in "incentive budgeting," in which working members of the family were permitted to retain a more reasonable proportion of their earnings.

In Cook County there are four special projects for rehabilitation, two on a continuing basis — the Welfare Rehabilitation Service and the Intensive Casework Service; and two which are experimental — the Rockwell Gardens Project and the Kenwood ADC Rehabilitation Project.

The Welfare Rehabilitation Service provides vocational guidance, job training and placement for recipients of public assistance. Its primary purposes are to help recipients become employable, and to help them get jobs through which they can become partially or entirely independent of public aid. Almost 500 relief recipients are given this "sheltered workshop" experience — in machine shop practice, nurse's aide training, and other fields including clerical work. The Service also helps find jobs for those who, after some training, are shown to be employable.

The Intensive Casework Service, which has functioned since July 1958, provides professional casework to a limited number of families with children who have serious problems of family

disorganization, or other complex problems requiring specialized diagnosis and treatment. It includes services to unmarried mothers under 16 years of age, and to some few selected others. The staff is composed of 18 trained social workers, with average caseloads of 20, plus 8 consultants and an overall supervisor. The most complicated problem cases are referred to them as a specialized resource.

The Intensive Casework Service has demonstrated its value. It has assisted in the rehabilitation of some families and has prevented further deterioration of others. It has established an important link between the department and other organized resources in the community, both public and private. It has demonstrated to others in the department how to get the cooperation of community agencies to help families in trouble. Furthermore, it has shown how outside community resources can be used effectively in behalf of ADC families.

The Rockwell Gardens Project is a demonstration in a new public housing development. It serves all public assistance applicants and recipients living in the housing project. It reduces caseloads to 50 per worker. It is staffed by a project director, a supervising caseworker and 5 experienced caseworkers. Its purpose is to determine the extent to which reduced caseloads under professional supervision, fully using other agency and outside community resources, can reduce the period of dependency and strengthen family life.

The project started in April 1960. It already has proved the effectiveness of smaller, more manageable caseloads under skilled professional supervision, even when untrained but experienced caseworkers are used.

The Kenwood ADC Rehabilitation Project is a special unit within the Kenwood district office where the average caseload per workers is 50 ADC cases. The primary purpose is to determine the effect of reduced caseloads and concentrated efforts on getting ADC mothers into self-supporting employment, and on bringing separated parents back together. It was begun in April 1960.

The Kenwood project, in the opinion of this study's staff, is of questionable value as it is now conducted. It stresses the closing of cases through employment of the ADC mothers without adequate consideration of all the factors in the situation, as required by state policy. A firsthand evaluation of this project

revealed cases closed by forcing the mother into employment against her will and before she has been able to make adequate arrangements for the care of her child. It also found cases closed where the arrangements for child care are not satisfactory or do not meet the state's standards for day care, or where the mother has not been able to secure a job.

Such overemphasis on closing of cases may result in some immediate savings to the department; but the way it is accomplished can be damaging to the family, and can result in return to dependency for a longer period of time, more costly all around.

VIII

Twelve Cities Tell Same Story

Chicago is not unique. Its experience with ADC is basically the same as that of our other large cities.

Twelve areas were studied: Baltimore, Cleveland (Cuyanhoga County), Detroit (Wayne County), Houston (Harris County), Indianapolis (Marion County), Los Angeles, Newark (Essex County), New York, Philadelphia, Pittsburgh (Allegheny County), St. Louis and Washington, D. C.

All have been experiencing an increase in the number of ADC families, individuals and costs similar to that in Cook County. The number of persons and number of families on ADC have been increasing almost continuously since the early 1940's and the cost of the program (including the cost of living) has risen at an even higher rate. Families throughout the United States have grown larger too.

Ironically, children on ADC are, to a large degree, the victims of our economic progress. Automation in industry has been the main reason for the increased number of families needing ADC since the Korean War. Automation has increased the productivity of the nation, but has created chronic unemployment among unskilled workers and semi-skilled machine operators. New York City is an exception; not highly industrialized but highly diversified, it experienced a decrease in ADC families in 1959 which has continued into 1960. In the other cities, more highly industrialized, the number of ADC families continued to rise. In Cook County automation in the steel industry, reduction in meat processing operations, and the closing of a farm implement plant made a sharp cut in the market for unskilled labor.

Unemployment, with little hope for change, increases family tensions, leads to family breakdown — particularly desertion by the non-earning husband. Among the least educated and most unskilled, it means postponement of marriage, even after children are born. More and more children are deprived of the support of one or both parents.

Mobility within the labor market also affects ADC. Families from southern farms, Mexico, Puerto Rico and the Appalachian Mountain states are drawn to large metropolitan areas during periods of labor shortage. They come in response to a demand from industry. They are separated from their family background and their familiar home towns and neighborhoods; the city is strange and unfriendly.

When the labor shortage passes, they are the first to lose their jobs because they do not have skills or seniority. Other jobs are scarce, and the competition is severe for such as there are. The few relatives near at hand are in no position to give them temporary support. They do not want to return to the tenant farms, the mountain ridges, and the poverty from which they came.

Frustrated in job-hunting, with money and credit exhausted, they must have help. The father frequently leaves the family to seek work elsewhere. In many cases he fails to return or to send for his family.

The pattern of change, however, is strikingly similar throughout the country. There are other similarities. Most of the cities — excluding suburban areas — have experienced a decrease in white population since 1950, as has Chicago. At the same time all have a large increase in Negro population, or Negro plus Puerto Rican or Mexican or both.

The majority of ADC recipients, as in Cook County, are non-white, or, in some cities, non-white and Spanish-speaking. Except for Pittsburgh, the non-white and Spanish-speaking ADC families in those cities reporting race were between 89 and 90 per cent. There is one common reason for this: Negro and Spanish-speaking adults are often in lower paid positions, for which unemployment compensation, if any, is usually insufficient to cover needs.

Often, too, they are employed by non-profit organizations, such as hospitals, not covered by unemployment compensation. Recent migrants frequently have failed to qualify for either unemployment compensation or social security. Thus, ADC picks up the tab.

A sharp increase in illegitimate births, particularly among the Negro and Spanish-speaking populations, is common to all cities. (However, the number of illegitimate births has also increased in the white population, and since illegitimacy is often hidden among white middle class groups, it is doubtless still greater than the increase recorded. In Houston, for example, illegitimate births in the white population have increased at a rate almost identical to that of the Negro population.)

Information on the number of illegitimate children on ADC rolls was available from nine areas, including Cook County, for either 1958 or 1959. It ranged from a low of 20 per cent in Pittsburgh to a high of 45 per cent in Cook County with most areas varying between 38 and 41 per cent. Percentages, however, cannot be compared precisely, since the definition of illegitimacy differs under state laws.

The problem of illegitimacy and of illegitimate children on ADC rolls is much more than a problem of moral concern. It is a problem of children growing up in fatherless homes, without the legal rights which adhere to a legitimate child. As in Cook County, the public attitude, stemming from lack of understanding, unbalanced or incomplete information, adds to the problem. The public seems to be more concerned with the morality of the mother than with the needs and welfare of the dependent child.

All cities appear to be having similar problems of administering the ADC program. Staff turnover is high. Salary rates do not compare to similar positions requiring similar training and experience. Training of staff is a major concern in all cities, and several are experimenting with various ways of staff development.

Like Cook County, state and county departments all over the country are studying, analyzing, re-examining. They are concerned about the rising rate of dependency and illegitimacy, and trying to find new and better ways to attack the problem constructively.

IX

What's Wrong with ADC in Cook County

The ADC program in Cook County is the second largest in the United States. It keeps growing bigger, more costly, more complex. It is beset by lack of sufficient funds, staff, and services of its own and in other public and private agencies. Meanwhile migrants, low on education and training, pour into a rapidly shrinking market for unskilled and semi-skilled labor. Many of them face serious racial discrimination in employment and housing.*

Public pressures growing out of misunderstanding and misconceptions, as mentioned earlier, have caused one crash program after another in attempts to reduce the ADC caseload. Expensive, punitive and harmful measures to check eligibility have frequently been used. They have never accomplished their purpose. They have removed families from the caseload for a temporary net reduction, only to find them back on relief a few months later. In the process damage is done to helpless families and dependency is prolonged.

All of this has delayed the development of a more constructive program which could deal with the more deep-seated causes of dependency, and which could help families realize their rehabilitation potential in much greater numbers and much earlier. The director of the department realizes the value of such a program, however, and has initiated several experimental projects which were described in Chapter VII.

The information in this part of the study was gathered from the samples of some 1,500 active, closed, rejected and newly authorized ADC cases; from case records, home visits, interviews on specific cases with supervisory and operating personnel in all district offices to ascertain specific policies and practices, interviews with executive and administrative personnel of the Central Administrative Office, interviews with executives of certain voluntary agencies in the community; and from a detailed review and analysis of systems, procedures, forms and field and office activities.

The Public Assistance Code of Illinois, by which ADC operates, is a comparatively good one. It declares that "the principal aim in providing assistance and services shall be to aid

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*The 1961 Illinois Legislature passed Fair Employment Practices legislation.

those persons who can be so helped to become self-supporting or to attain self-care." It emphasizes the "maintenance . . . and strengthening of the family unit."

The study found that the Department of Public Aid is most thorough in determining eligibility. It disregards state policy, however, in denying ADC to some needy eligible families, in removing some clearly eligible families from the ADC rolls, and in not fully supporting the ADC applicant's or recipient's legal right to appeal from a clearly unfair or misunderstood rejection of assistance.

It brought out these facts about Cook County:

- Less than 2 per cent of families receiving ADC were ineligible or suspected of being ineligible.
- In 82 per cent of the rejected cases the reason given for rejection was invalid or was questionable. Here are some typical examples of closing or rejections:

Employable. A mother with three children — 15, 16, and 17, was rejected as presumably "employable" (contrary to policy on working mothers). . . . An older son returned home and was declared "employable." Assistance stopped and the son left home. Within two months the family was back on ADC

Could earn more. A mother with five children was earning $155 a month. Budgeted family needs were $168. Case closed on the assumption that the mother could earn more, although there was no evidence to that effect.

Failure to cooperate. A mother with 3 legitimate children gave birth to an illegitimate child. She did not request assistance for this child and refused to name the putative father. The 3 other children were denied assistance with the notation that the mother failed to cooperate.

Hidden father? A man's jacket was found in the closet. The mother maintained that it was the dead father's jacket but could not convince the worker that this was so. Case was closed.

Failure to establish need. A grandmother who had supported the family discontinued support. Although she is not legally responsible for the 5 grandchildren, the case was rejected.

- A low-earning father, unable to get enough General Assistance to make ends meet, may desert his family so it can be eligible for ADC.
- In Cook County, General Assistance, supposed to be available to needy families not eligible for ADC, or to provide emergency aid while ADC eligibility is being established, is hard to come by. Families with employable members, especially those with both a mother and a father, find it hard to get help beyond food and milk.
- A father, in some cases, does not marry the mother of his child because then — as the employable father — he would find

it hard, if not impossible, to get sufficient General Assistance to support the family. This means more illegitimacy.

• The policy concerning requiring mothers to work is often by-passed. Present policy requires mothers to work who are "physically, mentally and emotionally able to work, not needed in the home to give care and supervision to the children . . . and for whom . . . suitable employment is available in the community."

• Many mothers are being denied or cut off from ADC rolls peremptorily, without evidence that they can get the necessary work or arrange for their children's care.

• Day care for ADC children is almost impossible to get. They are no public day-care facilities for Cook County. Licensed non-profit day-care centers, can accommodate only some 1,800 children. Other day-care facilities are too costly and few of them are located anywhere near the areas where most ADC families live.*

• The intake process is inefficient, bewildering, and complicated. The office atmosphere is often forbidding, authoritarian, and frightening to the ADC applicant. Study staff found a number of instances of individual caseworkers who were concerned and helpful, spending off-work time and their own money to help their cases. But examples of negative or punishing attitudes were more numerous. In some cases the ADC recipient was actually afraid of the caseworkers.

• Civil rights of ADC families are violated. Public pressure to cut ADC expense, resulting from suspicion of fraud, has resulted in Cook County in highhanded methods.

A "special investigation unit" knocks at the ADC family's door at midnight, flashing a light in the startled mother's face, its purpose to ferret out fraud — seeking a "father"not supposed to be there.

This is one example of such a surprise visit to a family consisting of a mother, teen-age son and younger daughter.

Mother and daughter sleep in the combination living room, dining room and bedroom; son in a small converted closet off the bedroom. One night they were awakened at 3 in the morning by loud knocking at their door. The son went to the door, which opened into the bedroom occupied by the mother and daughter. Two men pushed past him without identifying themselves as investigators from the Department of Public Aid, and said they were looking for the father who was reported to have returned home. Without apology they left, but returned several weeks later at one in the morning, repeating the same performance, again without finding their man.

*The 1961 Illinois Legislature appropriated funds for 3 demonstration day care centers to be operated co-operatively with private agencies.

In another case the mother complained of the special investigator arriving one evening while she was taking a bath.

He pushed past her 9-year-old daughter who answered the door, looked in the bedroom, all closets and the bathroom searching for a man or evidence of male occupancy. He had no warrant. He did find a suit in a closet belonging to the mother's boy friend, who visited her on weekends and about whom the department had been fully informed. Nevertheless, assistance was discontinued on the assumption a man was living full-time with the family and they should look to him for support — support which the boy friend could not provide. The mother and daughter appeared destitute and malnourished at the time of the interview.

This study found no evidence that this method had any deterrent effect and the Department could give the study director no list of ADC cases discontinued as a result of such investigation.

X

How To Strengthen ADC In County, State, and Nation

The essential kernel of this report's recommendations is summed up like this:

"The administration, operations and philosophy governing ADC in Cook County should be reoriented to the needs and welfare of the child, rather than to the behavior of its parents. . . . The ultimate objective of helping the ADC children develop their maximum capacities must be kept in mind. The extent to which a positive and constructive program is instituted will determine the kind of future citizens these children will become."

Twenty-five years after a program called "Aid to Dependent Children" was launched, hailed by all as a great step forward in social progress, this fundamental reason for its existence needs to be shouted from the housetops. In the midst of the clamor for checking eligibility, the necessary first step so that public funds will not be wasted or misspent, the really constructive role of ADC has been lost sight of.

Broken into its parts, this all-embracing recommendation covers certain "musts."

For Cook County

1. *Public welfare services must be geared to the specific problems, strengths and weaknesses of individual families.* Some ADC families should be helped to achieve economic or personal independence, while for others a better life is the main goal. For some families the most constructive plan is to keep them on ADC as long as they remain eligible, as intended by the state and federal statutes, and to help the mother plan for her eventual self-support when the children are past ADC age.

Such rehabilitative services, especially social casework, can be provided by the county department itself. Other specialized, rehabilitative services are needed from other public and voluntary community resources.

2. *Eligible families must not be rejected.* It is as important for the responsible officials of the department to make certain that eligible families are given assistance as it is to see that ineligible families are not given aid.

3. *Nocturnal surprise visits by special investigation units must be discontinued.* This destructive method has no place in a public welfare program. Eligibility can be established and confirmed by other means.

4. *Budget standards should be raised to cover living costs.** Budgets should meet the provisions of the Illinois Public As-

sistance Code for a "reasonable subsistence compatible with health and well-being," and as an aid to rehabilitation. Expenses for working members of the family should be more realistically budgeted. Specific family needs should be met.

5. *Specialized services should be drawn on.* More use should be made of specialized services both within and outside the Department of Public Aid to help resolve problems with which the caseworker is unable to deal, such as diagnosis and treatment; marital counseling; vocational guidance, training and placement; vocational rehabilitation; adult education; psychological services.

6. *Policy on working mothers should be reconsidered.* The basic intent of the ADC provisions of the Social Security Act is to keep mothers in the home to care for their children. Any other plan for the family must make certain the present and future interests of the child are fully safeguarded. Some mothers can work outside the home without neglecting their children; others cannot.

It is also imperative that after-school plans for the older children of working mothers be satisfactory, or the cost to the community in personality disorders, in delinquency and in illegitimacy will continue to increase.

7. *Cook County should experiment with special budget allowances to provide incentives for employable adult family members to work.*

8. *Intake process should be revised and simplified.* The intake, application and elegibility process should be staffed by the most experienced and competent personnel in the department. An atmosphere of helpfulness and understanding should prevail, and enough time should be given each applicant to gain an understanding of her problems and needs.

9. *Specialized ADC caseloads should be established.*

10. *Group counseling should be provided ADC mothers,* but not as a substitute for individual casework.

11. *Size of ADC caseloads should be geared to service required.* Caseloads not exceeding 80 with complicated problems should be assigned to experienced caseworkers who have completed graduate training; of 60 for families with less complicated problems assigned to caseworkers with at least one year of graduate training; of about 100 for those with few problems except the need for financial assistance assigned to caseworkers with a minimum of one year of successful experience.

12. *The caseworker's mountain of paper work should be cut down.*

*Standards up to 1959 prices became effective October 1, 1961.

On State Level

Recommendations for ADC in Illinois are outlined here for their possible value to other states, equally troubled by the failure of the Aid to Dependent Children program.

1. *Public-welfare services should put into effect the 1956 ADC Amendments, to the Social Security Act stressing rehabilitation.* The Illinois Public Aid Commission should make specific, and *mandatory* on the counties, the rehabilitative services to be provided ADC families. Restoring families to self-support will cost less in the long run. Extra personnel, adequate budget standards, training and other staff development measures, and the necessary salary revisions should be authorized.**

2. *Budget standards should be based on today, not 17 years ago.** They should provide for "decent and healthful standards of living," as the Illinois Public Assistance Code specifies. Allowances for working members of the family should reflect actual costs of working. Older children who go to work should be allowed to keep a fair share of their earnings.

3. *Preventive medical and dental care should be provided.*

4. *Full use should be made of federal matching funds.* At present Chicago and the State, while checking ADC applications for eligibility, are spending millions of dollars in General Assistance, without matching federal funds, on temporary aid to families in need. This aid could be granted from ADC funds, on evidence of presumptive eligibility, and if eligibility is not proved, charged instead against General Assistance.***

5. *Proof of eligibility should be speeded up.*

On National Level

1. *Federal assistance should be given to all children equally.* Children can be just as hungry and deprived in the state of Alabama as in the state of Washington. They need food, clothes, medical attention, school supplies, bus fare. Yet ADC budgets vary as much as one-fifth between states.

2. *Extra earning should be encouraged rather than penalized.*

3. *Unemployed fathers should be considered needy persons too.* A father, unemployed or unable to earn enough to support his family, should not have to desert them in order that they

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*Illinois state standards have been brought up to 1959 prices for all requirements—clothing, personal incidentals, and additional items for children attending school have been added. These became effective October 1, 1961.
**Salaries were increased in 1961.
***By administrative action the Illinois Public Aid Commission is making use of federal matching funds through "presumptive eligible."

may get ADC. The Greenleigh report recommends an ADC program that includes the unemployed father.*

The absence or incapacity of a parent should be removed as an eligibility requirement.

4. *Quality and training of public welfare administrators, supervisors, and caseworkers must be improved.* In Cook County each caseworker is responsible for spending some $200,000 a year of public funds. Most caseworkers have had no professional education, and few have had much experience in determining eligibility and providing financial assistance. Few have any skills in giving the services for prevention and rehabilitation Congress intended in the 1956 amendments.

It is urged that the January 1960 recommendations of the National Advisory Council on Public Assistance be supported. The Council recommended that the qualifications and numbers of personnel in public assistance throughout the United States should be raised; that 100 per cent federal funds be made available to the states and to accredited schools of social work for training public welfare personnel in the needed specialties, as is provided by federal funds in other specialized fields; and that states should establish such salary levels for public welfare personnel as are necessary to obtain and retain the competent personnel needed for the welfare services program.

7. *State residence requirements for public assistance should be dropped.* Residence requirements, which cause much hardship by excluding from aid needy persons otherwise eligible, should be dropped in Illinois as in every other state that has them. (There are only 9 states without such requirements.) They are part of a national crazy quilt pattern that is bewildering and archaic. Also there is no evidence — in Cook County or elsewhere — that they prevent people from moving, nor that people move to get aid.

Residence requirements grow out of the old English Poor Laws, and are completely out of place in our industrial society which requires a large and mobile labor force. The Federal government should agree to participate financially *only* in public assistance programs which are open to all individuals otherwise eligible.

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*Since this study report was made the Federal government temporarily has extended ADC to apply to homes of unemployed fathers. Illinois was one of the first states to take advantage of "ADC-U." It enacted legislation to implement the program which went into effect May 1, 1961. All states, including some with tremendous numbers of unemployed, have not availed themselves of this legislation.

XI

Some Answers, Some Questions, Some Clues to Deeper Answers

These positive answers emerge, in summary, from this study:

• ADC, through the 25 years of its existence, has helped Cook County children numbering hundreds of thousands — currently numbering some 81,000 — who are doubly disadvantaged by the loss of support and by the death, incapacity or absence of one or both parents.

• ADC has proved a vital force in keeping remnants of families together, in making it possible for children to be brought up in their own homes with at least one parent or relative rather than in a foster home or an institution.

• ADC, by maintaining the child in his own home, costs the taxpayers much less than would foster home or institutional care.

• ADC has made it possible for needy children to grow into self-supporting, useful adults now a part of the general community life.

• A high proportion of ADC mothers — surprisingly high to this study staff — could be, and want to be, self-supporting. All they need is a certain amount of help.

• Most ADC mothers are good mothers. Most are concerned about their children's future.

• Juvenile delinquency is "startlingly low" among ADC children.

• ADC children are a "good educational risk," more than half of them keeping up with their classmates. Their IQ tests are "average." Less than one-fifth of them are behavior problems in school.

The basic "Why" remains to be answered. "Why" dependency? What are its roots? "Why" so much illegitimacy, increasing in numbers?

These questions, beyond the scope of this study, need intensive investigation. This study sought light on the most pressing and immediate problems of ADC in Cook County. In the process it made limited studies of these deeper problems. These studies, while only scratching the surface, did uncover certain clues toward finding answers.

Why dependency? One common factor is the low economic level from which ADC parents come. Yet this does not explain dependency, since some ADC mothers have brothers and sisters who are not and never have been dependent. What makes one member of a family dependent but not others? Why do some families perpetuate dependency from generation to generation? Why do some families with very low income struggle along on their own when others can not?

To what extent is dependency due to personal defects—mental, emotional, physical; to unemployment or underemployment, to low wage rates? To what extent is it due to alcoholism, drug addiction, unmarried parenthood? How much does bad housing have to do with it? Discrimination?

Do social agency policies and practices prolong or shorten the period of dependency?

Why illegitimacy and its increase among ADC families? These are the figures:

Between 1950 and 1959 the number of illegitimate births recorded in Cook County increased 111 per cent. The rate of increase was higher among the Negro than the white population. Almost 70 per cent of the ADC families reported one or more illegitimate children. Numerically, it is estimated that of 81,000 children receiving ADC when this study was made, 52.9 per cent or 42,900 are illegitimate.

Some of the children born out of wedlock are likely to need ADC because there is apt to be no support from the fathers, and unmarried mothers may have less freedom to earn. There is also only a limited probability of adoption in the case of the Negro child.

By May 1960 illegitimacy had become the major factor of need in the ADC program in Cook County.

The staff interviewed at length 619 mothers whose youngest child was born out of wedlock. Findings discredited the commonly cited belief that ADC fosters and promotes illegitimacy, as well as the stereotype that Negro mothers accept illegitimacy as a way of life. ADC mothers, they found, do not have illegitimate children to get ADC benefits, because 90 per cent of the mothers did not want to have the child.

Specifically, of the 619 mothers interviewed, 552 did not want to have the baby. They suffered a great sense of guilt, and realized the extra handicap they were imposing on themselves and their children. Almost half had no information, or inadequate information, on how to prevent conception.

To many of these mothers, their husbands living—whereabouts unknown,—marriage to the new baby's father was impossible. In most cases they could not get support from the new father, a Negro with the typical job difficulty of his race, even if they could have married. To many of these women a man friend meant status, a little extra money, perhaps, to add to the minimum ADC budget, or the reassuring presence of a man in a home with children.

In only 10 per cent of the cases was the relationship a casual one. There appeared to be little promiscuity.

Once the illegitimate child is born, the Negro mother was found almost universally accepting and loving him as much as her other children. Even if she sought to have him adopted, her chances would be slim—1.5 per cent, in Cook County, as compared to 99 per cent of illegitimate white children adopted.

Conditions contributing to illegitimacy are family breakdown, resulting in divorce and desertion; poor education and lack of ability to get work; family migration in search of work; overcrowded, slum housing; racial discrimination; lack of knowledge about ways of preventing conception.

But what are its basic causes? To what extent is illegitimacy confined to the lowest income group, to certain minorities? Does it grow out of social, economic and emotional deprivation; out of discrimination in employment and housing and other areas of rejection? Is lack of educational opportunity a reason? Does it come from generally lowered moral standards due to the prevalent portrayal of sex in advertising, motion pictures, radio and television? Is it due to the diminishing influence of the home, the school, or the church?

To what extent is it a result of family breakdown, divorce, separation or desertion? Does the absence of the father, and the resultant loneliness of the mother, contribute? What is the effect of inadeqaute relief allowances, harmful agency practices, feelings of worthlessness or hopelessness, or hostile community attitudes?

What can be done to check illegitimacy and reverse the trend? Would competent casework help? Family life education? Specialized child welfare services?

In some other places, notably Sweden and Puerto Rico, comprehensive programs have been undertaken to combat this problem. What success have these measures met?

The study found this encouraging fact: Almost two-fifths (38.1 per cent) of the ADC mothers have no illegitimate chil-

dren, or they have an illegitimate child born a number of years ago and the problem has been resolved.

An additional 53.8 per cent need and want help in preventing unwanted pregnancies.

Remaining is the striking question of great current concern:

How do ADC children turn out? Whether a program is succeeding or failing depends on its product. ADC's product is the children who become adults. What about our grown-up ADC children? Are they self-maintaining, normal adults contributing to the welfare of the community, or are they, too, dependent? Have they been set apart, or do they feel set apart, from the rest of society? What is their health or emotional adjustment? How many are responsible adults raising their own families? How many are themselves mothers on ADC, and what could ADC have done to prevent this plight?

These are the key questions. The specialists making this Cook County study believe that the public — insufficiently informed and to a great extent misinformed about the ADC program as it is — should be given the answers. With more than one billion dollars of public funds involved across the nation, the intent of the Aid to Dependent Children program should be fulfilled.

The study report concludes:

By and large families receiving ADC have more strengths than weaknesses. The main strength is in their desire for help — a strong foundation on which to build. There are only a very few who do not need some help to become independent. On the other hand, few have many severe problems which will require intensive treatment.

Since the children are the reason ADC was established, let them be served, within their families, beyond subsistence alone. Give them the kind of help, according to their needs, that will let them grow into self-reliant, self-supporting adults — useful citizens of the community.

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Senator KERR. Mr. George J. Hecht.

STATEMENT OF GEORGE J. HECHT, CHAIRMAN, AMERICAN PARENTS COMMITTEE, INC.

Mr. HECHT. Mr. Senator, my name is George J. Hecht, and I am chairman of the American Parents Committee, Inc., as well as publisher of Parents' Magazine.

I am appearing here to represent the American Parents Committee, which is a nonpartisan, nonprofit organization working for Federal legislation on behalf of the Nation's 67 million children. Our officers, directors, and national council members are leading citizens throughout the United States concerned with the welfare of children.

Our committee endorses H.R. 10606 with some exceptions, for we believe it offers hope for improving care of our children. We wish to propose the following important changes and additions:

(1) H.R. 10606 provides for increases in the authorization for the grants for Federal aid for child welfare services as provided in section 521, title V of the Social Security Act. The increase in the authorization that is proposed is from $25 million to $50 million over a series of years.

Title V of the Social Security Act also provides for two other Federal grants-in-aid programs, namely, for maternal and child health service and another for crippled children's services. The authorizations for these two grant programs are now $25 million each. Because of the surging increase in child population of the United States during the past decade and the big increases that are surely coming through the next decade, the authorizations for these two additional programs for maternal and child health services and crippled children's services should likewise be increased from the present $25 to $50 million.

Dr. Martha Eliot, who is vice chairman of the American Parents Committee and is professor of maternal and child health emerita of the School of Public Health of Harvard University and the former Chief of the U.S. Children's Bureau, has drafted an amendment to this effect. The American Parents Committee heartily approves of the increase in the authorization for the child welfare service grant-in-aid program to the maximum of $50 million by 1969 and urges the adoption of Dr. Eliot's amendment to increase the authorization similarly for maternal and child health services.

(2) Dr. Eliot also proposes another amendment which the American Parents Committee also endorses. This other amendment is to provide a new program of grants to the States to enable the States to assist large cities of 100,000 population and over to extend and improve their maternal and child health and crippled children's services.

The authorization for appropriations for each purpose is to start with $10 million in the fiscal year 1963 and increase to $20 million in 1971. The American Parents Committee recommends that these amendments be either added to H.R. 10606 or, perhaps more appropriately, to S. 2273, sponsored by Senators Kerr and Hill and pending before this committee. I have a proposed draft of a bill incorporating the amendments that Dr. Eliot has proposed and which the American Parents Committee endorses here and I would like very much to have this draft put into the record.

Senator KERR. It may be put into the record.

(The proposed draft of a bill incorporating the amendments recommended by Dr. Eliot, which the American Parents Committee recommends be adopted as amendments to H.R. 10606 or S. 2273, follows:

A BILL To amend title V, parts 1 and 2, of the Social Security Act (1) to increase the amounts authorized for maternal and child health services and crippled children's services, especially in rural areas and areas of severe economic distress, and (2) to provide for grants to the States to enable them to assist their large cities in extending and improving their services for promoting the health of mothers and children and for medical and other services for children who are crippled or suffering from conditions which lead to crippling

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That parts 1 and 2 of title V of the Social Security Act are amended to read as follows:

"PART 1—MATERNAL AND CHILD HEALTH SERVICES

"SEC. 501. For the purpose (*a*) of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, *and (b) of enabling each State to determine its urban trends and problems in respect to the health of mothers and children, and enabling each State having one or more cities of 100,000 population or more (hereinafter referred to as large cities) to make grants to such cities proportional to the number of live births in such cities and to their financial and other need for assistance in providing services for promoting the health of mothers and children*, there is hereby authorized to be appropriated pursuant to section 501(*a*) for the fiscal years *ending June 30, 1963, and 1964, the sum of $30,000,000, for the fiscal years ending June 30, 1965, and 1966, the sum of $35,000,000, for the fiscal years ending June 30, 1967 and 1968, the sum of $40,000,000, for the fiscal years ending June 30, 1969 and 1970, the sum of $45,000,000, and for the fiscal year ending June 30, 1971, and for each fiscal year thereafter the sum of $50,000,000; and there is hereby authorized to be appropriated pursuant to section 501(b) for the fiscal years ending June 30, 1963 and 1964, the sum of $10,000,000, for the fiscal years ending June 30, 1965 and 1966, the sum of $12,500,000, for the fiscal years ending June 30, 1967 and 1968, the sum of $15,000,000, for the fiscal years ending June 30, 1969 and 1970, the sum of $17,500,000, and for the fiscal years ending June 30, 1971, and for each year thereafter the sum of $20,000,000.* The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for such services, *including specific plans for such services in large cities as provided in section 501(b).*

"SEC. 502. (a) Out of the sums appropriated pursuant to section 501(a) for each fiscal year beginning after June 30, *1962*, the Secretary shall allot *one-half* as follows: He shall allot to each State $70,000, and shall allot to each State such part of the remainder of *this one-half* as he finds that the number of live births in such State bore to the total number of live births in the United States in the latest calendar year for which the Secretary has available statistics.

"(b) Out of the sum appropriated pursuant to section 501(a) the Secretary shall allot to the States (in addition to the allotments made under subsecion 502(a) for each fiscal year beginning after June 30, *1962*, *one-half* as follows: Such sums shall be allotted from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of live births in such State; except that not more than 25 per centum of such sums shall be available for grants to State health agencies (administering or supervising the administration of a State plan approved under section 503), and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of maternal and child health.

"(c) Out of the sums appropriated pursuant to section 501(b) for each fiscal year beginning after June 30, 1962, the Secretary shall allot one-half as follows: He shall allot to each State $25,000, and shall allot each State having one or more large cities such part of the remainder of this one-half as he finds that the number of live births in the large cities in such State bore to the total number of live births in such cities in the United States in the latest calendar year for which the Secretary has available statistics.

"*(d) Out of the sums appropriated pursuant to section 501(b)* maternal and child health services, for each quarter, beginning with the quarter comencing July 1, 1962, amounts, which shall be used exclusively for carrying out the Stat plan, *including plans for large cities,* equal to one-half of the total sums expended *from allotments* available under subsections 502(a) *and 502(c)* during such quarter for carrying out such plan."

(Continue with appropriate minor amendments).

Operations of State plans (unchanged).

"PART 2.—SERVICES FOR CRIPPLED CHILDREN

"APPROPRIATION

"SECTION 511. For the purpose *(a)* of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, *and (b) of enabling each State to determine its urban trends and problems in respect to such services and care of crippled and handicapped children, and enabling each State having one or more large cities to make grants to such cities proportional to the number of children in such cities and to their financial and other need for assistance in providing such services and care,* there is hereby authorized to be appropriated pursuant to section 511*(a)* for the fiscal years *ending June 30, 1963 and 1964, the sum of $30,000,000, for the fiscal years ending June 30, 1965 and 1966, the sum of $35,000,000 for the fiscal years ending June 30, 1967 and 1968, the sum of $40,000,000, for the fiscal years ending June 30, 1969 and 1970, the sum of $45,000,000, and for the fiscal year ending June 30, 1971, and for each year thereafter the sum of $50,000,000; and there is hereby authorized to be appropriated pursuant to section 511(b) for the fiscal years 1963 and 1964, the sum of $10,000,000 for the fiscal years ending June 30, 1965 and 1966, the sum of $12,500,000, for the fiscal years ending June 30, 1967 and 1968, the sum of $15,000,000, for the fiscal years ending June 30, 1969 and 1970, the sum of $17,500,000, and for the fiscal years ending June 30, 1971, and for each fiscal year thereafter the sum of $20,000,000.* The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for such services, *including specific plans for such services in large cities as provided in* section 511(b).

"SEC. 512. *(a)* Out of the sums appropriated pursuant to section 511*(a)* for each fiscal year beginning after June 30, *1962*, the Secretary shall allot *one-half* as follows: He shall allot to each State $70,000, and shall allot the remainder of *this one-half* to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511*(a)* and the cost of furnishing such services to them.

"(b) Out of the sum appropriated pursuant to section 511*(a)* the Secretary shall allot to the States (in addition to the allotments made under subsection (a) for each fiscal year beginning after June 30, *1962, one-half* as follows: Such sums"

"(c) Out of the sums appropriated pursuant to section 511(b) for each fiscal year beginning after June 30, 1962, the Secretary shall allot one-half as follows: He shall allot to each State $25,000, and shall allot the remainder of this one-half to the States having one or more large cities according to the need of such cities in each State as determined by him after taking into consideration the number of crippled children in such cities in need of the services referred to in section 511(a) and the cost of furnishing such services to them.

"(d) Out of the sums appropriated pursuant to section 511(b) the Secretary shall allot to the States (in addition to the allotments made under subsection 512(c) for each fiscal year beginning after June 30, 1962, one-half as follows: Such sums shall be alloted from time to time according to the financial need of the large cities in each State for assistance in carrying out their part of the State plan, as determined by the Secretary after taking into consideration the number of crippled children in such cities in need of the services referred to in section 511(a) and the cost of furnishing such services to them; except that not more than 25 per centum of such sums shall be available for grants to State

agencies or large cities and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute specifically to the advancement of services for crippled children living in such cities."

"APPROVAL OF STATE PLANS

"SEC. 513. (a) A State plan for services for crippled children, *including special plans for such services in large cities*, must (1) provide for financial *participation by the large cities in respect of the purposes of section 511(b)*;"
(The remainder as at present.)

"PAYMENT TO STATES

"SEC. 514. (a) From the sums appropriated therefor and the allotments available under subsection 512(a) *and 512(c)*, the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning with the quarter commencing July 1, 1962, amounts which shall be used exclusively for carrying out the State plan, *including plans for large cities*, equal to one-half of the total sum expended during such quarter for carrying out such plan."

Mr. HECHT. (3), We want to endorse the position taken by Secretary Ribicoff when he recommended against the provisions of section 107(a) relating to "protective payments." I believe, as he stated, that—

the method incorporated in section 108 of the House bill provides safeguards which would assure fair treatment and protect the rights of the recipient families while also protecting the interest of the dependent children.

Let's not turn the clock back by adopting the language added by the House and again trying these methods which have been used in the past and found unsound.

(4) We also heartily endorse restoring in H.R. 10606 the provisions of the administration bill, H.R. 10032, relating to training of both public assistance and child welfare personnel. These include provisions for (1) an increase in Federal participation in training efforts by the State; (2) authorization for the Secretary of Health, Education, and Welfare to provide, either directly or through contracts or other arrangements, for the training of skilled staff to reduce dependence; and (3) authorization for grants for special projects, including traineeships, in the field of child welfare. The American Parents Committee believes that increased emphasis and encouragement to training of public welfare personnel is imperative if we are to achieve our goal of an improved public welfare program which will more effectively meet the problems and the needs of the 1960's.

(5) The increase in Federal matching added by the House to titles I, X, and XIV further aggravate an already untenable disparity. Without attempting to judge the desirability of this increase in Federal matching, we do not believe that any differences in cost of living or relative need can justify a formula which recognizes a maximum level of matching aid for the needy aged and disabled which is 2½ times higher than that authorized for needy children and their parents. We urge you to consider the matching formula in title IV with a view to eliminating or reducing this discriminatory policy toward families with children.

In connection with the aid to dependent children program, we wish to express this word of caution: There are many ADC families in which it is not desirable to get the mothers to work; but rather that the public policy should be that mothers of very young children should stay home with their children and ADC grants should be adequate enough to make this possible.

We urge your committee to take immediate action on H.R. 10606 so that States can begin at the earliest possible date to put this constructive program into effect.

Thank you.

Senator KERR. Thank you very much, Mr. Hecht.

That concludes the list of witnesses for today, and the committee will adjourn until 10 o'clock in the morning.

Thank you.

(Whereupon, at 3:05 p.m., the committee was recessed, to reconvene at 10 a.m., Wednesday, May 16, 1962.)

PUBLIC ASSISTANCE ACT OF 1962

WEDNESDAY, MAY 16, 1962

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to recess, at 10 a.m., in room 2221, New Senate Office Building, Senator Harry F. Byrd (chairman) presiding.

Present: Senators Byrd, Kerr, Long, Talmadge, and Hartke.

Also present: Elizabeth B. Springer, chief clerk.

The CHAIRMAN. The committee will come to order.

The first witness is Mr. Macon M. Berryman, commissioner of social welfare, Virgin Islands.

Take a seat.

STATEMENT OF MACON M. BERRYMAN, COMMISSIONER OF SOCIAL WELFARE OF THE VIRGIN ISLANDS OF THE UNITED STATES

Mr. BERRYMAN. Mr. Chairman and members of the committee, my name is Macon M. Berryman. I am the commissioner of social welfare of the Virgin Islands, which agency I am representing here today.

During the Danish administration of these islands, which ended in 1917, when they were purchased by the United States, aid to the poor and needy was provided by private citizens and through trust funds, administered by the Government.

Under both Danish and American administration, the Government has sponsored and demonstrated keen interest in providing financial assistance and other services to the poor and needy.

The Social Welfare Act of 1943 established for the first time a sound legal framework for social services in the islands, and provided for their development and direction on an insular-wide basis. Among other benefits, it established an acceptable legal base for extension to the islands of the several titles of the Federal social security program.

In 1935 when the Federal Social Security Act was enacted for our Nation, the Virgin Islands were not included in the program. As a result of long years of importuning, the child health and welfare title was extended in 1947, all the public assistance titles in 1950, and the old age and survivors insurance program in 1951. These programs have proved invaluable to our islands.

The 1960 Social Security Amendments provided for the establishment of a new Federal category of medical assistance for the aged.

The Virgin Islands program is restricted to a 50-percent matching formula while other low income States may receive 80 percent of their costs. Otherwise, this program operates on the same basis in the

islands as in the United States and has been most helpful in improving medical care and services to our older people.

The child health and welfare titles and all other health, education, and welfare programs operate in the Virgin Islands on exactly the same basis as in the United States and are doing a valuable job in their fields.

The public assistance program is invaluable in helping our local government provide assistance to needy persons. Unfortunately unlike the happy situation obtaining in OASDI and the other social security programs, special limitations have been placed upon this program as it applies in the Virgin Islands. These limitations have greatly hampered operations and reduced the good this program otherwise would have accomplished for our people.

The Virgin Islands government, through the department of social welfare, operates active programs in all the Federal public assistance categories, as well as a local category of general assistance, appropriating ever-increasing sums from our local treasury and thus gradually improving the inadequate assistance so far available.

Our local effort has been hampered by the several special unfavorable provisions of the Social Security Act which have applied to Federal participation in the Virgin Islands program.

These special provisions restrict Federal matching to one Federal dollar for each Virgin Islands dollar as compared with the variable formula applicable in the United States which matches four Federal dollars to each State dollar in approximately the first half of the grants, then dollar for dollar thereafter.

H.R. 10606 also continues lower individual maximums for Federal matching in the Virgin Islands, of $37.50 average monthly payment in the adult categories plus $7.50 vendor payment for medical care as compared with $70 plus $15 vendor payment for medical care in the United States, and of $18 per month in ADC as compared with $30 in the United States, and $18 for the Virgin Islands caretaker as compared with $30 in the United States. Matching for the Virgin Islands caretaker was added in 1956.

Included among the original special provisions in 1950 was an overall limitation of $160,000 for the total annual Federal participation in the assistance program of the Virgin Islands. This limitation was raised by the 1956, 1958, and 1960 amendments to $320,000 but $18,750 of this must be used only for medical care provided to recipients of old-age assistance.

The following chart shows the amount of local funds and the amount of Federal funds spent in the public assistance program. Support of the local general assistance category accounts for the greater expenditure of local funds.

It shows the limitation proposed of $330,000 in H.R. 10606 will be exceeded in 1963 by approximately $31,000.

The CHAIRMAN. The chart will be inserted in the record.

CHART A

Public assistance expenditure of local and Federal funds by years

Fiscal year	Local funds	Federal funds	Limitation of Federal participation
1951	$82,671.08	$52,480.70	$160,000
1952	130,151.79	92,078.84	....
1953	139,560.83	101,040.29	....
1954	136,482.42	107,653.77	....
1955	179,301.85	144,589.36	....
1956 [1]	224,614.36	160,000.00	160,000
1957	234,360.00	185,106.00	200,000
1958	233,369.73	182,108.91	....
1959	256,992.41	195,248.58	300,000
1960	272,212.45	216,116.23	....
1961	313,816.86	251,154.02	315,000
1962	376,332.00	298,000.00	320,000
1963 estimated	433,100.00	361,504.00	330,000
1964 estimated	480,000.00	400,000.00	330,000

[1] In 1956 local funds earned $173,640.64 of Federal funds but because of the overall limitation, only $160,000 was received. Unless the limitation in H.R. 10606 is further increased this unhappy situation will occur again in 1963 and subsequent years.

Mr. BERRYMAN. It also shows in 1936 we earned Federal funds in the amount of $173,000 but because of the Federal limitation we received only $160,000. Unless the limitation in H.R. 10606 is eliminated or further increased this unhappy situation will occur again in 1963 and in subsequent years.

Even though local appropriations have increased each year enabling improvement of our assistance standards, we are unable to provide a grant to meet basic minimum need for decent healthy living.

Our present standard provides only 60 percent of minimum food need, 30 percent of clothing need and questionable 63 percent of rent need.

The attached copy of low cost individual and family food plan—a study of food costs in the Virgin Islands—was made during August 1958. The items priced were mostly canned foods and food prices have increased considerably since this study was completed. Using the prices noted in this plan the minimum monthly food requirement and the amount of our allowance is as follows:

Chart B

Food	Minimum requirement	Month allowance
Adult	$26.00	$21.00 (70 cents a day; 23 cents a meal).
Adult living alone	28.00	$23.00 (77 cents a day; 22 cents a meal).
Infant under 6 years	19.45	$10.50 (35 cents a day; 12 cents a meal).
6 to 13 years	26.50	$15.00 (50 cents a day; 17 cents a meal).
13 to 18 years	33.00	$21.00 (70 cents a day; 23 cents a meal).

An extra 18 cents a day is provided when a physician prescribes a special diet for persons suffering from anemia, tuberculosis, malnutrition, and diabetes.

Laundry allowances for those too feeble to perform this service for themselves is $2 per month for a single person, with 50 cents per month added for each additional person in the family group.

	Minimum requirement	Monthly allowance
Clothing:		
Adult	$10.00	$4.00
Infants under 6 years	5.00	2.00
6 to 13 years	12.00	3.00
13 to 18 years	15.00	4.00
Shelter:		
1 to 2 persons	14.00	10.50
3 to 4 persons	17.00	14.00
5 to 6 persons	20.00	17.50
7 to 8 persons	23.00	21.00
9 and over	26.00	24.00

Rental rates are based upon the minimum rate available in Federal low income housing projects. Because of an extremely critical housing shortage, These rates are very inadequate as they do not apply to actual rents being charged by private property owners.

The average grant to cover all basic needs (food, clothing, shelter, and fuel) is below the national average in all Federal categories as follows:

Per person

	OAA	MAA	ADC	AB	AD
National average grant	68.78	192.90	31.28	74.57	70.46
Virgin Islands average grant	30.58	55.78	16.73	31.22	34.71

The Virgin Islands government was providing assistance to 1,284 persons on June 30, 1950. The Federal public assistance program was extended to the Virgin Islands on October 1, 1950, and by June 30, 1951, only 1,506 persons were receiving assistance.

Our caseloads over the years has remained fairly constant as noted on the following chart which attests to the fact that we run a sound, conservative program of public assistance. The U.S. Department of Health, Education, and Welfare, which supervises our program very carefully, will attest to this.

CHART C

Number of persons aided

Fiscal year	Federal categories				Local category GA	Total
	OAA	ADC	AB	AD		
1951	628	546	46	22	264	1,506
1952	674	715	45	20	280	1,734
1953	690	624	42	55	172	1,583
1954	679	571	37	79	98	1,464
1955	689	757	34	104	89	1,673
1956	669	821	30	101	125	1,746
1957	659	1,007	25	105	139	1,935
1958	620	785	21	103	128	1,657
1959	584	777	20	101	118	1,600
1960	581	922	19	107	107	1,716
1961	527	865	19	98	124	1,633
Estimated, 1962	550	1,075	20	110	150	1,905

Improvement in tourism has increased revenues of our local government and there is full employment for every person able to work.

Included in the work force are many mothers who should be at home to care for their children, but who prefer honest work to assistance. For these families a day-care program established in 1960, financed entirely by local funds, is of great assistance.

If a business recess develops and unemployment becomes prevalent, the present special limitations would deny us any Federal help whatever to meet the emergency demands which would arise.

In connection with the risk of a possible recession, from which danger no part of our Nation is totally secure, our tourist economy would respond disastrously to any serious recession which may afflict the mainland.

With the resulting decrease of local government revenues and without any improvement in Federal participation, we would be unable to meet the increased need that would result in a general increase in the caseloads.

In addition, our already inadequate funds would have to be stretched to provide for a larger number of needy people and thus force a reduction in already very inadequate assistance grants.

Unfortunately, living costs in the islands are high because everything must be imported, including most of what we eat and wear. An acute housing shortage has forced rents to higher levels for all families.

Higher rents have stimulated the construction of more houses for the rental market, and it is impossible for middle and low income families to find dwellings within their financial ability.

To meet the crisis, the local government has established an emergency housing program, constructing prefabricated buildings and renting through our Department to those families unable to find housing on their own or whose income make them ineligible for rentals in Federal housing projects.

On April 1, 1962, the Department was providing housing for 130 families (186 adults and 507 children). But we have on file 604 applications (representing 1,064 adults and 1,563 children) for housing under this program and sufficient housing to meet this need does not exist.

The existing low assistance rates make a tragic demand upon our human sympathies that we raise still more local money to improve the standards.

But we cannot make much headway if we must continue to function without the full Federal assistance provided to other jurisdictions. We need badly to improve our deplorably low assistance rates.

People forced to exist on 23 cents a meal suffer serious privations and become easy prey for ailments related to nutritional deficiency. This in turn increases the cost of medical care provided through our health department for which there is no Federal matching.

Actually the high living costs, the poor economy of our islands, and the low per capita income justify for the islands the benefits of the variable matching formula which accrues to low income States of the Union.

We feel that it would be just for the U.S. Government to make available to us all the money we so dearly earn since the present matching formula and the other special limitations have no relationship to the

needs of the assistance program or the population of the islands or any other significant factor.

Despite much inquiry we have been unable to find any formula or other basis for these special provisions which so greatly limit our ability to provide adequate assistance to the needy. Surely such special provisions should not exist which cut off Federal participation in a program at a point where the assistance rates are all lower than the national averages as noted on page 4.

And now I must point out another serious deprivation that these special provisions impose upon the Virgin Islands. The medical care provisions included in the 1956 public assistance amendments apply to the Virgin Islands, as elsewhere in the Nation.

However, we do not receive any Federal aid whatever in this area (except for a small amount earned on medicine prescriptions filled for public assistance clients).

We easily earn about $25,000 a year of Federal matching by the medical care presently provided through the Department of Health to assistance recipients, but because of the $320,000 limitation we have been unable to extend our program to include all assistance recipients.

MAA and OAA medical care established in 1961 have proven beneficial to our aged recipients. H.R. 10606 emphasizes and encourages the extension of medical and remedial care to persons receiving aid in the other Federal categories. If the $330,000 limitation is not raised we will not be able to take advantage of this provision and provide medical care to these needy people.

It is our earnest hope that the Congress will find it possible to eliminate the special dollar limitation to Federal participation in the assistance programs of the Virgin Islands, Puerto Rico, and Guam.

However, if this is not possible at this time, we urge that the special limitation be raised for the Virgin Islands from the $330,000 noted in H.R. 10606 to $500,000. We believe that this sum will permit and encourage, for the next several years, continued improvement in our assistance program.

Favorable action now by the Senate Finance Committee will correct the difficulty we face, which we believe it was not the intention of the House to impose upon us. We believe that the House was not aware of the great effort we are making to improve assistance to our needy people and did not realize that this special limitation would work such dire hardship on our program.

Through the years we have demonstrated management ability by keeping caseloads low and providing assistance only to the very needy. Extending the variable matching formula to the Virgin Islands as it now applies in the United States would assist us to further strengthen our program and help us raise assistance grants to meet minimum requirements for decent healthy living.

This in turn would help to strengthen family life and promote the well-being of our Nation as intended by the Social Security Act.

In closing I wish to express the deep appreciation of our Governor and of our people for the sympathetic understanding of our problems that your committee, and indeed the entire Congress, has demonstrated by the affirmative action you have taken on past social security and other legislation favorable to our people.

I appreciate personally your courtesy in providing me this opportunity to tell you our Virgin Islands story.

The CHAIRMAN. Thank you very much, Mr. Berryman.

Any questions?

Thank you very much, sir.

The next witness is Mr. William R. MacDougall of the National Association of County Officials.

Mr. MacDougall, Senator Kuchel was unable to be here to introduce you today so he requested me to put a letter in the record.

Mr. MACDOUGALL. Thank you, Mr. Chairman.

(The letter referred to follows:)

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
May 16, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I had hoped to personally appear before your committee to introduce my good friend, William R. MacDougall, general counsel and manager of the County Supervisors Association of California. Unfortunately, a meeting of my Appropriations Committee at the same time makes it impossible for me to do so and I respectfully request that this letter be entered in the record as an introduction of your witness.

Bill MacDougall for 12 years was associated with the public welfare program in California, in the office of the State controller, the State relief administration, and the State department of social welfare. For the past 16 years he has been the general counsel and manager of the County Supervisors Association of California. Thus, he has been in close touch with the public welfare program as it is administered on the county level. There are over 500,000 recipients of this assistance in my State.

Mr. MacDougall was a member of the Federal Public Assistance Advisory Council of 1959. He is presently secretary of the Welfare Committee of the National Association of County Officials and for the past 6 years has served as secretary of the western regional district of the association.

I have known Mr. MacDougall for in excess of 20 years and I consider him to be a capable and highly qualified spokesman for the supervisors of the State of California. I am delighted to present him to your committee as a witness.

Very sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

Senator LONG. Mr. MacDougall, is Mr. Dumas there in the room supporting your statement or is he here in some other capacity?

Mr. MACDOUGALL. Senator Long, I was about to remark he is here in the room to support our statement. As you know, he is the president of the Police Judiciary Association of the Parishes of Louisiana and he is here for that purpose and I am glad you see him in this room.

Senator LONG. If he is supporting your statement, I am very much impressed. He is one of the county officials in the parish where I come from and he probably saved me a lot of severe injuries in various stages of life because he kept me from playing football. I competed with him to be an end on a grammar school football team and I retired from that business in short order.

Mr. MACDOUGALL. He is now a national county figure.

STATEMENT OF WILLIAM R. MacDOUGALL, SECRETARY OF THE WELFARE COMMITTEE OF THE NATIONAL ASSOCIATION OF COUNTY OFFICIALS, AND GENERAL COUNSEL, COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA

Mr. MACDOUGALL. Mr. Chairman, and members of the committee, my name is William R. MacDougall, general counsel for the County Supervisors Association of California and secretary of the Welfare Committee of the National Association of County Officials.

The CHAIRMAN. Thank you very much, Mr. MacDougall.

Mr. MACDOUGALL. On behalf of both associations, I should like to express our appreciation for the opportunity to appear before you to testify on behalf of H.R. 10606, titled "Public Welfare Amendments of 1962."

Today there are few problems facing county government more pressing than welfare. County officials, as well as Senators, are extremely sensitive to concern expressed by our mutual constituents. This is certainly so when the concern relates to programs commanding such a high percentage of our budgets.

In 1957, the last year for which census figures are available, county government spent $1.1 billion on welfare programs. This amounted to 19 percent of our entire budgets. In most States our county welfare programs are interrelated with the Federal programs.

Consequently, we are required to abide by much Federal direction, guidance, and supervision. Understandably, we are very anxious to express our thoughts on this pending legislation.

There is nothing but sad news and a bleak outlook for those who dream of lower social welfare costs.

The so-called soaring sixties are liable to be exactly that with respect to public welfare programs and costs. There is no solace in the outlook for the next 10 years for those who would roll back the calendar to thrifty, dollar-a-day relief schedules of the 1930's.

The senior citizens' welfare program and all other welfare programs show every sign of going onward and upward from 1962 rather than backward and downward. Big welfare programs and big welfare costs are here to stay—this has been decided firmly by this Congress and the various State legislatures.

Those who view our public assistance and other welfare programs as a mammoth monster are going to have to wake up to the fact that the monster cannot be slain. It need not be fed, it need not be encouraged, it need not be fostered—at least by the Nation's counties.

In any event, the welfare monster is a big part of our future governmental lives. We must learn to live with it. We must learn to contain it within reasonable bounds. We must learn to train it. These things we can do.

Generally, then, one word characterizes what even a cracked crystal ball will reveal for our public welfare future. That word is "increases." Costs will increase. The number of recipients will increase. The scope of our programs will increase. The necessary staff of county departments will increase. Nonmoney services to recipients will increase, and Federal financing will and must increase.

Our great challenge in county government, as welfare administrators, is to guide the course of those increases, to see that they bring the fullest possible value for each taxpayer dollar, and to see that not $1 of assistance falls in the hands of those not truly needy.

The county role through this future will not be controlling, but it can be tremendously influential. It is one of the justifications for keeping the county property tax dollar invested to some extent in the field of public welfare.

From the Federal Government, we seek the following things at the earliest possible moment.

The policies set forth in this statement emanate from the Welfare Committee of the National Association of County Officials. Many of these policies are contained in the "American County Platform," the official policy statement of the Nation's counties on governmental matters.

These recommendations are founded on hundreds of years of county welfare administrative experience, dating from the founding of practically every State in this Union. They are founded, too, in the successful experience of hundreds of our counties in administering the Federal public assistance programs since their founding in 1936. They come to you as the official recommendations of the junior partners in the great Federal-State-county public welfare team.

First—and this is by way of suggesting an amendment to H.R. 10606—we ask full recognition of all foster home and institution children. The very limited recognition now contained in the Federal Social Security Act is a fine foundation for realization by the Federal Government that the States and the counties have grown up and can be trusted to administer sound foster home and institution programs. These thousands of children should no longer be discriminated against by their Uncle Sam—they are needy and dependent, too.

In the State of California alone, there are almost 15,000 such children now dependent on State and county funds for their care. The present limited Federal recognition of foster home children covers only a few hundred of these thousands of forgotten children.

We give the highest priority to Federal participation to aid needy children in foster homes and institutions. Secretary Ribicoff himself has stated that Congress in enacting and amending our Social Security Act had repeatedly demonstrated its deep concern that no child, wherever he may live, shall go without food, clothing, shelter, or other essential needs.

There is one glaring exception. Until last year all children in foster homes could truly be classified as American "forgotten children" with respect to Federal programs.

Children in foster homes were not eligible for Federal participation under the ADC program.

In some States children were being retained in unsuitable homes to qualify for Federal participation rather than being placed in a healthier atmosphere of a foster family because the local authorities were aware that there were not sufficient funds available to place the child in a foster home.

We are pleased that H.R. 10606 would make permanent the change of last year, which provided for Federal participation for ADC payments to children in foster homes who had been placed there by a

court order and were receiving ADC aid at the time they were moved to a foster home.

We heartily endorse the new provision of H.R. 10606, which expands the program to include care in child-care institutions, as well as private foster homes.

In the words of section 5–8 of the "American County Platform":

Dependent children in foster homes.—The Federal Social Security Act should be amended to provide Federal financial participation in aid granted to the States and local governments for dependent children cared for in approved foster homes, boardinghouses, and institutions, thus relieving the present inequitable financial burden on the States and local governments, which must care for these children without Federal assistance.

The 1961 amendments to the Federal act, which are a step in the right direction, should be retained, but extended as herein set forth.

In our opinion a needy child in a foster home is equally as deserving and needy, as one of an unemployed parent or one who has a parent or relative to reside with, thereby, making him eligible for ADC aid. Can there really be any other reasonable view?

We strongly urge that this provision be further enlarged to include children placed in a foster home as a result of an approved State administrative procedure, as well as, by a court order. There are often circumstances where a child is placed in a foster home other than by a court order.

You could take Secretary Ribicoff's example in his testimony before the House Ways and Means Committee, wherein, he described a deserted mother with six children, who was so emotionally disturbed that there was a strong possibility she would need treatment in a mental institution.

In this example, the mother and her children were placed under ADC and began receiving a very deserving $240 check each month.

However, under both the existing and proposed law, had the mother been sent to a mental hospital and her children placed in a foster home without a court order, they could not have been eligible for Federal help.

Furthermore, had they been placed in a foster home prior to receipt of any ADC care, they would not have been eligible for Federal help. This, we feel, is an unrealistic and unfair criterion.

We repeat, a child placed in a foster home as a result of approved State administrative procedure should be equally eligible for aid as one placed there by court order and who was receiving ADC aid at the time the court action was taken.

We understand that the number of needy children in foster homes is well in excess of 100,000. Yet in November of last year only 633 qualified for ADC. The figure is undoubtedly somewhat larger by now. But why should only these children who have been so placed after May 1, 1961, be chosen to qualify?

The 1961 amendment providing ADC care to needy children of unemployed parents certainly placed far more children on the ADC rolls than would an inclusion of all children in foster homes.

We, therefore, urge that this program be expended to include Federal participation to all children placed in foster homes by virtue of a court order or an approved State plan, regardless of whether they were receiving ADC care at the time of their placement and regardless of the time they were placed in the foster home.

Even this little amendment would be extremely helpful to broaden the present law to provide that placement by welfare agencies with parental consent would be as acceptable as placement by court orders; and there should be modification of the requirement that the child be receiving ADC before the need for foster care arises—perhaps by providing for eligibility if the child would have been eligible for ADC had the child remained in its own home.

There is no reason to believe the availability of Federal funds will result in children being indiscriminately placed in foster homes.

Children living in foster homes or institutions need and receive special attention and care and oftentimes the same holds true for the child's parent or prospective adopted parent.

It is our feeling that a lack of a sufficiently trained specialist should not be a reason for withholding Federal assistance. The children are already in these foster homes receiving as much special care as the State and local government can now provide. Federal participation will certainly contribute and make possible the attainment of desired higher standards and vastly improve the foster care program.

Section 102 of the bill provides a badly needed expansion and improvement program for our child welfare services. Appropriations would be authorized beginning with $30 million for the current fiscal year and gradually increasing to $50 million for the fiscal year ending June 30, 1969.

If we are in fact to carry out the brave declarations of services instead of cash handouts of rehabilitation, instead of relief, then we will definitely need every dollar of the Federal-aid to be provided by the improved child welfare services appropriations. These sums should remain in the bill.

We approve, too, of the requirement that the extension of child welfare services be coordinated with the ADC program. The two must go hand in hand. Their philosophies must be brought together, in fact, were it not for the diversions of these philosophies over the year, we would probably not have today the aforementioned tragic situation of foster home and institution children being ignored by the Federal programs.

Section 122 of the bill provides for Federal financing of demonstration projects. To this the counties say to the Federal Government, "Welcome aboard our progress train."

For years now, it has been the counties which have undertaken practically all pioneering in public assistance administration. While the Federal Government has not frowned too heavily on experimentations in new ways of doing things in public welfare matters, it has given too little encouragement and no financing.

All this would be remedied by the $2 million provided between now and 1967 on an annual basis for demonstration projects. We feel that surely some of this money will filter down through the various State welfare departments to worthy projects at the county level.

Possibly the most important feature of H.R. 10606 is right at the front of the bill in section 101(a). If the highly-touted new emphasis on services in public welfare is to mean anything at all, this feature of the bill must be approved and must be administered with imagination.

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It marks a departure—a major departure—for the Federal Government. It means that the Federal Government will, to use a well-known, crude phrase, be putting its money where its mouth has been, with respect to the prevention or reduction of dependency.

For many years counties and States have been experimenting on their own with increased services to public assistance cases. By and large, these experiments have been successful and they can provide the only avenue of hope in the eventual reduction of our tremendous caseloads.

In addition, they make a forward looking social welfare program out of what would otherwise be a dreadful do-nothing dole.

The provision here is to give 75 percent Federal participation in costs of services to those who are public assistance recipients or are likely to become such.

As the bill stands, whether a State or county is to receive 75 percent Federal participation or only the old 50-percent Federal participation, will depend upon a determination to be made in the language of the bill:

> In accordance with such methods and procedures, as may be permitted by the Secretary.

We think that this important feature of the bill deserves more specific and definite implementation than the present language provides.

As the bill now stands, all of a county's recipient services could be classed as 50 percent services or they could be classed as 75 percent services or they could be changed from one to the other at will.

We agree with the need for going into this vast new field gingerly, but we do ask that the Federal Government set down in law its basic policies, its basic premises, and its basic tenets.

In this way, the counties can have confidence in the continuation of the Federal financing that they will receive. We can establish services with knowledge of their permanence and will not fear that we are witnessing one more Federal grant of the old familiar type, which is reduced and then withdrawn once its magic of stimulating the local jurisdiction has been worked. Both the States and the counties are entitled to know where they stand, as they move with the Federal Government into this important new aspect of American public welfare.

An even more serious objection is raised with respect to section 101(b). Presently the various sections of the Social Security Act dealing with State plans for administration of categorical public assistance programs requires that the State plan shall provide a description of the services (if any), which the State agency makes available to applicants for and recipients of public assistance.

Section 101(b) would amend this to provide that the State plan would be required to provide at least those services to applicants for and recipients of public assistance under the plans which are prescribed by the Secretary.

This change would not only shift from a permissive to a mandatory Federal requirement that the States provides such service, it would also require the provision of at least those services provided by the Secretary. We feel the States are much better equipped to determine what approaches should be taken by them in this desirable area of

rendering services to prevent or reduce dependency than is the Federal Government.

The situations countenanced by the Federal Government in their historical insistence that all payments be in cash, go well into the ridiculous. The public assistance programs and their administrators have matured. States and counties can be trusted to make decisions in the best interest of those recipients who cannot manage cash grants.

There is a dire necessity in the child aid program to protect children by guaranteeing them the benefits of their aid grants.

As before you, the bill contains provisions to guarantee the use of child aid payments for the benefit of the child in its section 107. The bill also contains a protective payment system under the dependent children program in its section 108.

The position of the county governments is that both of these provisions, both of them—are necessary and proper.

It is most important that they remain intact and that the States be permttied to adopt those methods which best fit their own individual circumstances in protecting their needy children.

The protective payment system set forth in section 108, is a new one, where indirect payments may be made to persons who are outside the normal degree of relationship to the child, is necessary as an additional method of handling the many problems of abuse of child aid payments.

We need only emphasize that mismanaged grants hurt only the children—the very children for whom the taxpayers are making sacrifices to support. We are interested in having available every possible method guaranteeing that the needy child shall receive the full benefit of the funds made available for his support and development.

Counties have had vast experience in this field. It is the unanimous recommendation of all whom we have consulted that these two improvements in the Social Security Act, remain in the bill.

This, then, is the firm county viewpoint.

An example of excessive Federal control has been the inability to make ADC payments other than by direct cash payment. Our official policy statement (the American county platform) has long requested more local authority in this situation:

Section 5–7. Supervision of aid to dependent children grants:

Public welfare officials charged with the administration of the program of aid to dependent children should be able to make certain that grant funds are used to feed, clothe, and shelter the children included in the grant who are the real beneficiaries of the program.

Section 106 of the bill would provide something for which counties have been asking for many years. This would be permission for a reasonable exemption of the earnings of children who receive child aid.

The former harsh policy of full deduction of such earnings struck down the growing ambitions of young Americans who are on the verge of providing support for themselves and eventually for their family. It also discouraged mothers who are trying to set aside just a few dollars for the future education of their recipient children.

We have left that a 50-percent exemption of such earnings would be a good beginning; however, we feel that we can operate satisfactorily under the rulemaking power given by section 106 to the Secretary.

We feel that this feature of the bill is an absolute necessity in view of the emphasis we are now beginning to place upon all possible self-support on the part of aid recipients.

Such a principle would be especially helpful now that it seems that the extension of child aid to families with unemployed fathers will become a permanent feature of our welfare system.

Counties and States have had many years of experience with work relief programs. Even so, the philosophy of a proper work relief program is not yet fully clear. Actual new experience with experiments and work relief throughout the country are bringing new principles to our attention from time to time.

Section 105 of the bill for the first time, would give Federal recognition to work relief, contains many safeguards so that there can be no possible abuse of this program with respect to its being subject to Federal financial participation. The seven specific safeguards listed in the bill, represent the latest modern features of work relief programs.

However, we do have one specific suggestion for a change with respect to safeguard B, which would require that payments for work relief be not less than the rates prevailing on similar work in the community.

This "prevailing wage rates" clause is simply unsuitable work relief. At the moment, there are a number of States where common laborers receive in excess of $3.30 per hour. Soon this rate may go to $4 in some areas.

We do not believe it is consistent with the concept of work relief that these projects. which will ordinarily utilize people of little or no skill or employability, should have a compensation of such amount made mandatory on them.

We do feel that there is adequate protection in the other part of safeguard B, which requires that the rate be not less than the minimum rate provided by State law for the same type of work. This should be adequate protection; even this is more than some work relief programs now provide; requiring more than this, will make it very difficult to operate a satisfactory work relief program.

The counties, of course, welcome the modest increase contained in the bill in the normal Federal shares of public assistance payments. These increases retain the second fiscal formulas, which we have worked out together through mutual experience over the years.

We welcome these increases, as any junior partner would welcome increased support from his senior partners.

We do think they are justified in view of the greater burdens, which are surely thrust upon counties by the many provisions of this bill, calling for increased services, increased staffs, and increased pace of activity in every phase of welfare administration.

In most cases, these Federal increases will be passed on to the recipients to bolster further the barely adequate assistance levels of most States.

Section 5-5 of the American county platform declares:

> We urge that Federal funds be made available on a permanent basis to assist States and counties in training public welfare staffs.

For several years we have been disappointed at the lack of implementation of the training grants that we had hoped would become available. We are happy to see in section 123 of the bill, a provision

of $3.5 million for the next fiscal year to be followed by an annual provision of $5 million for training grants.

Counties stand in dire need of this particular Federal assistance. If our workers are to do the big new things expected of them by H.R. 10606 then we must train them more intensively than we have ever been able to dream of in the past. This is an investment in the quality of the public assistance program. It will pay definite dividends.

Section 5-10 of the American county platform, that is our basic document, recommends:

Retention of Federal law provisions, which permits States to impose limited residence requirements for eligibility of public assistance.

We are happy that this bill does not contain the easing of residence requirements, which were a feature of earlier proposals. We think that the present residence requirements are sound. We ask that they be retained. We ask that this bill not be changed, so as to reopen the controversial residence requirements question.

Section 141 of the bill sets up an optional combined category for the aged, the blind, and the disabled. We have no objection to this. It will undoubtedly be helpful to some States, which themselves have made substantial progress in breaking down the present dividing lines between the categories of aid.

The whole approach of the bill is consistent with that of county policy. Section 5-11 of the American county platform reaffirms our belief in the existing four categories of Federal public assistance. We therefore recommend that any extension of Federal public assistance programs be by the orderly development of the present categories.

This is exactly the approach of H.R. 10606. This is the approach in which the county governments of America have confidence. We are not in favor of the approach advocated by some, which would bring us quickly to the fifth category known in county circles as aid to everyone.

Three years ago, it was our position with the Advisory Council on Public Assistance, created by the Congress, that progress in public assistance could best be made working within the framework of our present categories. This seemed to be a minority point of view at the time.

We are happy that it no longer is and that we find it the moderate approach set forth in the present bill.

We specifically recommend the enactment of section 121 of the bill which would provide for the establishment from time to time of an Advisory Council on Public Welfare. We would urge that Congress provide that country government be represented on such an advisory council.

Too often county officials feel they are presented with the conclusions as far as welfare action is concerned without being previously consulted. Although in many of our States we have the direct responsibility for these welfare programs, we are many times left out in the formulation and revisions of the programs at the State and Federal level.

It is my understanding that there was not one county representative on the recent ad hoc committee on public welfare.

In our opinion, it would have been wise and helpful to procure broad county participation. We are in day-to-day contact with these problems and we, too, must answer to the electorate for the abuses and mistakes that are inevitable in such a giant program as public welfare. We think it essential to have county representation in the proposed advisory council.

On behalf of the National Association of County Officials, we should like to commend the Department of Health, Education, and Welfare for its efforts in reappraising the entire field of public welfare. We should especially like to commend Assistant Secretary Wilbur Cohen, thanking him for his cooperation over the past year and his efforts in cooperating with our national association.

In conclusion, I should like to reiterate our general endorsement of H.R. 10606. We plead for your earnest consideration of the few strengthening amendments we have suggested here today.

Thank you so much for your patience.

The CHAIRMAN. Thank you very much, Mr. MacDougall.

Any questions?

Senator KERR. Yes, I have some.

The CHAIRMAN. Senator Kerr.

Senator KERR. With reference to section 108, Mr. MacDougall, does not the probate court in any county have authority under the specifications contained in the State law to appoint a guardian for a child or for children where it is deemed to be in the best interests of the child or children to have the guardian?

Mr. MACDOUGALL. That is right, Senator Kerr.

There is a court similar to the probate court or the juvenile court in every State in the Union.

Senator KERR. When they do such, then are not these payments available for handling by the guardian?

Mr. MACDOUGALL. I think the answer to that lies in the fact that the courts are understandably reluctant to act except after repeated abuses, after a long history of abuse, in which the children are really sorely put upon, and that in addition——

Senator KERR. Do you think an average administrator should have the authority to arbitrarily say that in the case of the child where an appropriate court has not seen fit to take it from its natural parent and put it in a foster home or supersede the control of the natural parent with a guardian, after deliberation and the workings of judicial processes, the local administrator who very likely has no training in the law, should on the basis of caprice or arbitrary decision deprive the natural parent or custodian of the child of the use of the money provided for its support and direct its expenditure in accordance with the decision of that administrator?

Mr. MACDOUGALL. No.

On the contrary, Senator Kerr, I think I would agree with you that the local administrative action should be that the money be administered for the children and for that particular parent.

One of our most common problems is the drinking mother, who receiving on the first of every month some two to three hundred dollars, in some cases more, in cash, finds herself destitute for personal reasons within the first week, and when that situation is repeated, time after time, it calls for some type of protective payment approach.

Now, this may not be a bad home——

Senator KERR. It calls for some kind of action.

Mr. MACDOUGALL. That is right.

It may not be bad enough, though.

Senator KERR. In that kind of situation can't your probate court step in?

Mr. MACDOUGALL. Yes, but let me finish.

This case is one—most of them are where the situation isn't bad enough to take the children out. You aren't having filthy home conditions or bad moral atmosphere.

Your problem may be one, if you will pardon the expression, of just stupidity, and of needing guidance.

Senator KERR. The court doesn't have to take the child out of that home to appoint a guardian for it.

Mr. MACDOUGALL. Well, look at the vastness of our problem. We have 300,000 such children in one State alone, in California.

Senator KERR. Why do you want to be shouldered with the responsibility of making decisions as to whether or not to set up a system whereby your administrator pays the grocery bills and so forth for those kids in addition to all the other responsibility you have?

Mr. MACDOUGALL. Frankly, we have been ducking that responsibility for a long time now.

Senator KERR. You are seeking it here.

Mr. MACDOUGALL. We are. We are facing up to the responsibility finally. At long last.

Senator KERR. What do you mean you are facing up to the responsibility? Is it not possible that the local probate court can face up to its responsibility?

Mr. MACDOUGALL. I don't think it is possible to take every mismanagement situation and particularly those where work with the relative will produce results, and take those children and make them wards of the court.

Senator KERR. Somebody has to make the decision, doesn't he?

Mr. MACDOUGALL. There are many cases that we can prevent.

Senator KERR. I say somebody has to make the decision.

Mr. MACDOUGALL. Definitely.

Senator KERR. Do you think the Federal Government should act to place that responsibility for decision in an administrator of the fund which, under all the evidence that we have had and all the knowledge that I have, often lack the necessary training and experience to do their administrative job and then put upon them the responsibility of making all those decisions?

Mr. MACDOUGALL. I think that they are becoming increasingly qualified, Senator, and that the means for full qualification of all our administrative personnel are right here in the bill.

Senator KERR. You say the protective system set forth in 108 where indirect payments may be made to persons who are outside the normal degree of relationship of the child is necessary.

It looks to me that would kind of be like addressing it to whom it may concern.

Mr. MACDOUGALL. There are in the bill——

Senator KERR. Who are the persons outside the normal degree of relationship?

Mr. MacDougall. Well, the Social Security Act has a list of relatives and if you are on that list you may be a payee and receive Federal participation. If you are not on that list, that child is foreclosed from child aid.

In the kind of case we have here, the child will be in a home with a relative, but there may be some need for guidance of that relative: there is, in many cases. The relative may have a sister who is not living at the moment with the family, but who is available as a neighbor: they may have a close friend and you can work out cooperative arrangements here.

Senator Kerr. What 108 amounts to is giving the Administrator the authority to appoint a guardian for the child for all practical purposes.

Mr. MacDougall. You might say a business manager for the aid grant. We need every possible tool.

Senator Kerr. That is another way of describing it, but in reality that is what they are, kind of a guardian for the child, aren't they?

Mr. MacDougall. Well, I think all of this is part of our efforts and the law's efforts, the Federal efforts, to keep the children in their homes as long as possible.

Senator Kerr. What does section 107 do?

Mr. MacDougall. Section 107 is one which says that if any State legislature in its own State law sets up its own procedure, that money paid under that procedure, so long as they are not denying aid for that child while in the home of the mother or the relative, so long as it follows the State law, that the Federal Government will regard that money as aid to dependent children and participate in it.

Senator Kerr. Doesn't that kind of put this think where it belongs?

Mr. MacDougall. Well, we feel, and maybe we are hypersensitive on this, Senator Kerr, we need both these provisions.

Senator Kerr. Well, if you get 108 you wouldn't need 107.

Mr. MacDougall. If I may put the shoe on the other foot, if we have 107 we might not need 108, either.

Senator Kerr. Well, I think you are going to get 107.

Is the voice of the county officials, who in my State, are about as potent an influence politically, socially, and even religiously as we have, so insignificant that they can't prevail upon their State legislatures in each State to pass a law that would set up a program that would provide a means of meeting this need and thereby triggering the implementation of 107, which would means that the thing would be administered in your county just as your State legislature provided?

Mr. MacDougall. I think hopefully we would do exactly what you have outlined there under 107.

Senator Kerr. If you were sitting on this committee, and had not only a great respect for State government and local county government but also a deep concern against the Federal Government assuming under control over either that isn't an absolute necessity for the public welfare, wouldn't you try 107 out for a while to see if that wouldn't get the job done before you rushed into the well-dressed-up and well-presented and enticing sanctuary presented in 108?

Mr. MacDougall. Senator Kerr, under the circumstances outlined by your question under the conditions in it, the answer is clear and the answer is "Yes."

Senator KERR. Thank you.

One other question. Give me a little more specifically your interpretation with reference to safeguard B referred to in the big paragraph in your statement.

Mr. MACDOUGALL. I don't think I need to refer to notes on that, Senator. This refers to the ingredients of a work relief program wherein the Federal Government will recognize the placing—the normal use of this will be the unemployed father whose family is now on child aid under the provisions of the bill. We do not have this program in our State but it is in a number of States.

This work relief program then has a list of safeguards or things that the Federal Government will insist on.

Safeguard B, so-called safeguard B, goes to the amount of money you should pay, or shall we say how fast you should work off your relief. And that puts a minimum standard in there, a double minimum standard, the first to which we don't object is——

Senator KERR. That is a standard fixed by the States?

Mr. MACDOUGALL. By the State's own minimum wage schedules for private employers.

Senator KERR. Yes.

Mr. MACDOUGALL. The other one that is in there is that you take the prevailing rate schedules in every locality in the country and the Federal Government would have to keep for audit purposes at least an index of prevailing wage rates in all 3,000 counties, and audit against those.

Senator KERR. In other words, without safeguard B, the eligibility of an unemployed parent, wage earner, for his or her children to be the beneficiary of ADC, would depend upon the ability of the parent to get employment on the basis of wages either available or required by the State authority.

Mr. MACDOUGALL. No; I don't think it is exactly that, Senator.

The county would set up a work relief project and these people would come out and do things for the country or for the State. I wouldn't say "leaf raking," but that thought comes to those of us who have been around this business for a long time. We hope they will be useful work projects so the people will feel busy.

Now, the question is how much credit——

Senator KERR. When you do, and when that is done, and when that parent who is now the beneficiary of ADC payments because of being unemployed can be employed on that program, then he is no longer eligible for the ADC payment?

Mr. MACDOUGALL. Yes. He is working out his relief on that program. He is working out the ADC payment, and this provision would say that if we use northern California as an example, the least rate at which he could work it out would be $3.32 an hour.

In other words, he could work out a month's ADC in a normal case in a little over a week. Then he would have 3 weeks of idleness and he would go back and work for another week.

Now, we think that they should be paid within the State's minimum wages.

Senator KERR. What you say is "if work is available."

Mr. MACDOUGALL. If any work is available they should go out and get a job.

Senator KERR. If work is available they should go out and get a job and not wait?

Mr. MACDOUGALL. That is right.

Senator KERR. Until it is provided at the arbitrarily high rate and thereby enjoy the option of either being idle or the privilege of staying idle until he could work it out at that high rate?

Mr. MACDOUGALL. That is right.

Senator KERR. That is your position?

Mr. MACDOUGALL. Our position is really that unemployed fathers should be required to accept any private employment that is offered and suitable.

Senator KERR. That is available and offered on a reasonable basis.

Mr. MACDOUGALL. A State such as Oklahoma should have a big problem and set up work relief projects for these fathers to work it out; they should be credited on their ADC grant on their family while they are doing the work relief at a rate at least as high as the minimum wage law of Oklahoma.

Senator KERR. Or at a wage rate which, in equity, is fixed by the authority providing the work program.

Mr. MACDOUGALL. Exactly that, Senator. Exactly that.

Senator KERR. I think your position is well stated and sound.

Mr. MACDOUGALL. Thank you, sir.

The CHAIRMAN. Any further questions?

Senator LONG. I would like to ask one or two.

The CHAIRMAN. Senator Long.

Senator LONG. You make reference in your statement to a suggestion that there should be Federal aid in matching children receiving institutional care.

Would it be correct to say that most of these children are in homes sponsored and supported by religious organizations?

Mr. MACDOUGALL. I believe that would be correct, Senator Long.

And in our State, the State and the counties have for decades paid, and we do now pay, as high as a hundred dollars a month to those institutions, the Protestant and the Catholic orphanages, for the care of needy children who are there.

The funny situation is the one where the orphan has no friends, and this program started out years ago to be an orphans program, and we just assumed somebody is going to take care of that foster child, and that somebody is the State and county.

Senator LONG. We have had those foster homes in a number of States.

In some States they are actually looking for more children to provide care for.

Can you give me any information as to what the average expenditure on a per capita basis is for children in these religious-sponsored institutions?

Mr. MACDOUGALL. Not nationally, and I don't know if those figures are available.

In our own State our contribution is around $85 a month, I believe, for each child, State, and county.

Senator KERR. Pardon me, would the Senator yield?

Senator LONG. Yes.

Senator KERR. How many States have those programs, how many States make that contribution to a religious child-care institution?

Mr. MACDOUGALL. My educated guess would be most, but not all.

Senator KERR. I wonder if you would improve both your knowledge and mine by checking that?

Mr. MACDOUGALL. I can. I am sure the HEW people have up-to-the-minute statistics on that.

Senator KERR. Well, your responsibility or your compliance with that request would then be met, if you then persuaded them to put that information into the record.

Mr. MACDOUGALL. Shall do, Senator, and thank you.

Senator KERR. Thank you.

(Information supplied by the Department of Health, Education, and Welfare:)

The following table, which shows a breakdown of foster care payments made by State and local public welfare agencies and the amount and percentage distributed as between foster family homes supervised by public welfare agencies and foster family homes and institutions supervised or administered by voluntary agencies, is the most pertinent material which is available to the Department on the question asked Mr. MacDougall by Senator Kerr.

Foster care payments of State and local public welfare agencies—Amount and percentage distribution by type of foster care, by State, fiscal year ended June 30, 1960 [1]

State	Amount			Percentage distribution, payments for children living in—	
	Total	Payments for children living in—			
		Foster family homes supervised by public welfare agencies	Foster family homes and institutions supervised or administered by voluntary agencies	Foster family homes supervised by public welfare agencies	Foster family homes and institutions supervised or administered by voluntary agencies
U.S. estimated total	$147,600,000	$81,700,000	$65,900,000	55.4	44.6
Alabama	564,525	563,641	884	99.8	.2
Alaska	310,159	(2)	(2)	(2)	(2)
Arizona	481,996	450,988	31,008	93.6	6.4
Arkansas	420,089	420,089	-----	100.0	-----
California	10,967,883	10,956,729	11,154	99.9	.1
Colorado	1,030,436	822,785	207,651	79.8	20.2
Connecticut	4,811,121	(2)	(2)	(2)	(2)
Delaware	414,828	389,487	25,341	93.9	6.1
District of Columbia	1,266,310	1,053,746	212,564	83.2	16.8
Florida	1,031,299	1,010,936	20,363	98.0	2.0
Georgia	865,097	772,760	92,337	89.3	10.7
Hawaii	334,283	265,663	68,620	79.5	20.5
Idaho	5,451	5,451	-----	100.0	-----
Illinois	4,662,695	2,712,974	1,909,721	58.7	41.3
Indiana	2,536,007	1,847,571	688,436	72.9	27.1
Iowa	239,148	(2)	(2)	(2)	(2)
Kentucky	656,248	655,932	316	100.0	-----
Louisiana	2,898,821	2,380,362	518,459	82.1	17.9
Maine	1,315,724	1,248,031	67,693	94.9	5.1
Maryland	3,637,095	(2)	(2)	(2)	(2)
Massachusetts	5,045,523	4,486,639	558,884	88.9	11.1
Michigan	906,737	507,120	399,617	55.9	44.1
Minnesota	3,405,978	2,720,672	685,306	79.9	20.1
Mississippi	319,347	319,347	-----	100.0	-----
Missouri	895,368	844,919	50,449	94.4	5.6
Montana	200,545	175,486	25,059	87.5	12.5
New Hampshire	606,014	(2)	(2)	(2)	(2)
New Mexico	537,873	514,586	23,287	95.7	4.3
New York	51,790,875	10,590,813	41,200,062	20.4	79.6
North Dakota	398,222	186,701	211,521	46.9	53.1
Ohio	6,324,826	4,860,111	1,464,715	76.8	23.2
Oklahoma	202,457	202,457	-----	100.0	-----
Oregon	2,190,687	1,537,909	652,778	70.2	29.8
Pennsylvania	15,553,145	3,259,823	12,293,322	21.0	79.0
Puerto Rico	399,173	383,019	16,154	96.0	4.0
Rhode Island	515,895	492,596	23,299	95.5	4.5
South Carolina	408,246	408,246	-----	100.0	-----
South Dakota	[3] 266,150	127,145	85,543	59.8	40.2
Tennessee	608,657	(2)	(2)	(2)	(2)
Texas	306,447	280,526	25,921	91.5	8.5
Utah	380,965	369,588	11,377	97.0	3.0
Vermont	584,532	(2)	(2)	(2)	(2)
Virgin Islands	34,386	34,386	-----	100.0	-----
Virginia	2,731,607	2,720,107	11,500	99.6	.4
Washington	3,090,911	2,043,803	1,047,108	66.1	33.9
West Virginia	1,106,115	967,210	138,905	87.4	12.6
Wisconsin	3,202,200	(2)	(2)	(2)	(2)
Wyoming	109,502	94,817	14,685	86.6	13.4

[1] State data are not shown below for New Jersey which did not report expenditures, nor for Kansas, Nebraska, Nevada, and North Carolina, which submitted incomplete reports. Estimated expenditures for these States have been included in the U.S. estimates.
[2] Breakdown not available.
[3] Includes $53,462 which cannot be allocated by type of foster care.

Senator LONG. Well now, the point I have in mind is that we don't like to vote for any Federal aid for something that is being done adequately already.

If the States and the religious organizations are adequately meeting this need already, I don't think this committee or this Congress would be anxious to move into a field where the States and the counties and the religious organizations are already meeting the need.

That is why it seems to me that this shouldn't be a Federal intervention here merely to relieve, to shift the burden off local and private groups onto the Federal Government if those people are successfully carrying that burden already.

I think you would agree with that, wouldn't you?

Mr. MACDOUGALL. I would, and I think we do need the help. I know we need it in the foster home field badly. We are unable to pay the rates that foster homes now ask and I would say in every case—we have about 10,000 children in foster homes in California—in every case the foster home is accepting these children at a sacrifice to the foster family and sooner or later you run out of patriotic citizens who take these children at a financial loss to themselves.

There will always be some and we are glad to have them. But I think the private institutions are having their financing problems as their costs have gone up and where they must pay prevailing wages, as it were, in their field to their staffs.

So the pinch is beginning to be felt, and we would suggest, as we have suggested in view of the many expansions of services and coverage in this general revision, that this is one that ought to have a real good look.

Senator LONG. Well now, I don't see anything in this bill with regard to a problem that very much interests me. There is nothing here, to my knowledge, to provide better care or any assistance in the field of mentally ill persons.

As a matter of fact, I understand the Secretary of Health, Education, and Welfare has ruled where a person is receiving old-age assistance and that person is placed in a nursing home, the minute it appeared that that person is mentally ill Federal aid is to be cut off. It would seem to me that where a person happens to be either feebleminded, mentally ill, or unable to provide for himself, it is a case of greater need rather than less.

What logical reason do you see that there should be no Federal aid in the event that the person is mentally ill?

Mr. MACDOUGALL. I see none at all, Senator Long, and I have in my briefcase here in Washington a 1-page statement on that point and I think the thought there is historical and it has no basis at all and that was that "mentally ill people are being taken care of," this was way back, say, in 1933 and 1934 when they were dreaming of coverage under this act, "so they are all taken care of. They are in the insane asylums and so forth so let's not worry about them."

Now, the whole mental health picture has changed. The institution is on its way out and I think that you have stated what will be our next county objective, which is to remove the prejudice against psychosis that is in the Federal act so that we can in the proper case give an old person old-age assistance who is in a mental illness situation, and we can with respect to the other programs but, as you know, tuberculosis and psychosis are two things now that make you a non-Federal person, shall we say.

I think you are going to get into this field with us.

Senator LONG. Now, you may have noticed when this welfare program was established there was no Federal matching for the county poorhouse.

Mr. MACDOUGALL. Yes; that is right.

Senator LONG. And the theory there was, as I understand it, that we wanted to break up county poorhouses and the cruel conditions existing in them. It was practically a matter of taking a wornout horse and driving him until he fell dead and the Federal Government wanted to have no part in that type of operation.

If a person was in a county poorhouse, we just weren't going to match because we didn't approve of that type operation.

Why would you imagine that when we undertook to provide Federal aid and welfare, that those in tubercular hospitals and those in mental institutions were excluded?

Mr. MACDOUGALL. Because they, in a sense, were already being taken care of, the thought was, somehow; the States all had tuberculosis sanitorium programs. They all had mental institutions, so in the early 1930's when they were dreaming of this thing they said which people are not taken care of.

Well, it is the old folks who are independent, I mean who are not sick or mentally ill. If they are mentally ill they were taken care of, and if they were in a hospital they were taken care of. And for a long time you didn't give us any money if a person were in a hospital getting any kind of medical facility.

That one has been broken down and I think the tuberculosis and the psychosis would be the next two to go.

Senator LONG. It would seem to me that perhaps the logic of it might have been for the same general reason that there was no Federal aid to a penitentiary—people were confined there for the benefit of humanity and for the benefit of those on the outside and not for their own benefit and, therefore, the Federal Government simply wanted to have no part of it.

Now, the best I can see is that the Federal Government has simply wanted to look the other way on this problem and HEW has been wanting to look the other way on this problem because the cost would be substantial.

But I just see no reason why when a person's need becomes greater we then extend no aid.

Yet in Louisiana, I am told, when a person is found to be mentally ill in a nursing home aid is cut off; and I just wanted to get your reaction to that.

Do you think that is proper?

Mr. MACDOUGALL. I do not, and I think that one of the early amendments in the future to the Social Security Act must be to remedy that situation.

We would welcome it any day.

Senator LONG. Thank you very much.

The CHAIRMAN. Thank you very much, Mr. MacDougall.

The next witness is Mr. John F. Nagle of the National Federation of the Blind.

Mr. Nagle, you take a seat, sir, and proceed.

STATEMENT OF JOHN F. NAGLE, CHIEF, WASHINGTON OFFICE, NATIONAL FEDERATION OF THE BLIND

Mr. NAGLE. Mr. Chairman, I request that a supplemental statement that I submitted to the committee be included in the record of the hearings. This concerns our views with reference to section 141 of the bill, the proposed title XVI.

The CHAIRMAN. The supplemental will be made a part of the record following your oral presentation.

Mr. NAGLE. Mr. Chairman and members of the committee, my name is John F. Nagle. I am the chief of the Washington Office of the National Federation of the Blind. My address is 1908 Q Street NW., Washington, D.C.

Throughout the 22-year history of our organization, we of the National Federation of the Blind have worked together to improve the circumstances of all who are blind in America; to secure fair and unrestricted opportunity for all who are without their sight.

Our goal has not been special privilege, but equal treatment; not cushioned and sheltered protection, but sterile and static security—but we have worked that each who is blind might have the chance to achieve fulfillment as an individual, to live economically independent, socially interdependent lives—unimpeded by preconceived notions about blindness as a condition of helplessness—allowed to reach his complete potential as an individual, limited in his attainments only by his own talents and abilities, his own capacities and capabilities.

Personally aware of the corrosive consequences of prolonged dependence upon public assistance, we have labored to make the federally supported State programs of aid to the blind a process of rehabilitation, offering a means and a way of achieving a normal life and regular livelihood to blind persons.

From the very beginning of our organized efforts, our spokesmen have appeared in Congress after Congress, pleading for changes in title X of the Social Security Act—changes designed to encourage initiative, to stimulate and foster a will to strive for economic independence—changes which would be incentives to employment.

Finally, in 1950, this very committee accepted our proposal to exempt a fixed amount of the net earned income of blind-aid recipients as just such an incentive to employment—and the $50-monthly-income-exemption proposal became a provision of Federal law.

Again, when we advised this committee that the fixed-amount exemption was not serving the purpose intended, that it was penalizing, not encouraging the ambitious, you accepted our proposal for a "sliding scale" exemption that would allow a gradual transition for dependence upon public support to self-dependence and self-support—and this exemption proposal, requiring that $85 plus 50 percent of monthly earnings be disregarded in determining a blind-aid grant, is now also a provision of Federal law.

Thus, blind-aid recipients have had 12 years' experience with a statutory requirement exempting a portion of their net earnings, and this experience has not been a happy one.

Although the law intended net earnings to mean the amount earned less the cost of earning it—and this committee helped to make this meaning clear—still, by regulation and ruling, by established

policy and agency practice, both Federal and State administrators of blind aid have construed the exemption provision of the law very restrictively and narrowly, so that "net earned income" too often has meant—to the blind person—the total amount earned, with little or no allowance made for costs incurred in earning the income.

We declare to this committee, therefore, that section 106 of H.R. 10606, which provides for the disregarding of "* * * any expenses reasonably attributable to the earning of any such income" is not sufficient to serve as an incentive to employment; it is not sufficiently definite to serve as an invitation to rehabilitation.

If it is the intention of Congress that agencies administering State programs of public assistance must disregard the costs incurred in earning income when determining an individual's need for aid, then, we urge that you make this intention completely clear and beyond the possiblity of misunderstanding or misconstruction.

For this purpose, we recommend the following definition of "net income" as an amendment to H.R. 10606, or for inclusion in your committee report on this bill:

"Net income" from wages, salaries, or commissions, is the amount remaining after subtracting all required deductions and expenses incurred in the securing and retention of employment. "Net income" from property, produce, or business enterprise is determined by deducting from gross income all normal items of expense incident to its receipt. Expenses incurred in the securing or retention of employment should include, but not be limited to—

1. Personal income withholding taxes;
2. Social security taxes;
3. Food (cost of lunches or other meals purchased away from home);
4. Clothing (uniforms or extra clothing necessary for the job);
5. Laundry and cleaning service;
6. Transportation;
7. Union dues, if paid;
8. Equipment and tools;
9. Maintenance of a guide dog (if required).

Although the proclaimed objectives of H.R. 10606 are rehabilitation and the attainment of self-support, we do not believe that all avenues have been explored which would make the full realization of these objectives possible.

An individual who is economically disadvantaged by blindness, we think, should be given all possible encouragement to prepare and qualify for employment, to strive to secure a job, so that as a result, he will be able to earn his own living, no longer dependent upon public assistance.

Not only should such person be given positive and affirmative encouragement and assistance, but, we believe, all predictable bars which would obstruct his restoration road, all possible obstacles in his way which would retard his progress—or even prevent any progress at all—should be removed.

Title X of the Social Security Act should be amended so as to include all possible incentives to employment. None should be excluded which would assist and encourage the needy blind person to expend the efforts necessary to achieve his rehabilitation.

Title X should be amended to strike from the law and from the lives of willing, ambitious blind individuals all possible disincentives to employment.

A blind-aid recepient, who is trying, under adverse circumstances, to work his way off public assistance, who is working under an approved plan for achieving self-support, should, we believe, have all of his earnings and all of his resources available for his use in his up-hill "road-back" struggle.

Such a person needs every cent he can lay his hands on to establish himself in a small business—to buy stock and fixtures—to pay the rent of a law office—and he should at least have the money he earns, the resources which are his, to help him gain his goal.

To require that real or personal property be sold to meet living costs, to reduce an aid grant by a portion of such a person's earnings—these actions may save a few welfare dollars at the time of need determination—but this saving could come at high cost: The blind person—with insufficient funds to finance his venture into employment, discouraged by laws and agency practices which hamper or negate his best efforts, with the obstacles just too much to overcome—he fails to establish himself in a job or a business. His failure is needless and wasteful.

And though a few welfare dollars have been saved on this originally, in the long run—over the remaining years of the man's life—this saving will be buried beneath the thousands of dollars it will cost to feed, clothe, and shelter him—when he wanted and worked to provide for himself.

We recommend, therefore, that you adopt S. 908 as an amendment to H.R. 10606, so that all income and all resources of a blind-aid recipient may be available for his use in fulfilling an approved plan for achieving self-support.

Acceptance of this proposal will add another incentive to employment in the blind-aid program and will help to make it truly a force for rehabilitation in the lives of blind people—many of whom could earn their own living if given the encouragement and the opportunity.

Only strained or severed family relationships can result when a needy blind person is required to sue his parents, when parents are required to sue their children—or suffer the loss of their public assistance grant.

Only bitterness and antagonism exist in a home where the family is compelled to deplete its limited resources to support or contribute to the support of an unemployed and dependent blind family member.

We, as blind people, know that if a blind person is to have confidence in himself, which is the most basic essential to rehabiltation, if he is to have the desire and the willingness to exert himself to the degree necessary to achieve self-support and restoration to a life of independence, then, he must have the help, the understanding, and the strength that is uniquely the contribution of a devoted family, united by the common purpose of inspiration.

Encouraged by concerned and considerate family members, he will dare to try much; deprecated or ignored by a family which feels itself imposed upon by his dependent status—though his needs be slight—in such an atmosphere of defeatism and despair, the blind

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person has little heart or will to work toward his own economic salvation.

State laws which require, under the penalty of legal action, family members to contribute to the support of a needy blind person, are a denial of the new goals of public assistance—so bravely and boldly declared in the 1956 Amendments to the Social Security Act—and so tardily restated and so feebly reaffirmed in H.R. 10606: The strengthening of family ties, the achievement of self-care and self-support.

Rehabilitation starts, not with skilled personnel; not with training facilities—but it starts within the person first—he must believe in himself and he must have help in gaining this belief; with the inspiration of his family, he will try to build a new life, and may succeed; without it, with the opposition or indifference of his family, he may be crushed—and sit, helpless and dependent, in a chair the rest of his life.

We urge this committee to adopt S. 905 as an amendment to H.R. 10606, to abolish the legally enforceable obligation of a relative to contribute to the support of a person who is blind.

By acceptance of this proposal, you will be strengthening family ties; you will be adding another incentive to employment to the blind-aid program, and you will be doing much to make it truly a force for rehabilitation in the lives of blind people.

State laws which require an applicant for blind aid to accept a lien on his property before he will be granted assistance, serve to convince the applicant—as nothing else can—of the full extent of his pauperized state.

A lien is a dispossession—a limitation upon the use one can make of one's property; it is such a dispossession that it prevents its use as collateral for a loan to buy or establish a new business.

A lien is such a restriction upon property and its free use that, although a home may represent a lifetime of thrift and denial, it is not available for use to the blind owner who wishes to make a new start in life.

State laws which impose liens upon the property of blind-aid recipients, we believe, are a contradiction and a contravention of the rehabilitative orientation which H.R. 10607 would bring to the federally supported State programs of aid to the blind.

You cannot expect to crush a man beneath the social weight of pauperism, to certify his destitution by dispossessing him of his property, to mark him upon the public record for all to see as a welfare charge—and, at the same time, speak glowingly to him of the rehabilitation road back to self-sufficiency and independence. He has no interest in the rehabilitation road. His capacity for hope is gone. His will to work is shattered.

So, the welfare agency has its lien—but it also has the support of the man for the remaining years of his life.

We urge that you adopt S. 907 as an amendment to H.R. 10606, to prohibit the States from requiring that an individual encumber, or divest himself of, title to his property as a condition of eligibility for aid to the blind.

The three bills I have just discussed—S. 908, S. 905, and S. 907—were introduced by Senator Vance Hartke of Indiana and of his committee.

Senator Hartke has done much to earn the grateful appreciation of all blind people in America. Understanding our aspirations and problems, our dreams and disappointments—to an extent too seldom found—he has willingly and tirelessly worked with and for us to diminish our problems, to make our aspirations more readily attainable.

We, blind people, thank Senator Hartke for his efforts in our behalf.

We of the National Federation of the Blind endorse and approve section 132 of H.R. 10606 which would increase Federal funds in the federally supported public assistance programs for the elderly, the blind, and the disabled by $5 monthly for each recipient.

But, if it is the intention of Congress that the nearly 3 million welfare dependents are to benefit directly by this provision, if it is the intention of Congress to increase the amount of money these people actually receive, that their distress and straitened circumstances may be lessened—then, it is not enough to adopt section 132 in its present form.

If you want and intend that aid recipients should have $5 more a month to live on, then, we urge, that you amend H.R. 10606 to require that the States pass on the additional Federal money—all of it—to their needy clients.

Further, you must also prohibit the States from reducing the amount of their share in such payments by the amount of the Federal increase—leaving the needy just as needy as they were before, in spite of the generosity of Congress and its expectation that those in need would be less in need by its action.

We, as blind people, know that too often such congressional expectation has been disregarded by administering State agencies, anxious to reduce their State welfare costs, by diverting Federal dollars from their intended purpose.

We urge you, that this time there be no possible doubt of your intentions—that the additional Federal funds provided for in section 132 are not intended as a subsidy to the States, but are intended to increase the grossly inadequate income of the Nation's needy citizens—that they may eat better, dress better—that they may live better.

Not only do we recommend that section 132 of H.R. 10606 be amended to include a clear and definite "pass-on" requirement; we also recommend that the report on the welfare bill which this committee will issue set forth, in direct, determined terms, the full intention of Congress on this point that none may be in doubt.

Surely it is not necessary to argue that people living on the federally supported public assistance grants have need for the proposed $5 monthly increase, when, according to the March Social Security Bulletin—a publication of the Department of Health, Education, and Welfare—the elderly received, last November, $56.89; the blind $67.42; and the disabled $56.14.

They received the equivalent of 36 cents, 42 cents, and 35 cents an hour while, at the same time, prices of food, clothing, shelter, and the other necessities of life were almost beyond the reach of factory workers earning more than $2 an hour.

No, the need does not require proof or justification—it requires abatement by your action—to make certain that the needy will receive the money intended for them.

Section 136 of H.R. 10606 would, at long last, permanently establish the right of the States of Pennsylvania and Missouri to maintain their solely State-financed aid-to-the-blind programs.

We earnestly request the committee to retain this provision of the bill—for these State programs—organized, oriented, and operated to promote the rehabilitation of blind persons—are in full accord with the declared purposes of the public welfare bill you are now considering.

Further, we request the committee to include in H.R. 10606 the provisions of H.R. 10032 which would restrict to 1 year residence as an eligibility requirement for aid.

We believe, however, that the rehabilitative objectives asserted by the public welfare amending bill would be better served—at least for recipients of aid to the blind—by the elimination of all residence requirements of any duration in programs of blind assistance.

If the goal of self-support is to have reality for many blind recipients, they must be free to move from one part of the country to another in search of greater economic opportunity.

We recommend, therefore, that you amend H.R. 10606 by adopting S. 787. This bill, introduced by Senator Eugene J. McCarthy of Minnesota and a distinguished member of this committee, would prohibit State residence requirements in programs of aid to the blind.

Mr. Chairman and members of the committee, if you were to respond in full to each of my separate urgings, if you were to adopt every proposal which I have presented for your consideration and acceptance, but, at the same time, you were also to allow the proposed title XVI to become law—then, every gain made for the blind of America would be lost—every statutory improvement intended to aid them in their struggle to live independently would be nullified by the enactment into law of the so-called disabled—for this proposal to consolidate the categories, this mechanism for merging the three separate titles—I, X, and XIV—into one title, would serve to dump all of the adult needs into one common welfare pot—and this, however different and distinctive their particular needs and problems; however separate and categorical their individual requirements for specialized services—for specially trained and qualified social workers to provide these services—to help them with their needs, to help them solve their problems and their difficulties.

We protest against this retrogressive approach to social welfare.

We condemn this method of treating the Nation's welfare caseload—its nearly 3 million disadvantaged and unfortunate citizens.

It is contended, and perhaps rightly so, that enactment of the optional combined State plan for the aged, blind, and disabled would simplify problems of welfare administration; that it would result in greater efficiency of operation. But bureaucratic convenience or administrative efficiency should not be sufficient reason to abandon the progress made over more than a century in social welfare.

As early as 1830, the State of Indiana enacted a measure to provide for the support of its needy blind residents.

In 1935, when the Social Security Act was adopted by Congress, some 27 States already had adopted statutes establishing special programs of public assistance for the needy blind.

At the present time, three-quarters of the States make separate and special provision for their blind citizens who require help in meeting their basic needs.

Mr. Chairman, these actions by the States are a recognition that the problems and the needs of the blind are different from those of others requiring aid—they are different and distinct from those of the aged, and they are different and distinct from those of the disabled.

It is equally true that the needs and the problems of the aged differ from those of the blind—and the difficulties and the requirements of the disabled are also unique and need specialized and separate consideration and treatment.

The man who is 87—without a family and enfeebled; the man who is 23—physically fit, vigorous and healthy—but blind; the completely paralyzed and bedridden mother of three small children, whose husband is unskilled and earns little—each of these presents a distinct social problem requiring the assistance of experienced, wise, and well-trained personnel to solve.

If the aged, the blind, and the disabled are to be scrambled together in one general administrative heap—if a uniform budget is to be established for all aid applicants without regard for their special categorical needs—if agency rules and regulations are to be applied to all recipients alike as though they had similar needs and problems—if caseloads are to be an indiscriminate mixture of the aged, the blind, and the disabled—and if caseworkers are required to be all things to all clients—then the high purposes of self-care and self-support will soon be smothered and stifled by generalized administrative treatment, rather than fostered by categorical consideration of the special needs of the blind, the aged, and the disabled.

Public welfare for these people will cease to exist as we have known it—as we in America have known it with pride and satisfaction—and it will become merely a paymaster of public funds to public charges—and, though they may be well provided for, though they will neither starve, go naked, or lack for shelter, they will not be rehabilitated and resume normal, independent, and self-supporting lives—but they will be and they will remain—public charges.

Mr. Chairman, members of the committee, we of the National Federation of the Blind urge you to strike out the provisions of H.R. 10606 which would establish the proposed title XVI—the optional combined State plan for the aged, blind, and disabled.

(The unread portion of Mr. Nagle's statement follows:)

SUMMARY

In summary, Mr. Chairman, the National Federation of the Blind requests and urges the committee to make the following changes in H.R. 10606:

1. Adopt S. 908 to exempt all income and all resources of a blind-aid recipient needed to assist him in fulfilling an approved plan for achieving self-support.
2. Adopt S. 905 to abolish the legally enforcible obligation of family members to contribute to the support of a needy blind person.
3. Eliminate from the bill section 141 and related provisions which would consolidate the aid programs for the aged, the blind, and the disabled into one category, the proposed tile XVI.
4. Amend section 132 to require that the additional Federal funds therein made available to the aged, blind, and disabled programs of public welfare be passed on by the States to the aid recipients, without diminishing the State's share in the cost of such programs.

The committee report issued with reference to H.R. 10606 should contain a statement making it emphatically clear that the additional Federal funds are being provided to raise the very depressed living standards of welfare recipients, and are not intended as a subsidy to the States to lessen the State's share of welfare costs.

5. Amend section 106 so that it will be absolutely certain and definite that Congress intends for State agencies to disregard the costs of earning income when determining the amount of resources aid recipients have available to meet their needs.

The committee report issued with reference to H.R. 10606 should spell out in detail the nature of the costs to be disregarded, specifying that at least the ones set forth in this testimony must be disregarded.

6. Adopt S. 907 to prohibit the States from requiring applicants for blind aid to accept a lien on their property as a condition for receiving assistance.

7. Restore the provisions of H.R. 10032 which would prohibit State residence requirements in federally supported public assistance programs of more than 1 year in length, and adopt S. 787 to eliminate residence requirements entirely in programs of aid to the blind.

8. Retain section 136 which makes permanent the temporary provisions of title X of the Social Security Act concerning the State-financed blind-aid programs in Missouri and Pennsylvania.

Mr. Nagle. I thank you.

The Chairman. Thank you very much, Mr. Nagle.

We appreciate your appearance.

Senator Hartke. Mr. Chairman, I do have some questions I would like to ask, if I may.

The Chairman. Proceed.

Senator Hartke. Mr. Nagle, I want you to explain the exemption of income provisions in the bill I have introduced, S. 908, and if you would give us an example of how this would work.

Mr. Nagle. This would make it possible for a blind aid recipient who is working under an approved plan for rehabilitation to retain all of his income and all of his resources which are needed to complete his plan for achieving self-support.

Back a few months ago I was up in Brockton, Mass., and I met a blind man there who had been established by the rehabilitation agency for the blind in the State in a rabbit-raising business.

This fellow was a recipient of public assistance. He told me he felt this rabbit-raising business had a potential. In order to really develop it it was necessary for him to get more rabbits for breeding purposes, to get additional equipment, more supplies, and he just couldn't get the money together.

He couldn't get along. He tried to do this. He was a welfare recipient and, therefore, was not a good credit risk. He said that his only way was to accumulate the income from the business, the needed funds to try to develop his future in this operation. He would be one example of one who would benefit from this provision.

Whatever income he took in from his rabbit business would be available for him to use for development of the business, and with this provision in operation we believe that ultimately this person would become completely self-supporting.

In this half-and-half stage of being on relief and also employed, it is quite possible that this rabbit business may stay on as just an avocation rather than a full employment opportunity.

Senator Hartke. In other words, the purpose is basically to provide for taking all the blind, if possible, off the relief rolls. What we are trying to do is make it possible for them to get into a position

where this can be done, but it can't be done as long as certain income is not exempted so as to permit them to obtain the status which will make it possible for them to support themselves.

Mr. NAGLE. That is right, Senator.

Senator HARTKE. Now, in regard to S. 905 which is a bill I introduced concerning the assistance from members of the family helping, would members of a blind person's family be prohibited from assisting him under this bill?

(The Treasury Department report on S. 905 appears at the end of Mr. Nagle's testimony.)

Mr. NAGEL. No, quite the contrary.

This would eliminate this legally enforceable obligation, this business of parents being taken into court by children or children being taken into the court by parents at the insistence of the local welfare agency, the welfare agency advising the applicant for aid that unless he does follow through on a legal action his aid would be cut off. Under this bill, if it becomes a part of the law, this compulsion would be eliminated.

However, people would continue to, and I believe the vast majority of people who have relatives, fathers, mothers, children, or whatever, contribute to the extent of their ability, as volunteers, to provide for the needs of their dependent people.

Now, I believe you can well understand, with a family that is burdened by the threat of legal action to give support to a needy blind person in their midst, the antagonisms, the bitternesses that can be engendered in that family.

This is hardly an atmosphere conducive to stimulate this blind person to take even the first steps necessary to achieve rehabilitation and self-support.

If he is going to get anywhere he needs the encouragement of his family, not their depreciation. He has got to have their help and cooperation.

The very basis of his rehabilitation requires that he have a firm determination that he can conquer whatever the difficulties are and go ahead. He can get this from the encouragement of his family.

He won't get this if he is living off their resources. One of the unfortunate things about this relative's responsibility is that the welfare people, in order to determine how much the contribution of an employed person should be toward a needy aid recipient, applies a standard to the income of the employed person.

Now, this is, of course, higher than the public assistance standard but, nonetheless, it means that the employed person, who is not applying for public assistance, who is not at all looking for any services from the Department, still is required to subject his income and his spending according to the determinations of the welfare agency people.

Senator HARTKE. The truth of the matter is these so-called relative responsibility laws are not alone socially unworkable but financially they do not produce any revenue to amount to anything anyway; is that true?

Mr. NAGLE. That is correct, Senator.

Senator HARTKE. Now, you told us about the necessity for the so-called pass-on provision which is not now contained in the bill. Will you tell us something about that?

Mr. NAGLE. We believe, of course, this additional money contained in this section 132 of the House-passed bill, additional $5 per recipient per month should go to the recipient.

The House Ways and Means Committee report stated that this additional money was intended to increase the living standards of the aid recipients themselves.

Now, under the present provisions of the bill, there is nothing to require that this money be passed on to the recipient. This Senator Anderson said at the opening day of the hearings. This money goes to the State and into the General Treasury as a subsidy and this is not what it was intended to do, this is not what it should do. We believe that there should be an amendment to this section 132 requiring that the State receiving this money be obligated to pass it on to their aid recipients without lessening the amount of their State share in local welfare costs.

It should be on a conditional basis.

If they will not agree to this they should not receive it.

Senator HARTKE. I prepared such an amendment and I think this should be in the law. I agree with you that the mere statement of this condition in the committee report is not sufficiently binding to permit the States, I mean to force the States, to take on their own responsibility.

In other words, we don't just want to provide an additional Federal dollar and let the States say, "Well we will cut down our dollar because the Federal money is coming in"; is that right?

Mr. NAGLE. That is right.

Senator, there seems to be a question as to whether or not this money, this additional money, is necessary.

Yesterday afternoon I checked the Social Security Bulletin publication of the Department of Health, Education, and Welfare, their bulletin for April 1962, and that gives the figures as of December 1961. The average blind payment in December 1961 was $67.55, but the average payment for the aged in that month was $56.80. The average payment for the disabled was $56.11.

Certainly no one can argue that these averages are adequate to provide minimum standards of decency and health.

So that this additional $5 a month per recipient is certainly needed and we urge this committee to do all possible to see that the recipients receive the amount intended.

A group of legislators in California have already indicated, according to a newspaper story, that the money, $12,600,000, which will be available to the California aged program, will be used to meet the increased salary raises for State employees, the other half of this $12.6 million will go into the General Treasury so that the aged people will get not a dime.

Senator HARTKE. Now, with regard to the provisions regarding the exemption of the cost of earning income, will you explain why in your opinion this should be made more clear?

Mr. NAGLE. If this is going to be an incentive to employment, and this is the way it has been described by the administration, then it certainly should be very clear just what is meant by the costs of earning income and employment.

We blind people have had experience with this business of net earned income. This provision has been in the Federal law since 1950.

Now from the very beginning the administrative authorities have interpreted this net earned income extremely restrictively. They recognize as proper exclusions business expenses, extra uniforms, transportation, if a person is a salesman to call on customers, but they have never recognized that personal expenses which are the result of employment should also be excluded.

Now, for instance, payroll deductions on social security, and personal income taxes, lunches away from home, transportation to and from work, such items as these also serve to diminish the amount of available money that the blind person has or the—under this provision it would be all of the titles, that the aid person has available to meet his needs for food, clothing, and shelter.

Now we believe that this bill should be amended or certainly, at least, the committee report should make it explicit just how broadly this provision should be interpreted, that it should be liberally construed if it really is to serve its purpose as an incentive to employment.

Unless this is done, then it will be chopped to pieces and not serve the purpose intended for it.

Senator HARTKE. Mr. Nagle, do you believe that the State lien laws in the aid-to-the-blind programs deter rehabilitation at the present time?

Mr. NAGLE. The blind person who has worked and then gets out of work and has to apply for public assistance, and is told that if he wants to receive public assistance he must agree to accept a lien on his property. This is the final degradation. This is the culmination; he is now a pauper, and any spirit he had left is just knocked out of him.

If he wants to use this property as collateral for a loan, whatever equity he has in it, it is not available for his use. He is dispossessed of his property. He is pauperized.

Now, again, the basic ingredient to rehabilitation is a spirit and determination. If that is knocked out of a person, if you just beggarize him, just pauperize him, just publicize—by public records, register of deeds—that he is a pauper, then you just take away this basic ingredient, and I would say make rehabilitation pretty difficult, if not impossible.

Senator HARTKE. What about the residence requirements and their effect on rehabilitation?

Mr. NAGLE. These programs we are talking about are Federal-State programs. They are national programs. They are just one of a various kind of Federal-State program available. One of these, of course, is the federally supported rehabilitation program.

Blind people are trained under this program, to enter employment, to become self-supporting, but unfortunately, a blind person must look and search very diligently to find an employment opportunity.

It may be that in his home community he is just not able to sell his talents and abilities to an employer. He may not be able to in the entire State. Whereas if he could go to another part of the country, there he might be able to gain employment.

We feel this restriction upon movement of a blinded recipient is a limitation on the possibilities of rehabilitation available to blind people.

Now, of course, a blind aid recipient is just not able to accumulate sufficient funds to tide him over when he goes to a new State that he can then plan on living there for 6 months or a year or 2 years until he gains employment, because this gaining employment is not easy. It takes time, it takes much effort, much courage, and determination.

So in order for this fellow to leave the security of his home State and go to a new State looking for employment he must have the assurance that when he gets to the new State he is going to be provided with enough to meet his needs.

Now it is true if you remove residence requirements of a State you may end up with some people on its relief rolls for the rest of their lives.

On the other hand, by making it possible for people to travel freely this way, by making it possible for blind people, as we urge, to come to a new State to seek greater economic opportunities, you gain, the State can also gain very valuable citizens who will make a contribution to their well-being. This should offset any hazards of the perpetual reliefers that may come to the State.

Senator HARTKE. I wonder if you would just, Mr. Nagle, very briefly explain the problem concerning the so-called Missouri-Pennsylvania problem in blind aid.

Mr. NAGLE. Back in the late thirties the States of Pennsylvania and Missouri established aid programs for their blind citizens. These programs were not in conformity with the Federal law, the Federal regulations. They had a provision that required that all resources, all income, be used to meet a persons need before any assistance would be provided.

Now in 1950 the Congress passed special legislation making it possible for the next 5 years for Federal funds to come into these States to participate in the federally eligible blind aid caseload and at the same time these States were permitted to retain and operate their State-financed, aid-to-the-blind programs.

However, during this 5-year period, these purely State-financed programs were to be liquidated, otherwise, Federal participation would terminate at the expiration of the 5-year time.

As a matter of fact, this expiration has not occurred. Four different times the Congress has extended this cutoff date, as recently as 1960. This cutoff date was again extended.

The provision, section 136 in H.R. 10606 provides finally and at long last a permanent recognition that the States should be allowed to continue to operate their State-financed, blind aid programs. This makes permanent the temporary provisions for Missouri and Pennsylvania and their special program. We certainly urge the committee to retain this provision in the law. These programs, which are rehabilitatively oriented, and, we believe, they have been much more successful in making it possible for blind people to work from public assistance over into self-support and employment than the federally supported programs.

Senator HARTKE. Mr. Nagle, I think you have covered quite at length the effect of including the blind people with the disabled, and with the aged into section 16, and have explained the desirability possibly from an administrative viewpoint to the Government or to the administrative agency.

However, there is a vast difference, as you have pointed out, between the real situation for a blind person.

What, in effect, this does is: this assumes that the blind person is to be placed where he is the same as a totally and permanently disabled person and, therefore, assumes he cannot be rehabilitated. It puts him in the same place as an aged person and assumes there is no hope for him and I thoroughly understand this and I hope we can convince the committee that administratively saving a few dollars is not worth throwing blind people to the wolves.

Mr. NAGLE. Thank you very much, Senator.

Senator HARTKE. I would like to say one other thing: You are not looking for a handout, are you, Mr. Nagle?

Mr. NAGLE. No. Our whole philosophy, our argument, before this committee time and time again when we have been here is to increase employment opportunities for blind people.

Ours is a membership organization of blind people, and throughout the year I travel to various State conventions, I talk to blind people, dozens of them, and the complaints I constantly encounter is the frustration and the bitterness and the anger of qualified capable blind people who are not able to get work, who just through this compulsion, this denial, are required to remain on public assistance in order to survive. This is the problem. This is why we are here urging not just one or two incentives to employment be included in this bill, but the whole gamut be provided, to give these people the opportunity to provide for themselves.

Senator HARTKE. Mr. Nagle, I want to thank you.

I would like to say publicly, Mr. Chairman, of all the people I have worked with here outside of Government that I know of none who comes as thoroughly briefed upon his own matter and thoroughly qualified to discuss his proposals as Mr. Nagle.

It certainly is a pleasure for me to work with him.

Mr. NAGLE. Thank you very much, Senator.

The CHAIRMAN. Your supplemental statement will be made a part of the record.

(The supplemental statement follows:)

SUPPLEMENTAL STATEMENT OF THE NATIONAL FEDERATION OF THE BLIND ON TITLE XVI OF THE PROPOSED 1962 AMENDMENTS TO THE SOCIAL SECURITY ACT, SUBMITTED BY JOHN F. NAGLE, CHIEF, WASHINGTON OFFICE, NATIONAL FEDERATION OF THE BLIND

The proposed 1962 amendments to the Social Security Act contain a so-called title XVI which would encourage the States to lump the blind with the aged and the disabled in one plan.

This so-called optional provision for a combined State plan for the aged, blind, and disabled is, in our judgment, most unfortunate. The tendency would be to scramble together the aged, blind, and disabled—and social work staff would be expected to be all things to all clients. The distinctive needs of the aged, the blind, and the disabled would tend to be disregarded and their unique problems thus receive little, if any, specialized assistance toward their solution.

The problems of the blind are different from those of the aged, and the problems of the disabled are different from both. Each group needs separate categorical consideration. Each group needs separate and specially qualified personnel, informed in the nature of their problems and qualified by experience to help in the solution of those problems.

If self-support and self-care are to be the attainable goals of public assistance for the blind, then the present categorical approach should be strengthened, not weakened. Adequately meeting the needs of particular groups of disadvantaged persons should be the one major consideration, not simplification of administration which really means uniformity to make the job easier for the administrators.

The strong inducement in the proposed title XVI designed to force States to adopt the misnamed "optional" combined State plan for the aged, blind, and disabled is that the Federal Government will participate in medical care costs up to 50 percent of $15, or an increase to the States in aid to the blind and disabled of as much as $7.50 per case per month in Federal money, similar to the matching formula already provided for in old-age assistance.

This proposed scrambling of recipients of aid to the blind with recipients of old-age security and aid to the disabled would mean that the needs of blind persons would largely be lost sight of, making it virtually impossible to carry out the congressional objectives of title X of the Social Security Act. The argument for the proposed title XVI is one of bureaucratic convenience under the name of "simplification," but the assumption which lies behind it is the fallacious one that needy blind men and women are not sufficiently distinct from other disadvantaged groups to be treated separately, in terms of their unique problems and specific needs.

A blind person's needs are as broad as the effects of his blindness, and these needs differ significantly in many respects from the needs of other disadvantaged groups. Are the needs of blind persons still in the productive years of life the needs of older citizens who have progressed beyond those years? If so, the objectives of rehabilitation, of retraining, and of economic contribution are pointless. Are the blind to be treated in the same way as the permanently and totally disabled? If so, their hopes for escape from dependency, for the achievement of self-support and competitive acceptance are surely doomed—for their rehabilitation problems are quite different.

As early as 1830, Indiana enacted a measure to provide for the support of needy blind persons. Four other States—Ohio, Illinois, Massachusetts, and Wisconsin—passed similar laws between 1830 and 1909. Six more States entered this field of legislation by 1920, and 11 additional States by 1930. By 1935, when the Social Security Act was first passed by the Congress, some 27 States already had enacted special programs of public assistance for their needy blind residents. Thus, for 132 years the States have realized the necessity of making special provision for public assistance for blind persons.

If title XVI is enacted into law it will actively encourage a complete scrambling of aid to the blind with the other categories of public assistance—in budgetary procedures, in rule and regulatory material, and in the actual administration of the program.

Only when there is an opportunity in the administration of aid to the blind to deal with the unique needs of blind persons separately can the program objectives be advanced. The immediate and long-range social and economic gains which result from gearing the administration of aid to the blind to the reduction of physical, social, and economic dependency certainly far outweigh any considerations with respect to ease of administration or bureaucratic "simplification."

If the great human and economic values stemming from the reduction of dependency are to be realized, aid to the blind must not be lumped with other categories of public assistance. Unless the proposed title XVI is stricken from the 1962 Amendments to the Social Security Act, the progress made in this country in meeting the needs of blind persons on a separate basis for over a century will be scrapped.

The CHAIRMAN. Thank you very much, Mr. Nagle. I submit for the record a copy of the Department of Health, Education, and Welfare report on the bill S. 905 disqussed by you and Senator Hartke.

(The report referred to follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, August 15, 1961.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 11, 1961, for a report on S. 905, a bill to amend title X of the Social Security Act to provide that considerations with respect to the ability of the family or relatives of a blind individual to provide for his support shall be disregarded in determining his need for aid to the blind under State programs established pursuant to such title. The bill would amend section 1002(a) of the Social Security Act relating to provisions that must be included in an approved State plan for aid to the blind by adding a new provision. Under the bill, a State plan must also "provide that the State agency shall, in determining need, disregard the ability of an individual's family or relatives to provide for his support."

There is a variety of provisions relating to the support of needy persons under State laws. The statutes of States usually have general support laws that define the responsibility of individuals to support certain relatives (such as parents, children, husband, and wife) whether they are recipients of public assistance or not. State public assistance laws in some States include relative responsibility provisions of various types. Some of these provisions do not affect the eligibility of the needy person to receive assistance but enable the individual or the agency to initiate an action for support of the individual or recovery of assistance granted to him or in his behalf. Some States specifically provide that eligibility or the amount of assistance received should be affected only to the extent that a contribution for support is actually made to the needy person. Others provide that an individual is ineligible for assistance if there are legally responsible relatives, liable and able to contribute to his support at the level assistance would afford to the individual, without regard to whether a contribution is in fact being made by the relative(s).

The intent of this bill in requiring the State "to disregard the ability" of relatives to provide support for a needy individual is not clear from the language of the bill. If the purpose of the bill is to preclude the exploration by the assistance agency of the financial or other kinds of help that may be available from an individual's relatives when they know he is needy, or force the agency to disregard the amount of actual support provided by them, we would not recommend its enactment. Such a provision would be inconsistent with the essential character of the public assistance program under the Social Security Act as one based on an individual determination of need taking each individual's income and the resources he can command into account as now provided under the act. Under an approved plan for aid to the blind under title X, as in the other public assistance programs, there must be a finding by the agency on the basis of factual information that the otherwise eligible person is needy and therefore entitled to receive assistance. It is thus necessary for the agency to make a determination of the facts in each individual's situation.

The intent of the bill may be to assure that States, in determining whether an individual is needy and the amount of payment to him, will not attribute any amount as a contribution from relatives when no amount is actually available for the individual's use in meeting his needs. Where the legally responsible relatives are actually not contributing toward the individual's support, the attempt to enforce a responsibility to support by the denial of assistance to an otherwise eligible and needy person results in severe hardship on persons little able to turn to other sources of help.

We are concerned about the problem of the assumption of income in the determination of need when, in fact, the income is not available to the recipient. We do not believe that this problem can be dealt with apart from its relationship to and implications for the total public assistance program. The Department is planning to carry out a comprehensive study of our welfare programs and we expect to examine and make recommendations as to the most satisfactory way of dealing with this problem.

We therefore recommend against the enactment of S. 905.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

WILBUR J. COHEN, *Assistant Secretary.*

The CHAIRMAN. The next witness is Mr. David Krause of the American Council for the Blind.

Take a seat, sir.

STATEMENT OF DAVID KRAUSE, SECOND VICE PRESIDENT OF THE AMERICAN COUNCIL OF THE BLIND

Mr. KRAUSE. Mr. Chairman and members of the committee, my name is David Krause.

I reside at 4628 Livingston Road SE., Washington, D.C., and I am employed as regulations analyst with the Department of Occupations and Professions, District of Columbia government.

I am here this morning in my capacity as second vice president of the American Council of the Blind, to speak in support of section 136 of H.R. 10606.

While section 136 constitutes a very small part of H.R. 10606 spacewise, the American Council of the Blind considers section 136 to be one of the most important sections of the entire bill.

We believe this to be true, because the enactment into law of section 136 will bring to a successful conclusion 12 years of struggle by the blind citizens of Missouri and Pennsylvania to save their enlightened and liberal dual aid to the blind programs.

By dual programs, we mean that in Missouri and Pennsylvania in addition to the aid to the blind program financed from participating Federal and State funds, there is a second aid to the blind program which is geared to rehabilitation and which is financed entirely from State funds.

These wholly State financed aid to the blind programs in Missouri and Pennsylvania predate passage of the Social Security Act by many years, and both the blind citizens and the welfare officials of the two States are justly proud of these programs.

Because these wholly State financed programs are more liberal than the Federal-State participating programs with respect to earned income exemptions and the amount of property that recipients can own, these State financed programs have been an extremely important factor in the rehabilitation of thousands of blind men and women in Missouri and Pennsylvania.

Thousands of blind men and women in these States have been converted from tax consumers to tax contributors, as the result of these more liberal wholly State financed aid to the blind programs.

I know whereof I speak, Mr. Chairman, because I am one of those persons. I was on the aid to the blind roll in my home State of Missouri during the time I was attending university and for a period of time after graduation while I was getting started.

This monthly financial assistance made all the difference in the world to me in those days. Without that help, I may never have become totally self-supporting.

In essence, section 136 of H.R. 10606 simply eliminates the cutoff date—the date by which Missouri and Pennsylvania were expected to abolish their wholly State financed aid to the blind programs and to bring their plans into conformity with Federal requirements.

As you are well aware, Mr. Chairman, this so-called cutoff date—the date on which Federal participating funds would be cut off, unless Missouri and Pennsylvania complied with the Federal mandate to abandon their wholly State financed programs—this has posed a continuing problem for this committee and for the Congress as a whole. It has necessitated congressional reconsideration of this problem every 2 years as the cutoff date approached.

We hope that this time the problem can and will be solved once and for all, by eliminating the cutoff date entirely.

The American Council of the Blind, a national organization of blind men and women, wholeheartedly supports section 136 of H.R. 10606, the permanent solution of the Missouri-Pennsylvania problem.

We favor it because we feel that all aid to the blind programs should be geared to rehabilitation. We believe that if a State wishes to use its own funds to provide a more liberal aid to the blind program, it should have the right to do so.

Not only should it have the right to do so, but we feel that it should be encouraged to do so.

Since Missouri and Pennsylvania receive Federal participating funds only on the same basis as all other States, the Federal Government gains rather than loses from these wholly State financed programs, because many persons who may otherwise be doomed to remain on the aid to the blind rolls for their entire lives, are thus able to become totally self-supporting and to pay their share of income taxes.

The American Council of the Blind is dedicated to promoting and furthering employment opportunities for blind persons, and we feel very strongly that an aid to the blind program should serve as a hand up, not as a handout. This is what the wholly State financed aid to the blind programs in Missouri and Pennsylvania do.

Secretary Ribicoff has given his endorsement to section 136 of H.R. 10606, and the American Council of the Blind hopes that this committee will see fit to act favorably upon it.

Thank you.

The CHAIRMAN. Any questions, Senator?

Senator KERR. No.

The CHAIRMAN. Thank you very much, Mr. Krause, I appreciate your appearance.

Mr. Paul Kirton of the Missouri Federation of the Blind.

Please take a seat, sir.

STATEMENT OF PAUL KIRTON, MISSOURI FEDERATION OF THE BLIND

Mr. KIRTON. Yes, sir.

My name is Paul Kirton. I am an attorney licensed in Texas, Wisconsin, and here in the District of Columbia.

I now work for the Department of Interior as an attorney and I live in Fairfax County, Va., where I am also a beef farmer.

However, I am also a member of the Missouri Federation of the Blind and one of the local chapters there entitled Real Independence Through Employment, in St. Louis. This title indicates the philosophy of our local organization and of our State organization.

The Missouri Federation of the Blind is a statewide organization of blind people formed in 1914. With the help of many of Missouri's fine citizens this organization succeeded in obtaining one of the Nation's most advanced and most successful aid to the blind programs. We call this program successful because of the number of persons it has helped to obtain self-support since its passage in 1922.

The Missouri Legislature originally recognized that the public concept of the unemployable character of blind people was their major handicap.

It was concluded that self-help and self-support through rehabilitation and self-employment would be the most meaningful and the least expensive way of helping its blind citizens.

Missouri, therefore, established a flat payment of $20 a month to each blind person who had limited amounts of property and earnings of not more than $600 a year. This exempt-earnings provision was the first of its kind in the United States.

It proved so successful that Pennsylvania followed suit and finally so did the Federal Government in 1950, almost 30 years later.

Until the Federal Government recognized the deficiency in its own program, Missouri was not eligible for matching Federal funds. Rather than abandoning the blind citizens of Missouri to the "charity handout" system of the Federal Government, Missouri insisted on financing the total cost of the program alone.

In 1950 the Congress adopted the concept of exempt earnings at the level which had prevailed in Missouri 30 years earlier, and it permitted Missouri to continue its State program with the provision that only those cases in Missouri which would have been eligible under a regular Federal-State program should receive matching funds.

Missouri was still not in complete conformity for it had recognized the rise in the cost of living since 1922 and had raised its exempt earned income level.

In 1960, Congress also raised the level of exempt earnings but still not so much as that permitted in Missouri.

As a result, Missouri still had a substantial number of people who were being helped exclusively from State funds, no Federal, no county.

In Missouri a person who is not entitled to receive $65 a month under the Federal-State program will receive this amount from strictly State funds. It is felt by the legislature and the State welfare board that this flat amount helps all persons to meet the extra costs of blindness, costs incurred for services which a sighted person would ordinarily perform for himself.

Because these costs vary for each individual, and are unforeseeable in the life of each individual, a statewide average is taken and added to the basic and well-recognized needs for food, clothing, and shelter.

However, an aid program designed only to meet the costs of sustaining life would be meaningless and would be self-perpetuating.

The Missouri program is versatile. It provides comfort to the incapacitated, help to the unemployed, and assurance to the low-income worker that he may receive help on his climb toward a normal life and total self-support.

The 1950 compromise with Pennsylvania and Missouri has received several extensions. Considerable time and effort has been spent by the blind people of Missouri and its many responsible sighted leaders to have this compromise extended.

This year in H.R. 10606 in section 136, a permanent settlement has been proposed and passed by the House of Representatives.

If the Senate can see its way clear to pass this same section in its present form it will be possible for Mr. Proctor Carter, head of the Missouri Department of Public Welfare, who also supports this provision, to concentrate on administering his program, the Missouri legislature, which has steadfastly refused to abandon blind persons in the midstream of rehabilitation, can return to other pressing problems, and the blind people of Missouri can continue their fine efforts to help improve themselves.

As one example of what has already been accomplished let me tell you of one man who is deaf and blind. Ordinarily, such people are confined to a life of helplessness and loneliness. Rehabilitation for these people is just now getting underway in other States under exclusive Federal programs. But in Missouri through its programs of assured assistance despite his handicaps, many years ago he was able to open a small business, to marry, and have several above-average children in mental and physical health, who are now entering upon careers as professional and skilled people.

It has often been said that only in America can a child of the very poor aspire to social and economic success and achieve it.

Let us hope that soon it will not be only in Missouri that the child of the severely handicapped person can also hope to have a happy home and an adequate education.

We only ask for the State's right to be more generous with its people, more farsighted in its programs than the minimal requirements set by the Federal Government.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Kirton.

Any questions?

Senator KERR. No.

The CHAIRMAN. Thank you, sir.

The next witness is Mr. Henry G. Hotchkiss, of the Federation of Protestant Welfare Agencies.

Take a seat, sir.

STATEMENT OF HENRY G. HOTCHKISS, PRESIDENT OF THE FEDERATION OF PROTESTANT WELFARE AGENCIES

Mr. HOTCHKISS. Mr. Chairman and members of the committee, my name is Henry G. Hotchkiss and I am president of the Federation of Protestant Welfare Agencies. This federation is the central coordinating agency for Protestant health and welfare agencies in the Greater New York area.

I am filing with my statement a list of the agencies which for brevity's sake I will not read.

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Senator KERR. It will be made a part of the record.
(The list of agencies referred to follows:)

MEMBER AGENCIES OF THE FEDERATION OF PROTESTANT WELFARE AGENCIES, INC.

Adam Clayton Powell, Sr. Community Center
Adventist Home, Inc.
All Angels Farm, Inc.
All Souls' Camp
Alma Mathews House
American-Russian Aid Association, Inc.
American Seamen's Friend Society
Andrew Freedman Home
Armenian Welfare Association
Association for Homemaker Service, Inc.
Association for the Relief of Respectable Aged
Astoria Child Care Center
Augustana Lutheran Home for the Aged
Bank Street College of Education
Baptist Children's Home of Long Island
Baptist Fresh Air Home Society
Baptist Home for the Aged in the City of New York
Baptist Home of Brooklyn, N.Y.
Barrett House of the Florence Crittenton League, Inc.
Bay Ridge Day Nursery, Inc.
Berkshire Farm for Boys, Inc.
Bethany Day Nursery, Inc.
Bethany Deaconess Hospital Society
Bethel Methodist Home for the Aged
Bethlehem Day Nursery, Inc.
Big Brothers, Inc.
Big Sisters, Inc.
Boys Harbor, Inc.
Braker Memorial Home
Brooklyn Home for Aged Colored People
Brooklyn Home for Aged Men and Couples
Brooklyn Home for Children
Brooklyn Kindergarten Society
Brooklyn Methodist Episcopal Church Home
Brooklyn Music School
Brookwood Child Care-Orphan Asylum Society of the City of Brooklyn
Brownsville Boys' Club, Inc.
Camp Sloane, Inc.
Children's Village
Christ Presbyterian Church House
Christian Herald Association
Church Charity Foundation of Long Island
Church of All Nations and Neighborhood House
Colonial Park Day Care Agency
Covenant Home of the East Coast Conference
Danish Home for the Aged, Inc.
Day Nursery Group, Inc.
East Calvary Nursery, Inc.
East Harlem Protestant Parish
East Side House, Inc.
Edwin Gould Foundation for Children
Eger Lutheran Home, Inc.
Elsman Day Nursery
Episcopal Service to the Aged
Evangelical Deaconess Hospital
Evangelical Home for the Aged
Fellowship House of St. Augustine Presbyterian Church
Field Home, Inc.
Five Points House
Five Points Mission
Flushing Bland Community Center Inc.
Forest Neigrborhood House, Inc.
Fresh Air Association of St. John, Inc.
Friendly League for Christian Service, Inc.
Friends' Home Association
George Washington Carver Child Care Center
German Society of the City of New York
Girls' Friendly Society of the Diocese of New York, Inc.
Girls' Home Society
Girls' Service League
Goddard-Riverside Community Center
Graham Home for Old Ladies
Graham Home for Children
Greater New York Conference of Seventh Day Adventists
Greenwich House
Greer, A Children's Community
Hamilton Grange Day Care Center, Inc.
Hamilton-Madison House
Hartley House
Heartsease Home for Women and Babies, Inc.
Hermitage of Our Lady of Kursk
Home for Old Men and Aged Couples
Hope Day Nursery
House of Friendship Community Center
House of the Holy Comforter
House of St. Giles the Cripple
Hudson Guild, Inc.
Incarnation Camp, Inc.
Industrial Home for the Blind
Inwood House
Inwood Nursery
Isabella Home
Jacob A. Riis Neighborhood Settlement
Jamaica Child Care Center
James Weldon Johnson Community Center, Inc.
Jennie Clarkson Home for Children
Judson Memorial Church and Center
Julia Dyckman Andrus Memorial Home
Kallman Home for Children
Katharine Herbert Fund, Inc.
Kirkside, Inc. (affiliated with the Reformed Church in America)

Ladies Christian Union of the City of New York
LaGuardia Memorial House
Leake and Watts Children's Home
Lenox Hill Neighborhood Association, Inc.
Long Island Odd Fellows Home
Lutheran Boys' Work Foundation, Inc.
Lutheran Child Welfare Association
Lutheran Friends of the Deaf, Inc.
Lutheran Hospital of Brooklyn
Lutheran Medical Center
Lutheran Seamen's Center
Lutheran Social Services of Metropolitan New York, Inc.
Lutheran Welfare Council
Madison Square Church House
Marble Hill Recreation Center
Marien-Heim of Brooklyn
Mariners Family Home
Masters Nursery
McCutchen
Melrose House
Methodist Camp Service
Methodist Church Home for the Agea in the City of New York
Methodist Hospital in Brooklyn
Metropolitan Baptist Camps, Inc.
Metropolitan Lutheran Inner Mission Society
Mills College of Education
Miriam Osborn Memorial Home Association
Morningside Community Center, Inc.
Mount Calvary Methodist Church Child Care Center
Mount Morris Children's Center
Mount Tremper Lutheran Camp
Neighborhood Day Nursery of Harlem, Inc.
Neighborhood House of the City of New York
New York Baptist City Society
New York City Mission Society
New York City Society of the Methodist Church
New York Colored Mission
New York Congregational Home for the Aged
New York Deaconess Association of the Methodist Church
New York Diet Kitchen Association
New York Port Society
New York Protestant Episcopal City Mission Society
North Queens Child Care Center
Norwegian Children's Home Association, Inc.
Norwegian Christian Home for the Aged, Inc.
Norwegian Lutheran Community Service, Inc.
Open Door Child Care Center
Ottilie Home for Children
Pamela C. Torres Day Care Center, Inc.
Parkchester-Bronxdale Day Care Association
Peabody Home
Presbyterian Home for Aged Women in the City of New York, Inc.
Prescott Neighborhood House, Inc.
Prospect Heights Hospital
Rest for Convalescents
Riverdale Children's Association
Rockaway Child Care Center, Inc.
Sailors Snug Harbor
St. Barnabas Hospital for Chronic Diseases
St. Christopher's School
St. Faith's House
St. George's Memorial House
St. Luke's Home for Aged Women in the City of New York
St. Mary's-in-the-Field
St. Philip's Community Service Council, Inc.
Salvation Army
Samaritan Home for the Aged of the City of New York
Samaritan Hospital of Brooklyn
School Settlement Association
Seabury Memorial Home
Seamen's Church Institute of New York
Sheltering Arms Childrens Service
Silver Cross Day Nursery
Sister Catherine's Home, Inc.
Society for the Relief of the Destitute Blind of the City of New York and Its Vicinity, Inc.
Society for the Relief of Women and Children
Society of St. Johnland
Society for Seamen's Children
South Bronx Community Council
Speedwell Services for Children, Inc.
Staten Island Child Care Association
Staten Island Mental Health Society
Stuyvesant Community Center, Inc.
Sunshine Day Care Centers, Inc.
Swedish Home for Aged, Inc.
Swedish Hospital in Brooklyn
Swiss Benevolent Society of New York
Sylvia Klein Child Care Center, Inc.
Talbot-Perkins Adoption Service, Inc.
Trinity Chapel Home for Aged Church Women
Union Settlement Association, Inc.
United Presbyterian Home
United West Side Parish of the Broadway Congregational Church
Urban League of Greater New York, Inc.
Utopia Children's Center, Inc.
Victoria Home for Aged British Men and Women, Inc.
Victory Day Care Center
Virginia Day Nursery
Vocational Advisory Service
Wartburg Lutheran Home for Aged and Infirm
Wartburg Orphan Farm School of the Evangelical Lutheran Church
Washington Square Home for Friendless Girls

West Side Day Nursery, Arthur A. Barr Division
Western Queens Nursery School, Inc. and Queensbridge Play School
Willoughby House Settlement, Inc.
Wiltwyck School for Boys
Windham Children's Service
Women's Prison Association of New York
Woodfield Children's Village
Woodside Children's Center
Woodycrest-American Female Guardian Society and Home for the Friendless
YMCA Central Atlantic Area Council Camps
Young Men's Christian Association of Greater New York
Young Men's Christian Association of Yonkers
Young People's Baptist Union of Brooklyn and Long Island
Young Women's Christian Association of Brooklyn
Young Women's Christian Association of the City of New York
Youth Consultation Service-Church Mission
Youth Consultation Service of the Diocese of New York, Inc.

Mr. HOTCHKISS. The Federation's membership is composed of 221 voluntary health and welfare agencies.

Reluctantly, and solely because of the inclusion of section 107, we oppose the enactment of H.R. 10606, the Public Welfare Amendments of 1962 passed by the House of Representatives and now before your committee.

We reach this conclusion with regret because we warmly support all major objectives of the bill—particularly the increased appropriations for extending and improving State and local child welfare services; increased appropriations for training personnel; appropriations for setting up day care centers; the emphasis of the bill on rehabilitation; and the extension of the inclusion of unemployed parents in the program for aid to families with dependent children.

Section 107 of the bill is unnecessary. To cover cases where making payments to the relative would be contrary to the welfare of the child, section 108 creates a carefully safeguarded method for protective payments within the framework of an approved State plan.

No showing has been made why this protective payments provision is not adequate, or why it should not be given a fair trial. No showing has been made why States also need the blanket permission of section 107 to operate outside an approved State plan and under no safeguards at all—except a prohibition against denial of payments while the child is in the relative's home, or a requirement for adequate care and assistance pursuant to a State statute.

Section 107 of the bill is dangerous. It abandons the long-established requirements that, in order to obtain matching Federal funds, a State must adopt a plan which meets 12 specific Federal standards; that the plan must be approved by the Secretary of Health, Education, and Welfare; and, that if the State plan or its administration does not continue to comply with Federal requirements, the Secretary after hearing shall make no further certification of Federal funds.

Section 107 of the bill bypasses these sound provisions of the Social Security Act (secs. 402 and 404) and remits Federal policy and Federal funds to determination and disposition by State law.

Notwithstanding the many substantial improvements which the bill would make in our public welfare laws, we believe that, in view of the drastic deterioration to be brought about by section 107, the bill as passed by the House would on balance do more harm than good.

We urge your committee either to report unfavorably on the bill as passed by the House, or to report favorably with an amendment striking section 107.

If your committee decides on the latter course, as we certainly hope it will, we recommend further changes in two respects of major importance:

First, to reduce to 1 year the maximum residence requirement which a State plan is permitted to impose (instead of the present 5 years out of 9), and to grant a premium to States which eliminate residence requirements entirely. The interests of the Nation are best served when there is free movement of individuals. Granting Federal funds to State programs which discourage free movement of people who may need assistance is contrary to our national policy.

Second, to increase the Federal matching payments, under the program for aid to families with dependent children, at least proportionately with the increases made under the programs for the aged, the blind, and the disabled.

Under the bill, for example, the maximum average monthly payment for each of the latter groups is raised from $66 to $70, while the former remains unchanged at $30. No reason is apparent for denying a corresponding increase nor, indeed, for failing to remedy the present excessive difference.

A document published earlier this year by the federation will serve to amplify the background of our thinking on the subject matter of the bill. I request that the text of this document, "A Policy Statement by the Federation of Protestant Welfare Agencies Concerning Public Welfare," be incorporated in the record of the hearing and be regarded as a part of my statement, together with the list of the members and affiliated agencies.

Thank you for granting this opportunity to be heard.

(The information referred to follows:)

A POLICY STATEMENT BY THE FEDERATION OF PROTESTANT WELFARE AGENCIES CONCERNING PUBLIC WELFARE

New York, N.Y.

The Federation of Protestant Welfare Agencies wishes to take advantage of the current widespread discussion of public welfare programs to express its support of the purposes of public welfare.

The Federation speaks out of a profound Christian faith in the worth and dignity of every individual human being, and out of a deep conviction that it is the right of every human being in need to get help—regardless of race, religion, moral standards, or causes of dependency.

Whatever investigation may be proper into the administration of public assistance programs, the federation assumes that the validity of public assistance is no longer open to question. It is unthinkable that anyone in this country today would refuse food to a starving man, nor do most people any longer consider a laissez-faire attitude toward one's fellow man a possibility. Attacks on the public welfare program, whether under the guise of "removing chiselers from the relief rolls" or otherwise, are all too often attacks on the whole philosophy of American social welfare, private as well as public. Neither the Federation of Protestant Welfare Agencies nor the department of welfare condones fraud in any field. Adequate regulations exist and operate within the welfare programs for finding and prosecuting dishonest recipients of financial assistance.

The federation knows from its 40 years of experience, and as coordinator for 221 private agencies working in most fields of charitable endeavor, that the public welfare program provides the frame within which the essential work of the pri-

vate agencies is done. Public welfare does not cause the dilemmas of society, it reflects them.

Causes of dependency and unemployment lie immediately in inadequate schooling; in insufficient and ill-planned housing; in discrimination in education, housing, and employment; in the changing employment picture caused by automation; in inadequate medical care; in contemporary rootlessness and tensions. Each one of us shares responsibility for these ills. Beyond the immediate problems are such inevitable and enduring causes as personal inadequacies, mental disorders, and ill health. Human need, whatever the cause, is a fact of the human condition.

The federation speaks now not only in support of public welfare programs, but in defense of the ancient Christian commandment of love for one's neighbor, in defense of compassion, and of individual concern and involvement in all these issues.

The federation therefore, out of the experience of its agencies in direct services to people of every age, race, color, and degree of need, affirms that—

1. The provision of adequate financial assistance for those unable to maintain themselves is properly a governmental responsibility;
2. Rehabilitation of the individual or of the family in need is the primary long-range goal of the public welfare programs as well as of the private agencies;
3. Rehabilitation programs must be accompanied by broad community planning, shared in by professional and lay people in both public and private agencies, to find the causes and develop remedies for the dislocation of people in today's society.

FPWA ENDORSES FEDERAL AND STATE WELFARE LAWS

The federation further wants to make clear its endorsement of the philosophy and major regulations of existing Federal and State social welfare laws, as follows:

We endorse the 1956 amendment to the Federal Social Security Act which specifies that services to those on public assistance shall be basic to the public welfare programs, that one purpose of public assistance shall be to help recipients toward more independent living, that help shall be given toward maintaining and strengthening family life, that services for prevention of dependency shall be provided, and that attention shall be given to the causes of social problems.

We endorse the absence in the New York State social welfare law of any residence requirement; we deplore the passage last year of certain 6-month stipulations which are tantamount to residence requirements; we strongly urge a Federal regulation prohibiting residence requirements for any assistance program which receives Federal moneys. In August 1959 (date for which most recent figures are available), 92 percent of the public assistance cases in New York City had been residents of the city for more than 1 year before receiving public assistance. More than two-thirds had been residents for 5 years or more. Figures show incontrovertibly that immigration into New York State goes up when employment is high and goes down when there is an increase in unemployment.

We endorse that provision of the State social welfare law which requires that anyone applying for public assistance who is able to work must register with the State employment service and must accept any position "for which he is fitted." We also endorse protections under other laws specifying standards of adequate pay and proper working hours and conditions.

Such standards should also apply to any work-relief ("made work") program for public assistance recipients. Where public assistance recipients are physically able to work and unable to find suitable employment, we approve work-relief jobs on needed public projects which are not otherwise provided for and which do not compete with private enterprise. No work-relief program, however, should be allowed to conflict with a rehabilitative program designed to teach new skills or to enhance old ones, to provide guidance, and to allow time for job finding.

In addition, we endorse those provisions of the social welfare law which permit supplementation of family income by assistance grants when such income is insufficient to provide basic maintenance.

We endorse those provisions of the social welfare law which require that grants be paid to public assistance recipients in cash and specify means by which help may be given to those who are unable to manage for themselves.

Public welfare recipients have the right, and should be encouraged, to determine how they shall live, provided they accept, as we all must, the consequences of their determination.

We endorse the absence from the State welfare law of any time limit on the granting of assistance. Since need is and should be the sole qualification, there is no justification for the arbitrary termination of assistance. More than 90 percent of public assistance recipients in New York City are: the blind, the disabled, children under 18 years old, mothers whose presence in the home is considered essential, and adults over 65 years of age. For all practical purposes, they are unemployable. In New York State the figure is 85 percent. The remaining 10 to 15 percent in almost all instances need basic elementary education, job training, vocational guidance, health improvement, and social counseling before they can find, much less keep, adequate employment.

It is perhaps worth noting here that employment and social insurance programs are today meeting many of the economic needs for which the original welfare program of the 1930's was designed. The recipients of public assistance grants today, in whatever category, are mainly those who cannot get help any other way.

We endorse that provision of the social welfare law which requires that assistance grants must be adequate to meet accepted public health standards, taking into account variation in the cost of living. There is no justification for the arbitrary establishment of relief allowance ceilings in disregard of such standards.

We endorse those provisions of the State social welfare law which state that children in the aid-to-dependent-children category shall stay in their homes if proper care can be given. In cases where proper care cannot be given, there are measures in State law which provide for the removal and suitable placement of any child whose parents are unable or unwilling to provide adequate financial or emotional care for him.

Here again a variety of public and private insurance programs provide for the survivors of breadwinners with stable economic backgrounds. The aid-to-dependent-children program has had increasingly to provide for families without economic or social stability. It has not caused the instability. Of known out-of-wedlock children in the Nation, 87 percent are in families not known to any public welfare department. A 61-percent daily increase in the assistance check does not seem sufficient inducement for adding another child to the family.

Public welfare does not condone immorality, but public welfare programs were not established for any purpose of regulation or punishment. Public welfare does concern itself with the factors of deprivation, illness, ignorance, and maladjustment which contribute to immorality. There is no legal, moral, or human justification for depriving any child of basic care because of the mores of his parents.

FEDERATION OFFERS SEVEN RECOMMENDATIONS

The Federation of Protestant Welfare Agencies believes that rehabilitation and prevention must increasingly become an integral part of public welfare programs. Therefore, the federation, in urging that welfare programs be strengthened, recommends that:

1. Administrative procedure governing Federal, State, and city welfare programs be reexamined.

Secretary Ribicoff has proposed an overhauling of the welfare program. We hope every citizen will give this study his thoughtful consideration. We welcomed last year the interest demonstrated by the report submitted to the New York State Temporary Commission on Coordination of State Activities by the firm of Cresap, McCormick & Paget. We hope the investigating commission set up by Governor Rockefeller under the provisions of the Morland Act will consult the many experienced agencies in the welfare field.

2. Practical and realistic staffing of public welfare services be a prime objective.

Pilot projects in public welfare programs throughout the Nation have demonstrated that, with skilled help, many people in financial and emotional need can become self-supporting and productive members of the community.

Trained professional social workers, in short supply everywhere, must be placed in the strategic positions in welfare departments; at intake desks, and in such sensitive areas as child welfare offices, protective services, family counseling units. The time and efforts of the social worker must be devoted to

identifying causes of need and to helping the client overcome them, not to cumbersome eligibility tests and routine paperwork.

The social investigator's job, which is basic to the welfare program but for which professional training is not a requirement, should be given special attention through lowered caseloads, inservice training, assignment of the mass of paperwork to clerical workers, and increased salaries.

In New York City there must be immediate removal of certain regulations and laws which now restrict employment in the department of welfare. The Lyons residence law as it affects the department of welfare should be repealed, and civil service regulations should be revised, in particular the requirement that experienced social workers coming to the department must start in beginning jobs rather than in positions commensurate with their training and competence.

Serious thought must be given to causes of the shortage of professional social workers. There appears to be need for more flexible and imaginative opportunities for graduate school education in social work. Some graduate schools are permitting a longer period of time for completion of the prescribed training and courses are being scheduled during hours that permit the student to carry his work while pursuing courses at the school, thus helping to narrow the gap which now exists between trained personnel and the realistic needs of the community. In addition to the challenge to flexibility in graduate school education is the need for more funds, from both governmental and voluntary sources, for educational leaves.

Finally, a new image of the field of social work must be created. Negative community attitudes toward welfare recipients and programs have tended to put social work on the defensive, particularly within the field of public welfare. With recognition of social work as a necessary and respected vocation, an important step will have been taken toward interesting more young people of compassion, dedication, and skill in entering the field.

3. Communitywide provision and efficient use of preventive services be planned by public and private welfare agencies together.

Such services are day care facilities, homemaker services, vocational guidance and job-finding programs for youth, family counseling and counseling for unmarried mothers, and neighborhood conservation programs.

4. The housing needs of New York City's low and middle income population be given, immediately, more thoughtful attention and more dynamic planning.

Lack of adequate low-cost housing is one of the major problems of community welfare. Stronger community support for acceleration of housing programs must be enlisted. Housing policies which exclude from public projects certain needy families because of instability or social nonconformity have the effect of enforcing slum living on such families. These policies should be reexamined.

Cooperative planning among all professions and agencies involved in housing and housing needs is a primary necessity. Proper housing represents more than shelter, it aids rehabilitation and achievement of self-respect an independence.

5. The desperate plight of New York City's dependent and neglected children receive immediate attention and adequate appropriations be made for their care.

City funds for the foster care of children in private agencies should be included in the budget of the city's department of welfare rather than in the charitable institutions budget; inequities in aid-to-dependent-children grants should be corrected; recommendations concerning the earnings of ADC recipients should be implemented, and priority should be given to expansion of public foster care and more adequate staffing of the bureau of child welfare.

6. The program in the city's department of welfare for informing the public as to the purposes, concerns and achievements of the department be more effectively implemented.

Accurate and full interpretation of the public welfare program is necessary to gain community support. Criticism can only be countered by the facts.

7. The Federal Department of Health, Education, and Welfare be assigned a more active role in setting and enforcing standards for welfare programs throughout the country.

Abuses of public welfare programs, such as those in Newburgh; Louisiana, and Mississippi, though local in origin, threaten the personal dignity of every American and have nationwide repercussions.

In conclusion, the federation, joining with those who have already spoken, hopes that its voice will be one of many to counter the misinformation and the fears which underlie so many of the attacks on public social welfare; and that many such voices will rally the conscience of the whole community to investigate and deal with the causes of maladjustment and dependency, and to demand and to work for the measures of prevention and rehabilitation which are essential.

The CHAIRMAN. Any questions?

Senator KERR. I would like to talk to the witness a little. I am sorry I didn't get to hear all of his statement. I want to look at it here just a minute.

You say you object to section 107?

Mr. HOTCHKISS. Yes.

Senator KERR. Do you favor 108?

Mr. HOTCHKISS. Yes. We think 108 follows the pattern which has been established and worked out favorably in practice, and we have no record to indicate that we need any additional——

Senator KERR. Where has the provisions of 108 been established that are practical?

Mr. HOTCHKISS. Well, I don't think I can answer that, Senator.

Senator KERR. Sir?

Mr. HOTCHKISS. I don't think I can answer that.

Senator KERR. I thought you said 108 conforms to the pattern that has been established.

Mr. HOTCHKISS. Well, the pattern generally of conforming to the 12 requirements laid down by the Department of Health and Welfare, HEW, established with respect to payments of this sort.

Senator KERR. 108, if I understand it, and if you understand it differently you tell me, would authorize a local administrator where he decided that the mother was not handling the money properly, to make vendor payments with the money. Isn't that what it provides?

Mr. HOTCHKISS. Yes.

Senator KERR. And you favor that. You favor giving a local administrator the arbitrary power to set aside the pattern of the natural parent taking care of the child?

Mr. HOTCHKISS. Except in the case where it seems to the authorities the natural parents for one reason or another are not capable.

Senator KERR. To what authorities?

Mr. HOTCHKISS. Well, the administrator as you suggest.

Senator KERR. Well, we have in every county in the Nation authorities duly operating under law as old as the Nation where a situation of that kind can be adjudicated and actually the disruption of the normal pattern of parent and child is pretty serious, isn't it?

Mr. HOTCHKISS. Very serious, indeed. It is only in the most extreme cases where it would be justified at all.

Senator KERR. Our system of probate courts is the result of actually a thousand years' experience in English-speaking people, isn't it?

Mr. HOTCHKISS. I suppose it is. I think so.

Senator KERR. Who, in all of that time, have been in the majority Christians.

Now here, just kind of on the spur of the moment, you think we ought to bypass that and say that an administrator who actually is anonymous should be given that authority.

Mr. HOTCHKISS. Yes; in section 108, I think there are cases where that power properly should be put there.

Senator KERR. You are the last man that I thought would take that position.

Mr. HOTCHKISS. Well, there it is.

Senator KERR. Thank you.

The CHAIRMAN. Thank you very much, Mr. Hotchkiss.
Mr. HOTCHKISS. Thank you.
The CHAIRMAN. The next witness is Msgr. Raymond J. Gallagher, of the National Conference of Catholic Charities.

STATEMENT OF MSGR. RAYMOND J. GALLAGHER, SECRETARY, NATIONAL CONFERENCE OF CATHOLIC CHARITIES

Monsignor GALLAGHER. Mr. Chairman, thank you.
The CHAIRMAN. Take a seat, sir, and proceed.
Monsignor GALLAGHER. I have submitted a more lengthy statement for the record. I will summarize my own presentation. I wish also to acknowledge the presence here of Mr. Charles Tobin, attorney at law, secretary of the New York State Catholic Welfare Conference, who wishes also to submit for the record a copy of their statement.
The CHAIRMAN. The insertions will be made following your oral presentation, sir.
Monsignor GALLAGHER. Thank you very much, sir.
My name is Msgr. Raymond J. Gallagher. I am secretary of the National Conference of Catholic Charities, with headquarters at 1346 Connecticut Avenue NW., Washington, D.C.
The National Conference of Catholic Charities coordinates the activities of 375 diocesan offices of Catholic charities, located in 48 States and the District of Columbia.
Similarly, we coordinate the activity of about 700 institutions providing specialized care to various groups, including institutional foster care for dependent and neglected children, multiple handicapped children, rehabilitation programs for teenagers, housing and nursing facilities for the aging.
The agencies to which I referred above are engaged in direct service programs covering the full spectrum of modern-day social services. Representing the philosophy and the current position of these agencies and institutions, we feel that we are presenting a truly valid sample of experience in the areas to which this bill addresses itself.
I appreciate the opportunity to appear before this committee to endorse the efforts of the administration and the Department of Health, Education, and Welfare to meet such criticisms as have been suggested, while at the same time seeking to preserve that fundamental part of a Government's service to its people, namely, a humane program of welfare service to those in need.
In the matter of day care, we endorse the proposal of this bill to offer protection to children who are now left unprotected by mothers who seek full-time employment. We endorse the use of day-care facilities under public welfare auspices as a means of helping families rehabilitate and reorganize themselves into financially independent units.
We wish to express the caution that the element of financial need should be present where Federal funds will be used. We do not believe this is clearly enough expressed in the provisions of the bill.
While we wish it to be clear that we appreciate the effectiveness of day care for the protection of children of working mothers, we believe that as a Nation we should be measuring the necessity of

more and more mothers with small children entering the labor market. We believe we should give an equal amount of our time and resources to discovering whether this trend is essential and whether the needs of the labor market could be met by some other means.

ADC to children of unemployed fathers: It is our belief that a large number of beneficiaries of this change in the social security law are men who are unemployed by reason of possessing no work skill or an obsolete skill.

While we believe that the children of these men should not be denied support, we believe that something more basic to the nature of the problem should be enacted. We believe, therefore, that this provision for the children of unemployed fathers should be continued on a temporary basis, with relatively short periods of review and re-evaluation provided.

We would like to see this type of care for dependent children made available until such time as the manpower development and training program would begin to take hold. We believe that these fathers on ADC should be given priority for retraining under the provisions of that act.

This would have the effect of protecting the child while at the same time returning the man to the level of an effective father capable of providing for his children by his own work, at the earliest possible time.

Protective payments: In order to guarantee that the children will receive the care intended by this welfare program, and in order to assure the Government that its funds will be expended wisely, we concur in the provisions under section 108, page 40, for protective payments in up to 5 percent of the cases in this program.

We believe, however, that the provisions of section 107, page 38, which provides in addition that "any other action authorized under State law" may be invoked, would open the way to procedures that far exceed the extent of the problem at hand.

In specialized cases not covered by 5 percent we believe that greater use of the judicial process would disqualify those from direct control of the child or benefit might be resorted to.

Our Nation has come a long way from the punitive and restrictive procedures of the ancient poor laws. We feel that it would be a backward step to reintroduce this attitude by the permissive language of section 107. We suggest that the 5-percent provision will amply protect the child and the Government program which supports it.

I would like to make special comment about training for the field of social service.

Earlier versions of this bill proposed support for training programs for staffs of public welfare programs dealing with children and families.

We would suggest that these provisions be restored to the bill and that in addition provision be made for training for the whole field of social service. We are conscious of the growing involvement of our people in problems with a social base and at the same time aware that graduates of professional schools of social work are in such short supply as to merely replace those who retire or leave the field for other personal reasons.

In order to make a substantial contribution to the recruiting of personnel for this essential field, it is our belief that the Federal Government should sponsor a crash program of training for the total field, without regard to public or private practice.

The Advisory Council on Child Welfare recommended that grants be given institutions of higher learning so that the most economic use of faculties, classrooms, field supervision, and fieldwork placements could be made. Eligibility for training stipends should be based on meeting qualifications and not solely upon the intention of the student to work in the public welfare field.

I would like to close in making a comment relative to the tradition of our Government to make maximum use of existing local and private facilities in meeting citizen needs. We would urge the Senate to restore to this bill the language contained in the original proposal, H.R. 10032, wherein endorsement was given to the maximum use of existing voluntary private welfare services in providing necessary services to those in need. This is a concept which has wide acceptance. It was part of the administration's program at the beginning of this session of Congress. It was recommended by the Advisory Council on Public Assistance, the Advisory Council on Child Welfare Services, and the ad hoc committee on public welfare of 1961.

All of these proposals support the traditional American concept of encouraging individuals and citizen organizations to do for themselves the things of which they are capable.

If the absence of sufficient financial support limits their ability to do this, it seems to us that the Federal Government could help maintain this vital citizens' activity and at the same time provide for the meeting of the social needs of its citizens.

America seems to us to be built upon the idea of citizen capability and personal responsibility. The flourishing of voluntary services is indicative of an alert, self-reliant citizenry which is doing for itself the things of which it is capable.

If our Government, from the Federal level, would endorse this principle of maximum use of existing community and private agencies, it seems to us that it would be seconding the efforts of individuals to be contributing citizens and at the same time it would be rendering an eloquent answer to those who envision in our Nation the growth of a welfare state.

Let me say in closing, my thanks to you, Senator Byrd, for the opportunity of testifying on this occasion.

Senator BYRD. Thank you, Monsignor. We will certainly give full consideration to your suggestions.

Monsignor GALLAGHER. Thank you very much.

(The statements referred to follow:)

STATEMENT OF RT. REV. MSGR. RAYMOND J. GALLAGHER, SECRETARY, NATIONAL CONFERENCE OF CATHOLIC CHARITIES, ON H.R. 10606, THE PUBLIC WELFARE AMENDMENTS OF 1962

Mr. Chairman, my name is Msgr. Raymond J. Gallagher. I am secretary of the National Conference of Catholic Charities, with headquarters at 1346 Connecticut Avenue NW., Washington, D.C. The National Conference of Catholic Charities coordinates the activities of 375 diocesan offices of Catholic Charities, located in 48 States and the District of Columbia. Similarly, we coordinate the activity of about 700 institutions providing specialized care to various groups, including dependent and neglected children, multiple-handicapped children, re-

habilitation programs for teenagers, housing and nursing facilities for the aging.

The agencies to which I referred above are engaged in direct service programs covering the full spectrum of modern-day social services. Representing the philosophy and the current position of these agencies and institutions, we feel that we are presenting a truly valid sample of experience in the areas to which this bill addresses itself.

I appreciate the opportunity to appear before this committee to support the many fine concepts which are involved in this bill. We commend the courage of the representatives of the administration and the Department of Health, Education, and Welfare in meeting, head on, the many unreasonable and unfounded criticisms currently leveled against public welfare. Many of the provisions of this bill will serve to correct the fragmentary bases upon which just criticism have been passed. With the emphasis on rehabilitation clearly outlined in its proposals, this bill will accomplish much to preserve a fundamental part of our Government's service to its people; namely, the humane program of welfare service to those in need.

Rehabilitation is the basic objective of this proposal. We recognize now that while the general public, through its elected officials, have recognized its responsibility for the welfare of all, we have been somewhat miserly in allocating funds to accomplish the implied goals in this service. Perhaps such cycles of dependency as we see, and indeed whatever degree of fraud we are able to establish, may be due to the subminimal budgets that have been made necessary by inadequate allocation of funds.

The dramatic need for qualified personnel to deal with the phenomena of social need is similarly provided for. We support enthusiastically the proposals for training of personnel in the graduate curriculum required of those who would seek to balance the intimate formula of family and individual life.

DAY CARE

We are impressed by the desire of the administration to provide day care services for childen who now, by the thousands, are left unprotected during the working day by mothers who seek gainful employment. This is a serious neglect of children which we should concern ourselves with to the utmost. With equal enthusiasm we endorse the provision of day care facilities as a means of helping mothers of families rehabilitate and reorganize themselves. We believe that day care for the children of some mothers on ADC might be a very acceptable practice. We see this as a tool in specific cases whereby the mother can make a serious effort to obtain full-time employment as a means of reorganizing her family as a financially independent unit. If a full-time job is decided upon as being the best therapy for a given mother, then we believe facilities should be provided. The introduction of Federal funds in this area will undoubtedly achieve a great deal. We would express one caution, however, relative to the area where the use of public funds seems to us to be appropriate. Our understanding of Federal financing is such that we believe public money should be used to support services to individuals who cannot provide them for themselves. We therefore believe that if a mother of an average family, where finances is not a problem, wishes to work and therefore has need of placing her children during the day, that such mother should not look to Federal funds to support a day-care program for her children. We believe that it would be more in keeping with the traditional use of public money to specify that the use of Federal funds in the day-care field should be limited, as are other public welfare funds, to those who cannot provide this service by private means. Let it be clear that we appreciate the effectiveness of day care for the children of working mothers, even though we believe that as a thinking nation we should not merely provide programs to meet the phenomena of need. We should also give an equal amount of our time and our resources to discovering why this need has arisen and what we could do about handling it at its source.

AID TO DEPENDENT CHILDREN OF UNEMPLOYED FATHERS

A year ago the Congress included this category of beneficiary on a temporary basis, ostensibly to meet the needs of children whose fathers were unemployed either by reason of recession or by reason of technological changes. For the most part, these were men who faced meager prospects of any future job because they either had no particular skill or because their current skill had become obsolete. In addition to supporting the children of these workingmen, something more

basic should be done. The natural bent of man is to work to support himself and his children. We believe therefore that the temporary provisions to aid the children of unemployed fathers should be continued on a temporary basis with stated periods of review and reevaluation written in. We would rather see the provisions of this bill made available until such date as the manpower development and training program, recently enacted, would begin to take hold. We believe that men who are currently being helped support their families through ADC should be given priority for retraining under the provisions of the Manpower Development and Training Act. This would be a provident step in that it would guarantee that every intelligent effort was being made to return this man to the level of an effective father, capable of providing for his children. In the meantime, to be sure that no child would be deprived of support, or deprived of his father in order to get support, ADC for children of unemployed fathers should be continued on a limited basis until the effects of the Manpower Development and Training Act have taken hold.

PROTECTIVE PAYMENTS

We recognize the fact that, in some instances, dependent children are under the care of people who are improvident in the handling of the governmental support. We are totally in agreement with the provisions for protective payments up to the 5 percent of the caseload and under the conditions outlined under section 108, page 40. We believe that this is sufficient safeguard to the child that its needs will be met and adequate protection to the Government that its funds are being used prudently and for the purposes intended. Section 107, page 38, however, where it says that protected payments may be provided "and any other action authorized under State law" may be invoked, seems to us that this is a very permissive statement, opening the way to procedures that far exceed the extent of the problem at hand. In the matter of granting relief and assistance to needy citizens, our Nation has come a long way from the punitive and disrespectful procedures of the ancient poor laws and the practices which accompanied them. We feel that it would be a backward step for this Nation to take, to open the way, by legislation, to the reintroduction of practices that would bring with them possible indignities or contravention of human rights. We agree that there is a relatively small problem with these matters, but to solve them by surrendering gains made by our Nation in the matter of individual rights and human dignity, we believe would be a serious loss. We suggest that the 5-percent provisions will amply protect the child and the Government which supports it.

TRAINING FOR THE FIELD OF SOCIAL SERVICE

We wish to endorse the proposals of the earlier version of this bill which would increase the opportunity for training staff for public welfare programs dealing with children and families. Such suggestion as I am about to make should not be interpreted as competing with this desirable objective of training public welfare personnel. We believe that the situation calls for a wider training program, one that could be made available broadly to anyone who can qualify for the training that is so badly needed, without regard to whether the graduate goes into the public or the private field of service. I had the pleasure of being a member of the Advisory Council on Child Welfare Services set up in 1959 under the 1958 amendments of the Social Security Act. That Council recommended that grants be made to institutions of higher learning for a crash program to train the badly needed workers for the child welfare field. Currently, graduate schools of social work are turning out such numbers of trained personnel as are sufficient only to replace retirees or those leaving the professional field for marriage or other personal reasons. No real inroad is being made into the dearth of trained personnel for the entire field. We believe that the Federal Government has the breadth of influence and resources to make a successful attack upon this problem. To make any substantial contribution to training, much more than scholarships is needed. It will be necessary to add a considerable number of faculty members, with proportionate increases in classroom and building facilities. Field supervisors and fieldwork placement resources will be necessary, as well. To obtain the maximum benefit from the investment here contemplated, we believe that wide availability of training grants to anyone who can qualify would be the best procedure. Even though

some workers would prefer to work in the private field, their skills would be available to the public welfare administrator through referral to private agencies, or through contractual arrangements between the voluntary agency and the public welfare administrator.

We believe that this type of broad training program constitutes one of two methods by which the Government can improve substantially the availability of professional service to people in need. By supporting the training program of candidates who might prefer to work in the voluntary field, the Government would be increasing the ability of private and voluntary services to fulfill more effectively their role as partner with public welfare services in meeting total community need. The second avenue by which the Federal Government can increase available social services, follows:

MAXIMUM USE OF EXISTING FACILITIES

We would urge the Senate to restore to this bill the language contained in the original proposal, H.R. 10032, wherein endorsement was given to the maximum use of existing voluntary private welfare services in providing necessary social services. This is a concept which has wide acceptance. It was part of the administration's bill at the beginning of this session of Congress. It has been recommended by the Advisory Council on Public Assistance, the Advisory Council on Child Welfare Services, and the Ad Hoc Committee on Public Welfare whose report was submitted to Secretary Ribicoff in September 1961. All of these proposals support a traditional American concept; namely, the opportunity and the obligation of individuals and of citizen organizations to do for themselves those things of which they are capable. The flourishing of private welfare organizations serves this concept. If, currently, the absence of sufficient financial support limited their ability to do this, it seems to be an indication to us that the Government would serve two desirable ends, by rendering this financial support for the direct and immediate meeting of the social welfare needs of its people and by promotion of the vitality and the effectiveness of citizen responsibility for meeting many of their own needs.

America seems to us to be built upon the idea of citizen capability and personal responsibility. We believe that the general, social, moral, and political health of our Nation is in direct proportion to the vital activity of voluntary citizen groups in the areas of health, welfare, and religion. The flourishing of voluntary services is indicative of an alert, self-reliant citizenry which is doing for itself the things of which it is capable. When the legislative bodies of our Federal Government promote the maximum use of existing community and private agencies, it seems to us that Government would be contributing mightily to the worth of individual citizens, and at the same time would be rendering an eloquent answer to those who envision in our Nation the development of a welfare state.

PRESENTATION OF THE NEW YORK STATE CATHOLIC WELFARE COMMITTEE ON H.R. 10606

The New York State Catholic Welfare Committee is privileged to present to you today its comments and criticisms on the bill before your committee designated as H.R. 10606. Our committee does so on behalf of the Archdiocese of New York and the seven Catholic dioceses in New York State, centered in Brooklyn, Buffalo, Rochester, Syracuse, Albany, Ogdensburg, and Rockville Center. Agencies and organizations of this archdiocese and these dioceses serve hundreds of thousands of persons in need every year.

Our agencies and organizations consider themselves as positive partners with public welfare agencies in meeting the total needs of the community for adequate services and benefits for persons in financial need. Our social service caseloads today have a significant number of persons who are receiving part or all of their income under the public assistance programs. In this partnership of public and voluntary welfare, the public agencies have assumed to meet the financial needs of welfare beneficiaries. The voluntary groups have continued to render increasingly broader services to welfare recipients and others who can benefit from professionally oriented services.

It is from this deep commitment to the importance of adequate public welfare services that we bring to you our comments and criticisms of H.R. 10606.

SERVICES TO THE NEEDY (SEC. 101)

We express deep disappointment and serious concern that the House deleted the provisions in the original bill (H.R. 10032) providing that services to needy persons through the use of nonprofit social agencies could be obtained by contract under certain conditions. This recommendation of the Secretary of Health, Education, and Welfare was consonant with the spirit of the partnership to which we have alluded.

We strongly oppose the present proposal of the bill requiring that a State provide services for every needy family with children (p. 6, lines 19–22) in order to receive reimbursement for grants and services provided for such families, so long as it does not contain language to give to the State a fair choice as to the use of nonprofit organizations in providing such services. So long as Federal funds may only be paid where the services are provided exclusively by the staff of public agencies, and only for such services, the use of voluntary nonprofit organizations in serving persons in financial need will cease and many of our strong and vital private agencies will be seriously, adversely affected.

The deletion of this essential part of the overall plan to increase services to people in need is regrettable as it runs directly counter to the charge to the States now contained in the directions for State plans (sec. 2(a)(10); 402(a)(12); 1002(a)(13); 1402(a)(12) as follows: "to assure, in the provision of these and any other services which the State agency makes available to individuals under the State plan, maximum utilization of other agencies providing similar or related services."

Furthermore, the bill is impractical and inductive of false hopes, as we all are well aware that existing staffing of public welfare agencies throughout the country is not equipped to provide adequate services to help all persons in financial need to become self-sufficient.

We believe that in some parts of the country a portion of this deficiency may be met by some fruitful use of voluntary social service organizations. The present proposal would not only exclude this important resource, but would have the effect of terminating the present instances where such organizations are used to provide much-needed services for persons in financial need.

It is our firm conviction that the enactment of this bill in its present form would harm seriously the programs and the development of voluntary organizations throughout the country. It would have the direct effect of narrowing the role and the responsibility of voluntary services in the country on behalf of an unwarranted extension of public welfare services.

This effect may be illustrated by reference to the provisions of H.R. 10606 which would require for the first time that public welfare agencies provide social services in direct competition with private, voluntary effort. The provisions of section 101 of the act would extend Federal financial assistance to programs of service for persons who are not applicants for or recipients of public assistance. By this device, the public welfare office, with unlimited Federal tax resources, would open its doors across from existing private agencies and beckon for clients and staff. It would do so on the same basis as the voluntary agencies—"where such services are requested" by the persons. How long will it be before the public office will be the only office providing social services? Not long, if this bill is enacted.

It would be a tragic development that a bill designed to provide additional services to persons in financial need would be so modified or changed in the process of congressional action as to harm seriously existing voluntary agency programs and would have the probable net effect of supplanting private effort with public effort.

We strenuously urge that the provisions of H.R. 10032 providing for the use of voluntary services under certain conditions be restored to the bill.

DAY CARE (PP. 19–22)

We are deeply concerned that the proposal for Federal support of day-care programs has been presented without an adequate showing that the provisions of such services will serve to strengthen family life of those who are receiving public assistance.

Our considered view is not predicated upon a lack of appreciation for the value of day-care programs under welfare ausices for specialized needs. In past years, our committee has said of day care:

"Day care has been a part of this broad program for children. It is a service which provides for the daytime group care, for all or part of the day, of pre-school-age children and of school-age children after school hours. The basis of a day-care program is essentially welfare; that is, it aims to serve children having the greatest need economically and socially. Day-care facilities, therefore, should be under social welfare auspices. Day care is based upon a thorough and careful plan of casework. It requires an effective control at the source of admission which will insure help to children in the greatest need. There cannot be a haphazard admission policy unnecessarily removing children of tender years who might better remain in their own homes. The child's basic security lies in the home. The foundation of child welfare is normal home life. Where the security of that home is threatened by extraordinary circumstances, day-care services should be available. Good day-care services supplement and help preserve the home; they never substitute for it.

"The broad program of services to children in New York State has been accomplished by a full partnership of effort on the part of both public and private agencies; and in this partnership, the private agency has been a senior member. Only where the family and the nonprofit voluntary agencies, with proper aid and encouragement are unable to meet the needs of children, should government as such, directly undertake to substitute in place of the home and family a public agency to provide for the care and training of the child in his early years. The responsibility of the State is primarily to uphold and strengthen the family, using, in every practical way, the voluntary agencies and associations developed for that purpose. If it is necessary for government to supplement, financially, voluntary private efforts, then the program should be made available only to those children who need care from a welfare standpoint. Such funds should be allotted to all qualified agencies, private as well as public, on a per capita basis."

We are convinced that the present proposal for Federal subsidy for day-care centers has been pressed for passage without an adequate study of the value of this program to strengthen family life of public assistance recipients. Yet, it has been urged that it will accomplish this objective.

We are opposed to the proposed extension of Federal funds for day care and in place thereof we urge that studies be carried on to determine whether day care can be utilized to effectively help persons who are recipients of public assistance.

We urge upon you that the participation of the Federal Government in this program at this time should be limited to the subsidization of pilot projects for day-care centers in a few selected areas to be determined by the Secretary, under contract with local agencies, public or private. In these projects study might be conducted to ascertain how, if at all, day care can be of use to aid parents of children in financial need to strengthen their family life.

The present proposal provides a new role for Federal child welfare service funds. It proposes to allow subsidies for day-care centers without requiring that such centers be only available for use by persons in financial need. The present proposal might permit Federal subsidy for day-care centers where users are able to pay for the services rendered.

Some sociologists have argued that the breakdown of family life in some urban centers is a direct result of the absence of both parents from the home during a substantial part of the day. Two breadwinners in the family may increase the pay envelope but only at the expense of the children who are so neglected.

It is unfortunate those some well-intentioned persons with a crusading spirit have mistakenly urged that the solution to this neglect is to provide a government-supported substitute parent, while the parent works. This would, in our opinion, compound the wrong.

Instead, we urge a reexamination of the role of our established program of aid-to-dependent children, as it was originally conceived, to preserve the home and provide adequately for the homemaker to remain at home to maintain the home. This would require specialized casework and increased funds under public assistance for homes where the mother remains in the home to care for the children.

We urge that the present proposal for day care be stricken from the bill and a study-pilot project amendment be submitted for the expenditure of funds on a 1-year basis.

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FOSTER CARE OF CHILDREN (SEC. 135)

The present bill provides a very important and desirable amendment to preserve for the States the right to choose the type of foster care in which a child may be placed when removed by a court from an unsuitable ADC home. The present law imposes a rigid restriction that the placement must be to a foster family boarding home only, even if the best interest of the child might require temporary or regular institutional care.

This unreasonable limitation was overlooked at the time of the passage of this emergency addition to the 1960 Social Security Act amendments. The necessary corrective amendment is contained in section 135 of the present act. It would simply provide that like treatment under the act shall be accorded to children placed in institutions as in foster boarding homes, as determined by the State agency.

This amendment is essential to give to the State agency the right of choice of the type of care which the State agency deems to be in the best interest of the child. At present, the law, by financial inducement, would effectively deter the State agency from utilizing institutional care even though such was required in the best interest of the child.

We urge that this amendment be continued in the present bill.

The CHAIRMAN. The committee will recess until 2:30.

(Whereupon, at 12:20 p.m., the committee stood in recess to reconvene at 2:30 p.m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

The next witness is Cernoria Johnson, National Urban League.

(No response.)

(Miss Johnson testified the following day.)

The CHAIRMAN. The next witness, then, is Dr. W. Judd Chapman, of the American Optometric Association.

Dr. Chapman, please take a seat, sir. Proceed, sir.

STATEMENT OF DR. W. JUDD CHAPMAN, VICE PRESIDENT, AMERICAN OPTOMETRIC ASSOCIATION

Dr. CHAPMAN. Mr. Chairman, my name is W. Judd Chapman. I am an optometrist practicing my profession at 205 South Monroe Street, Tallahassee, Fla. My appearance here is as vice president of the American Optometric Association.

I graduated from Northern Illinois College of Optometry in 1948, having previously attended the University of Florida, and subsequently took postgraduate work in the contact lens field at the School of Optometry, University of Houston.

I am past president of the Northwest Florida Optometric Association, member of the American Academy of Optometry, the American Optometric Foundation, former president of the Florida State Board of Optometry. I hold the rank of first lieutenant in the U.S. Air Force Reserve, Medical Service Corps (Optometry). I have been active in chamber of commerce work, Rotary club, and in religious and civic organizations.

Our association is an affiliation of State associations in the 50 States and the District of Columbia. Our membership also includes optometrists who are commissioned and on active duty in the armed services or are employed by the Federal Government in various governmental agencies.

There are somewhere between 18,000 and 19,000 optometrists licensed to practice in one or more of the United States, and substantially more than half that number are members of our association. There are less than 4,000 board-certified ophthalmologists, primarily located in the major metropolitan areas.

Our profession is the only one that is exclusively educated, trained, and licensed to care for the vision of the public. Over 65 percent of the public who have visual problems voluntarily seek the services of optometrists. There were sound and valid reasons why optometrists were included in the existing statute. Not the least of them is the lack of availability of ophthalmologists for, as I said before, there are less than 4,000 board-certified ophthalmologists and over 18,000 duly licensed optometrists.

Secondly, the optometrists have a sound and complete education in matters of vision, the details of which will be presented to your committee by Dr. Henry W. Hofstetter, former president of the Association of Schools and Colleges of Optometry.

An eye examination by an optometrist is very thorough and on the average consumes anywhere from half an hour to an hour, depending upon the particular case. Some people are inclined to criticize our profession for making such a thorough examination, but when one considers not only the importance of vision but the fact that the years which have been added to the lifespan of the average American are bound to create visual problems, not all of which can be speedily discovered and solved, one can readily understand the necessity for a complete examination.

For example, the State of New Jersey has prescribed certain minimum procedures which every optometrist must follow in making eye examination, namely:

1. Complete history.
2. Naked visual actuity.
3. Detailed report of the external findings.
4. Ophthalmoscopic examination (media, fundus, blood vessels, disc.)
5. Corneal curvature measurements (dioptral).
6. Static retinoscopy.
7. Amplitude of convergency and accommodation.
8. Phoria and duction findings; horizontal and vertical distance and near.
9. Subjective findings.
10. Fusion.
11. Stereopsis.
12. Color vision.
13. Visual fields (confrontation).
14. Visual fields, central (after age 40).
15. Prescription given and visual acuity obtained.

Recently two optometrists questioned the constitutionality of these requirements when their licenses were suspended by the New Jersey board for failure to comply with them. The Supreme Court of New Jersey sustained the action of the board and the U.S. Supreme Court refused to review the action of the New Jersey court.

A few years ago an attack was made on an Oklahoma statute regulating the practice of our profession and the dispensing of corrective eyewear. This law as attacked on the ground that it violated the Federal Constitution, and certain sections of it were held unconstitutional by a three-judge Federal court.

However, the U.S. Supreme Court on the appeal, in a unanimous opinion by Justice Douglas, sustained the Oklahoma law in its entirety.

The optometry statutes of Illinois, Wisconsin, and Oregon have also been before the courts and when sustained in their respective jurisdictions, the U.S. Supreme Court has in each instance allowed the decision of the State court to stand.

There are those in every profession who reflect discredit on their fellow colleagues, and optometry is no exception. However, by means of legislation, court proceedings and post graduate education, we are endeavoring to correct this situation.

In this we are constantly opposed, as might be expected, by the commercial interests, but what may seem more strange is that we are also opposed by the medical profession, particularly the AMA and its satellites.

For my part, I shall base my presentation on what optometrists have actually accomplished in detecting pathology and making referrals. The figures I shall present are based upon two surveys, the first of which was reported in an article that appeared in the American Journal of Public Health, volume 51, No. 11, November 1961. The survey represented a random sampling of 1,350 optometrists. The results when applied to the entire optometric profession indicated that on an annual basis something over 700,000 patients are referred by optometrists, of which over 400,000 were to ophthalmologists, an additional 270,000 to general practitioners, some 27,000 to dentists, and 41,000 to other optometrists.

The other is a survey just completed by our association which involved replies from 2,645 of our members. Using the same factor as was used in the other survey, it would show a total referral of over 900,000 patients during the past year.

Next, I would like to call your attention to what some physicians, including ophthalmologists, and other individuals have said about our ability to detect glaucoma. Before doing so, however, I would like to point out that there are two distinct kinds of blindness. One is referred to as "totally blind." This means that the sight is totally destroyed, and in many cases the eyeballs have been removed, or if not, the optic nerves have been so destroyed by injury or disease that there is no sight remaining. In these cases there can be no question but that the optometrist is as well qualified as anyone to certify blindness.

The other cases are those where there is some residual vision but where it is so limited that the individual is classified as "legally blind." This is usually defined by a limitation of visual acuity or a limitation of the visual fields, or both. Certainly optometrists are well trained and qualified to give an accurate report concerning these criteria.

The objection of those who would relegate our profession to the status of mechanics or laboratory technicians is that in the course of the examination necessary to certify blindness the optometrist fails to detect signs of pathology, with resulting injury to the patient. Right here I want to suggest that the judgment of an individual is not infallible, regardless of his education and the field of his activity. Optometrists are no exception to this rule.

But we have an abundance of examples, with which I do not propose to burden the committee, to prove that the oversight of ophthalmologists, as well as general practitioners, has resulted in errors which, fortunately for the patient, were detected by optometrists who had made the original referrals and upon subsequent referrals the judgment of the optometrist was confirmed.

Recently E. H. Spitzka, M.D., professor of anatomy at Jefferson Medical College, a recognized author and authority on anatomy, neurology, and brain diseases, said:

> When an individual's vision becomes impaired I would rather have him go to an optometrist. As an active specialist in his field, he acquires a special aptitude for the recognition of every abnormality which only a few medical practitioners can enjoy. In the majority of cases only correcting lenses are needed. In a small minority of cases in which a diseased condition exists, the optometrist can be relied upon to recognize the pathological state and send the patient to a suitable practitioner.

Another enlightening quotation is to be found in the editorial by Walter C. Alvarez, M.D., editor emeritus of Modern Medicine. It appeared in the April 2, 1962, issue, as follows, and I quote:

> Saddening to me is the fact that when I see one of these patients, suffering from ptosis of a lid or a diplopia, he tells me he has been going around to one ophthalmologist after another for a year or two, and no one of them either made the correct diagnosis or referred him to a neurologist. Something would seem to be lacking in the present-day training of some of our ophthalmologists.

As far back as 1950, Peter C. Kronfeld, M.D., professor of ophthalmology, Illinois Eye and Ear Infirmary, University of Illinois College of Medicine, wrote an article from which I quote:

> It is fully realized that in actual figures the optometrist makes a greater contribution to the early recognition of glaucoma than does the ophthalmologist. Undoubtedly optometrists in the United States are in contact with a much larger section of the population of the United States than is the body of ophthalmologists.

It was not until the Dougton amendments to section X of the social security law were passed that ophthalmologists worked together with optometrists in aid-to-the-blind programs. One of these examples was the cooperative program between optometrists and ophthalmologists in the Industrial Home for the Blind in Brooklyn, N.Y. In September 1957, the home published an "Optical Aid Survey" covering the first 500 cases. These cases were handled during the period, March 1953 to December 1955. Permit me to quote from the commentary of Leo Esbin, staff ophthalmologist:

> As an ophthalmologist I have watched with keenest interest the development of the optical aids service at the Industrial Home for the Blind, the more so that the 500 clients served were persons who, on the basis of an ophthalmological examination, were found to come within the legal definition of blindness. All of them had had ophthalmological service—some of them very extensive service over a period of years—and most of them had been told that nothing more could be done to improve their vision. Against this background, it was surprising to find that 68 percent of the group had obtained a useful increase in visual acuity through the use of optical aids.

Only this week the Professional Services Committee of Group Health Association of America, Inc., at its annual meeting submitted a report from which I quote:

4. The formulation of a program aimed at utilizing to best advantage the talents of physicians, nurses, optometrists, and other skilled persons who are involved in the health services field. The storage of professional personnel and the increasing demand for health services will call for a drastic reevaluation on the part each of these persons can play, both in regard to quality and cost of care.

I would also like to quote from a letter dated April 10, 1962, written by the director, public welfare, for Coffee County, Ga.:

This is to certify that examinations made by local optometrists are acceptable by the State department of public welfare for aid to the blind.

It is our belief that the State department feels as we do that Coffee County is most fortunate in having well-qualified optometrists to serve its people.

At the hearings before the House Interstate and Foreign Commerce Committee in January of this year, Dr. Gerald O. Dorman, M.D., one of the trustees of the American Medical Association, in response to a question from one of the committee members stated:

Optometry plays an important part in the vision of the American people.

Because we believe that it is in the public interest to make certain that optometric services will be available to the beneficiaries, both old and young, who desire to utilize them, I would like to suggest that the following amendments be incorporated in the bill now being considered by you gentlemen:

Page 18, line 25, after the word "services" insert the following: "including optometric services when desired by the applicant."

Page 30, lines 22 and 25, after the word "medical" insert "and optometric".

Page 76, after line 15, insert "(9) Optometric services" and renumber items in lines 16 to 21, both inclusive, on page 76.

Page 76, line 17, after "drugs" insert "lenses and" before "eyeglasses".

Among the declared purposes of the legislation is to provide services that will help families become self-supporting and independent and to provide services to rehabilitate recipients of public assistance programs. Certainly, good vision for schoolchildren, adult workers, and especially for the aged, will contribute immeasurably to reducing the financial burdens of our public assistance programs and at the same time instill in the beneficiaries of these programs self-reliance, a sense of achievement, and the ability to become self-supporting, or at least more nearly so.

Mr. Chairman, I tried diligently to condense this into a period of 10 minutes that you kindly allotted.

I would like to make just this closing statement, that it is with a very deep desire that I suggest to this committee that we are keenly interested in cooperation between our profession and that of the medical practitioner, particularly the ophthalmologist, and that is what we are going to attempt to work for.

I would also like to be extended the privilege of making an additional statement if it should become necessary to do so.

The CHAIRMAN. Without objection, if you decide to submit an additional statement it will be inserted in the record.

(Dr. Chapman did not submit a supplemental statement.)

Dr. CHAPMAN. I thank you, sir.

The CHAIRMAN. Thank you very much, Dr. Chapman.

The next witness is Dr. J. Spencer Dryden, of the American Medical Association.

Dr. Dryden, take a seat, sir, and proceed.

STATEMENT OF DR. J. SPENCER DRYDEN, PRESIDENT, MEDICAL SOCIETY OF THE DISTRICT OF COLUMBIA, REPRESENTING THE AMERICAN MEDICAL ASSOCIATION

Dr. DRYDEN. Thank you, Senator Byrd.

Mr. Chairman and members of the committee, I am Dr. J. Spencer Dryden of Washington, D.C. I am appearing here today on behalf of the American Medical Association to comment on certain provisions of H.R. 10606, 87th Congress, the Public Welfare Amendments of 1962.

I am a practicing ophthalmologist in the District of Columbia. In addition, I am president of the Medical Society of the District of Columbia. With me is Mr. Paul R. M. Donelan, legislative attorney in the Washington office of the American Medical Association.

The proposed addition of a new title XVI to the Social Security Act would permit States to formulate single unified plans combining public assistance programs for the aged, blind, and disabled and medical assistance for the aged. This proposal is wholeheartedly endorsed by the American Medical Association as being consistent with the policy of this association that there are no reasonable grounds for arbitrarily dividing the needy into categories.

At the most recent meeting of the American Medical Association, which was held in Denver during November of last year, our house of delegates adopted a recommendation that all "categories" in Federal-State programs of assistance to the needy should be eliminated. The house of delegates further stated that:

"Eligibility should be based on a comparison of the individual's or family's resources and a reasonable estimate of the amount necessary for adequate maintenance of the necessities of life, including necessary medical care, with due regard to enabling the individual family to regain self-supporting status, so far as possible. Assistance should be based on need, rather than attained age or physical disabilities."

It would appear that the proposed addition of title XVI to the Social Security Act would be in furtherance of this policy.

The American Medical Association has no established position with respect to the other provisions of H.R. 10606, 87th Congress, with the exception of that portion of section 1602(a)(12) which authorizes the determination of blindness of an individual by an optometrist.

It has long been the position of the medical profession that the appropriate responsibility of the optometrist is in the measurement of ocular refractive errors and their correction by glasses. The structure, function, and diseases of the eye and of the visual system is a part of the science of medicine. A physician who specializes in the diagnosis and treatment of ocular diseases, in the application of physiological and optical principles to the prescription of glasses and the correction of aberration of ocular function, and in the surgery of

the eye and its related structures, is known as an ophthalmologist. In addition to his acquired general medical knowledge, he has special education and training in these matters.

The determination of blindness is a diagnostic procedure. Diagnosis, as much as medical therapy, requires medical training. Medical training is not necessary to qualify one to perform refractive tests, nor is it always necessary to qualify one to prescribe satisfactory glasses.

However, complete medical training is required to qualify one to determine the need for medical treatment, to diagnose, and to assume the responsibility for detecting or determining the presence of or absence of diseases.

That portion of section 1602(a) (12) of H.R. 10606, 87th Congress, which would authorize an optometrist to determine whether or not an individual is blind, is not, in our opinion, in the public interest in that it grants medical responsibilities to nonphysicians, and implies that one other than a physician is competent to discharge them. The effect of this provision is to establish a double standard for the practice of medicine which is neither in the interest of the public nor the recipients of public assistance.

It is our understanding, based on the debate when this legislation was before the House of Representatives for consideration, that the Department of Health, Education, and Welfare has, since 1950, been in accord with the position of the American Medical Association that only medical doctors are qualified to determine whether an individual is blind.

Accordingly, I would suggest that section 1602(a) (12) of H.R. 10606 be amended in such a manner so as to provide that in determining whether an individual is blind there shall be an examination by a doctor of medicine.

I thank you on behalf of the American Medical Association for giving me the opportunity to express the views of the physicians of America on this important legislation.

We will be pleased to attempt to answer any questions that the committee may have.

Thank you very much.

The CHAIRMAN. Thank you very much, Dr. Dryden.

Dr. DRYDEN. Thank you, sir.

The CHAIRMAN. The next witness is Dr. Ralph W. Ryan of the National Medical Foundation for Eye Care.

Dr. Ryan, take a seat, sir, and proceed.

STATEMENT OF DR. RALPH W. RYAN, ON BEHALF OF THE NATIONAL MEDICAL FOUNDATION FOR EYE CARE

Dr. RYAN. Mr. Chairman and members of the committee: My name is Ralph W. Ryan. I am a physician engaged in the private practice of ophthalmology in Morgantown, W. Va., where I also serve as chief of staff of the Vincent Pallotti Hospital.

I have earned a master of science degree in ophthalmology from the University of Michigan, and am qualified as a diplomate of the American Board of Ophthalmology. I have engaged in research in the fields of industrial eye safety and care at the University of Mich-

igan, and in eye diseases from 1953 to 1955 as acting chief of the ophthalmological branch of the National Institute of Neurological Diseases and Blindness. Currently I am a consultant in ophthalmology to the National Institutes of Health.

I appear today at the request of the board of trustees of the National Medical Foundation for Eye Care to present testimony primarly on a single provision of H.R. 10606.

We express our approval of the purposes of H.R. 10606, to provide improved services to the aged, the blind, and the disabled, with emphasis on prevention and rehabilitation. We are concerned by one clause which in our opinion does not foster prevention and rehabilitation. I refer to section 1602(a) (12) which provides that:

> * * * in determining whether an individual is blind, there shall be an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select.

A similar provision is found in section 1002(a) (10) in the existing law.

In stipulating that the physician who makes this examination shall be "skilled in the diseases of the eye," the Congress has taken the position that in determining physical impairment in this one area, even a complete general medical training is not enough, for the Congress has specified that the physician who is to perform this function shall be "skilled in diseases of the eye."

The term, "blindness," has a dual connotation. It refers first to the state of no vision or such extremely poor vision that a man is disabled. This state of vision is measured by standard test which can be administered not only by all physicians but also by many nurses and other supporting medical personnel who have been trained in the technique, and by optometrists. But blindness also refers to the state of a man's visual system.

When there is blindness, there is not only a loss of vision, there is a diseased state, the nature of which must be diagnosed by medical examination. Without such an examination, it cannot be determined whether there is possibility of restoration of vision or possibility of prevention of further loss. A man may be legally blind, and in need of the benefits and assistance which the State and community can give, and yet, he may have, in general terms, 10 percent of vision remaining. To him, this 10 percent is precious. If he loses that remaining vision, his disability is enormously increased, and the cost to society is proportionately increased.

The States have recognized two levels of eye service: Optometric care, which essentially permits measurement of the refraction and the improvement of vision by glasses, which are used to neutralize the defect in focus. The second level is medical care for patients with eye complaints. Like medical care for patients with conditions affecting any other part of the body, it includes a complete medical examination of the eyes and often of the entire body with laboratory and X-ray study and whatever treatment is required.

For these two levels of services, the States properly require two different levels of training. In addition, the medical profession demands additional training before a physician is recognized as specially qualified in the eye.

The addition of the words, "or an optometrist," following the phrase, "physician skilled in the diseases of the eye," may have indicated that those who drafted this clause regarded the optometrist as having a competence in diseases of the eye comparable to that of a physician with these special qualifications. Such is emphatically not a fact. We are certain that it was not the intent of the Congress that the individual choose between the services of one who is qualified and those of one not qualified in diagnosis of disease. Yet such is the effect of the present law and of this provision of H.R. 10606.

The eye training of every physician begins in the first week of medical school, and continues throughout the 4 years. The conditions and diseases of the eye are bound up with conditions and diseases of other parts of the body and are, therefore, considered in every course and subject in the medical school. The eye is not an isolated segment of the body, and is therefore subject to general and systemic disease which is an important cause of blindness.

On graduation from medical school, the general physician is well grounded in eye diseases. The educational qualifications of the optometrist do not approach those of the general physician, either in general subjects or in the study of eye diseases.

It takes at least 4 years more to make the physician into an ophthalmologist—a physician specially trained in eye diseases.

The optometrist has an acknowledged competence in the measurement of ocular refractive errors and their correction by glasses. The need for glasses, however, is never the cause of blindness. When there is blindness, there is disease.

The optometrist cannot always know when disease is present, but the evidence is sometimes so easily seen that he may be able to observe it and know that disease is present, sometimes even suspect what it is. If the optometrist does see evidence of disease in the eye, he may advise the patient to consult an eye physician. Disease, however, often is not easily recognized. It must be searched out with every resource of the fully trained physician, with laboratory and X-ray facilities.

Frequently, when some optometrists have informed a patient of the presence of evidence of disease, unfortunately, they have also advised him that he needed no treatment, or that no treatment for his condition exists. This may have been an honest opinion.

The good intention of the optometrist notwithstanding, he is not qualified to make such decisions, to determine the treatment required, or to diagnose which diseases are present and which are not.

This does not imply that all optometrists make errors and that physicians do not. We all make errors. But the injury to the patient, with which we are concerned, is that which arises from lack of the optimum training rather than from human error.

The majority of patients who come to the ophthalmologist come on the referral of other physicians or on their own initiative. These patients tend to arrive early in the course of disease, offering better prospect for prevention and rehabilitation. In many instances, when patients are referred by optometrists, their conditions are in the later stages of disease. This is because the optometrist was not aware of the presence of disease, and the patient was not aware that he had not had a medical examination.

Delayed medical care has occurred often in glaucoma and in many other diseases, including brain tumor, ocular malignancy, vascular disease, diabetes, and separation of the retina. It sometimes has meant blindness which need not have occurred. When there is delay in treatment of malignancy, it may also threaten life.

Many who, despite the proper glasses, have impaired vision due to disease, are not blind, but present themselves for the determination of blindness, as applicant for aid to the blind. Clearly, they need medical care, and clearly, their rehabilitation will be speeded if they approach, at the outset, those qualified to give the care needed.

It is not just a question of determining loss of vision, but, more important, the purpose of this bill is to emphasize prevention and rehabilitation. With respect to blindness, this purpose can be achieved only by diagnosis and treatment of diseases affecting vision. Diagnosis and treatment of these conditions can be given only by a physician. What benefit will be derived by the applicant by allowing him the option of examination by a physician qualified to advise and treat him or of examination by a practitioner not so qualified who, in most cases, would have to refer him to a physician. It is in the interest of the applicant who has not been under the care of a physician to have the disease or injury causing his blindness determined so that treatment and rehabilitation might be given where possible.

We are concerned not only that the responsibility for determination of blindness has been assigned to the optometrist, but that this clause leads to a false sense of security on the part of the public that the optometrist is qualified to advise people about diseases of the eye, and as to the need for medical care.

There are over 1,200 eye diagnoses in the standard nomenclature of disease. It is a common aim of optometry schools to give a student experience in refracting 50 people. What comprehension can he be expected to have of disease, most of which he has never seen and with none of which he has become intimately acquainted through complete examination and treatment of the patient?

In our opinion, this clause is not in the public interest. We respectfully request that the committee amend the bill so that in the proposed addition of title XVI to the Social Security Act, it shall read:

SEC. 1602(a) A State plan for aid to the aged, blind or disabled, or for aid to the aged, blind or disabled and medical assistance for the aged must—

(12) provide that, in determining whether an individual is blind, there shall be an examination by a physician qualified in the diseases of the eye.

We further respectfully request that section 1002(a)(10) of existing law be similarly amended.

We will appreciate the privilege of filing a supplemental statement to be incorporated in the printed record.

I thank you very much for the privilege of presenting our views on this important legislation.

The CHAIRMAN. Thank you very much, Dr. Ryan. The insertion will be made if you file your statement in time.

The CHAIRMAN. The next witness is Dr. Henry Hofstetter, Association of Schools and Colleges of Optometry.

Doctor, take a seat, sir, and proceed.

STATEMENT OF DR. HENRY W. HOFSTETTER, DIRECTOR, INDIANA UNIVERSITY DIVISION OF OPTOMETRY, REPRESENTING THE ASSOCIATION OF SCHOOLS AND COLLEGES OF OPTOMETRY

Dr. HOFSTETTER. Mr. Chairman, my name is Henry W. Hofstetter. I reside at 936 Hawthorne Lane, Bloomington, Ind. My position is that of director and professor of the Indiana University Division of Optometry. My appearance here is on behalf of the Association of Schools and Colleges of Optometry, which organization I served for 4 years as president.

In addition to a degree in optometry, I hold the M.S. and Ph. D. degrees in physiological optics from the Ohio State University where I served on the faculty for 6 years. Following that I was dean of the Los Angeles College of Optometry for 4 years, and for the past 10 years I have held my present position at the University of Indiana.

At the hearings on this bill before the House Ways and Means Committee, and when the bill was being considered on the floor of the House, questions were raised as to the adequacy of the teaching in our optometry schools and colleges of anatomy, pathology, and physiology to enable our graduates to detect symptoms of disease in the course of an eye examination. My personal knowledge covers a period of 25 years as a student, instructor, professor, and dean in 3 of the 10 accredited schools and colleges of optometry.

In order to enter one of our optometry schools, a student must have a high school diploma or its equivalent. Many of our students, before entering, have earned a bachelor's degree in science, arts, or philosophy, and some of them have a master's degree. In order to graduate, a student must have successfully completed a minimum of 5 years of study at the college level, 3 of which are devoted to professional courses.

In our optometric educational institutions approximately one-third of the student's time is devoted to medical subjects. At Indiana in the first professional year the student takes courses in elementary human physiology, general and human heredity, intermediate human anatomy, and general bacteriology.

In the second year, courses dealing with medical subjects are ocular anatomy, general and ocular pathology, and in the third year applied ocular pathology. The student is required to have earned 99 credits in the upper 3 years, of which 32 credits are in the subjects which I have mentioned.

While the courses and requirements vary somewhat, by and large they are the same in all 10 schools and colleges. What appears to me to be of special significance is the fact that the only graduate research training programs in physiological optics in the United States are located on campuses with optometry schools, and in each instance the optometry faculty constitutes the core of such programs.

During most of the time in which I have had firsthand knowledge of optometric education, the American Medical Association has, by resolution, sought to bar members of the medical profession from serving on our faculties. In some of our State institutions, the State laws have required that members of the medical school faculty should also teach the optometry students in that institution.

In Indiana University we have on our faculty Ingeborg Schmidt, M.D., a German ophthalmologist who is not a member of the American Medical Association, but who was selected by General Armstrong, Surgeon General of the Army, as one of the German physicians who should be brought to this country following World War II.

When a survey was being made concerning the members of the optometry faculties who were teaching anatomy, pathology, and physiology, one of the deans wrote:

> I feel that listing M.D.'s who teach in our optometry schools is like putting the "kiss of death" on those who would be our friends.

He went on to state:

> We are about to get a new deal at this university in that our administration feels, as you do, that optometry students should be taught by M.D.'s and we are determined to bring it about in spite of the A.M.A. Things are still too fluid to try to predict just when the program is going to be spelled out.

Organized medicine has the temerity to charge that optometrists are unable to detect symptoms of pathological conditions. Yet this same organized medicine, by official resolution, has made it unprofessional conduct for any of its members to teach optometry students. This considered act of refusing to impart medical knowledge not only hurts the profession of optometry, but, in wider aspect, hurts and injures the American public.

Despite the deliberate handicap which medicine has placed in optometry's path, optometry has surmounted it, and its students are taught pathology, anatomy, physiology, bacteriology, and other medical subjects by brave and independent physicians of standing and reputation, and who possess a social conscience.

It may surprise you to know that in some of our medical schools these subjects are taught by instructors who have earned their Ph. D.'s in physiology and anatomy, but who never earned an M.D. degree. Of course, we have some of these excellent teachers on our faculties, but we would like to have additional physicians who would be willing to teach were it not for the American Medical Association resolutions prohibiting them from so doing.

The general medical student spend about one-tenth as much time on ocular anatomy and ocular pathology as does each of the graduates of any one of our schools, all of which are accredited. The study of anatomy in our optometric schools includes the following areas: human anatomy; microscopic anatomy; developmental anatomy; neural anatomy, and ocular anatomy.

In addition, there are studies in general and neural physiology. All of these lead to the studies in general and ocular pathology. These provide a student with a thorough understanding of disease processes of a general and ocular nature. Studies in pathology enable the student to apply his knowledge of anatomy, physiology, and bacteriology as an essential means of understanding the pathological process.

The purpose of these courses is to enable the student to identify the pathology in order that a professional referral for appropriate medical care can be made. General pathology, which studies systemic changes, particularly in relation to ocular manifestations, provides a foundation for later instruction in ocular pathology.

In ocular pathology, the external and internal diseases of the eye are studied in relation to symptoms, etiology, histopathology, clinical picture, course, and prognosis. Instruction in related diagnostic procedures includes slit lamp microscopy, visual field study or perimetry, and scleral tonometry. These studies serve to broaden and deepen the student's understanding and recognition of pathological processes.

Under the direct guidance of a faculty instructor, ocular pathology clinic provides the student-intern with an opportunity to examine patients with histories of ocular pathology.

Every profession today urges its members to continue their education in order to keep abreast of new developments in their respective fields. This is particularly true of optometry. Our schools and colleges give refresher courses for practitioners, as well as courses in new subjects such as contact lenses and subnormal vision aids.

The American Academy of Optometry is composed of optometrists who are already licensed and, in connection with their practice, have carried on advanced study or research in some special field of vision. The Optometric Extension Program Foundation also offers to practicing optometrists study courses, seminars, and other study groups designed for the dissemination of knowledge relating to human vision and optometry among its members.

The American Medical Association can, to a considerable extent, prevent their members from teaching in our schools, but they cannot prevent knowledge-thirsty optometrists and students from acquiring the necessary knowledge from competent sources to enable them to adequately care for their patients.

Thank you for the privilege of testifying.

The CHAIRMAN. Thank you very much, Doctor.

Dr. HOFSTETTER. Thank you, sir.

The CHAIRMAN. The next witness is the Reverend Dr. Henry C. Koch, National Council of the Churches of Christ in the United States of America.

Take a seat, Doctor, and proceed.

STATEMENT OF REV. DR. HENRY C. KOCH, CHAIRMAN, COMMISSION ON SOCIAL ISSUES AND POLICIES, DEPARTMENT OF SOCIAL WELFARE, NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE UNITED STATES OF AMERICA

Reverend KOCH. Senator Byrd, I have with me Dr. Sheldon Rahn, the director of our Department of Social Welfare of the National Council of Churches.

The CHAIRMAN. Proceed, sir.

Reverend KOCH. My name is Dr. Henry C. Koch. I am chairman of the Commission on Social Issues and Policies of the Department of Social Welfare of the National Council of the Churches of Christ in the United States of America, minister of the Concordia United Church of Christ in Washington, D.C., and the immediate past chairman of the Council for Christian Social Action of the United Church of Christ.

On June 4, 1958, and again on December 8, 1960, the general board of the National Council of Churches adopted position statements which bear directly on the objectives of H.R. 10606 and the principles em-

bodied in this legislation. May I request the inclusion of these two documents in the record of this hearing. The first is entitled "A Pronouncement on the Churches' Concern for Public Assistance," and the second, "The Churches' Concern for People Without the Necessities of Life."

The 1958 pronouncement asserts that the churches have a responsibility—

> * * * to advocate programs which will make available to needy people the whole range of services which may help them become self-supporting and self-respecting persons.

This pronouncement goes on to say that—

> Local churches should become vitally concerned with the administration of public assistance programs in their communities and at other governmental levels. They should work to the end that all these programs have available for their administration personnel adequately trained to meet the variety of needs which the recipients of public assistance will have.

These brief excerpts make it quite clear that the denominations associated in the National Council of Churches are in fundamental agreement with the stated purpose of this bill which is to prevent and reduce dependency and to provide rehabilitation opportunities for those who are now dependent on public assistance and might be restored to more independent lives.

I think you would be pleased to know that the National Council of Churches is not only interested in supporting the extension and improvement of the public assistance and child welfare services with which Government is directly involved but recognizes also that the churches themselves have a responsibility to take a shepherding interest in public assistance families as in other families in the local community.

The 1958 pronouncement observes that—

> This does not end the responsibility of the churches. Even if all the public assistance programs were adequate and equitable, there would remain substantial responsibilties which the churches should seek to discharge. The people who receive public assistance benefits ordinarily have special needs in addition to that of money. The aged or blind person, the dependent child, the disabled or dependent adult, is in need of a multitude of spiritual and social services at the community level, many of which only the local church can supply. We call upon our churches to encourage all people to grow in personal, family, and social responsibility, to help them find increasing faith in God and in His love for all men, and to minister especially to disadvantaged people both in the churches and in the larger community.

(The briefs referred to appear at the end of Dr. Koch's testimony.)

Reverend Koch. There are just four features of this legislation on which we would like to comment:

I. PERSONNEL REQUIREMENTS

The 1958 pronouncement of the general board underlined the urgent need for trained personnel if public welfare programs are to develop their preventive, protective, and rehabilitation services to the level of quality and effectiveness of which they are capable.

It would be our hope that in any bill which is passed there be provision for direct aid for social work training as well as for fellowships.

II. RESIDENCE REQUIREMENTS

In adopting a further statement on public welfare questions on December 8, 1960, the general board of the National Council of Churches requested:

> That the churches be urged to work for availability of adequate public assistance for all needy people; the elimination of State and local residence requirements for public assistance; and the replacement of Federal aid for certain categories of people by a single program based solely on need * * *.

While it is true that those States which pioneer in the elimination of residence requirements may suffer some unfair penalties in terms of the movement of population, a temporary problem of this kind should not detract from our recognition of the fact that in a mobile and highly industrialized nation, such as our own, residence requirements among the States with regard to public assistance eligibility only complicate, and do not help, the States in dealing with the basic emotional, educational, economic, and retraining needs of people which constitute the real problems of these people about whom we are concerned.

The elimination of residence requirements in all of the States will require a great deal of public discussion and public understanding. It would be our hope that the Senate would recognize the importance of this objective if we are really to make a transition from the relief giving to a rehabilitation emphasis in public welfare services. If this is important, it is to be hoped that the Senate will restore to this bill the provision of a financial incentive to those States which do find it possible to eliminate their residence requirements.

III. PROTECTIVE PAYMENTS

It is generally recognized that in every public welfare program there will be a few families from time to time where alcoholism or some other personal problems make it impossible, at least for a while, for the family to be trusted with an unrestricted cash payment.

On the other hand, it is generally recognized that at some point in the rehabilitation of such a family it is very important that the family again be given the responsibility for managing money.

In our opinion, some Federal standard should be established to guard against the possibility that protective payments might be used as a form of punishment or harassment perhaps in an unwise effort to reduce the number of families receiving public assistance in a given community.

For this reason, it would seem important to us that the Senate retain in this bill some kind of a statutory limit to the number of individual cases which can be handled in this way.

We believe that section 108 contains these necessary safeguards for the protection of welfare client rights.

However, subsection (a) of section 107 does not provide the administrative and legal safeguards which we, in principle, would expect to see in such legislation. This is because section 107(a) would permit the States to legislate methods which might prove harassing, with no possibility of appeal to Federal standards or safeguards.

IV. PURCHASE OF SERVICE

In our testimony before the House Committee on Ways and Means with regard to this legislation, we expressed considerable concern about the possible danger in retaining a general authorization in H.R. 10032, the earlier version of the bill now before you, for the purchase of service from nonprofit private agencies. We were concerned with the tendency which we have observed in some States and counties to ask private agencies to sell service as a substitute for the responsible development of publicly administered services.

This general authorization for the purchase of service from nonprofit private agencies was removed from the bill by the House of Representatives, and we do not seek its restoration in this legislation. The chief effect of this deletion, however, will be to leave this question entirely to the discretion of the Secretary and of State and local welfare commissions and administrators.

In the absence of any statutory safeguards in the Federal bill, such decisions must be left to administrative discretion and judgment.

The history of the purchase of service in this country indicates that public bodies have frequently been far too quick to contract or purchase service from private agencies, many of which have been willing to accept service responsibility for less than the full cost of the service. To many public authorities, this has looked like an economical solution since the service has been purchased at less than it would have cost the public department to provide the service directly. Private agencies, in turn, have often been drawn to such contractual arrangements first, out of an interest to care for as many children under private or sectarian auspices as possible, and second, as a means of expanding a private agency program beyond the financial resources of private endowments and private philanthropy.

The problem which arises in such situations is that private agency endowments and voluntary funds are absorbed more and more to subsidize the care of public wards; in many instances, further, these private agencies lose their freedom to pioneer in new kinds of social service which do not require large-scale public financing.

The handicap to public departments in such situations has been their tendency to become preoccupied with the administration of contractual detail and fail to develop high quality publicly administered services of their own.

In addition to this very important question which relates to the planning and development of private and public agency services in the State or locality, there is also an unresolved constitutional question with regard to the purchase of service from church-related agencies and institutions. The church-state aspect of this problem is receiving considerable attention among the denominations associated with the National Council of Churches but no definitive judgment has been reached as yet.

Until there may be further clarification of this question in the courts, and pending our own review of this subject in terms of the propriety of church-related social and health services entering into contractual agreements with public departments for contracted service, our own church-related agencies, of which there are almost 4,000 in the United States, can only proceed on the basis of certain principles which have

been tentatively developed to guide these agencies in working with Government in these matters.

It might be of interest to you to know what these criteria are. At the present time, every church-related agency and institution is encouraged to apply the following conditions to any purchase-of-service arrangements it may make:

1. As a matter of self-regulation and voluntary cooperation in cooperative planning for the total needs of the local community or county, no church-related agency should enter into purchase-of-service agreements with public departments until and unless this step has been reviewed and discussed with appropriate units of the community welfare council or State welfare planning organization.

2. The acceptance of tax funds by church-related agencies should not mean that the possibility of public provision for such services is thereby ruled out.

3. When service is sold to a public department, the contract should provide for reimbursement at the full cost of the service provided rather than requiring a church-related or sectarian agency to subsidize such a service from limited voluntary funds.

4. The church-related agency which chooses to sell service to a public department should recognize an obligation to operate within salary ranges and other personnel standards which are equivalent to those under which the public agency counterpart providing the same kind of service must operate. When civil service ranges are below standard from the point of view of a church-related agency, the agency and the churches as well of that community may be expected to work for the improvement of civil service ranges.

In some communities, private agency salaries and standards are better than public agency and civil service standards. In other communities, public agency standards may be superior to those of many of the private agencies. To protect both private and public agencies from distortions in development based on differentials in salaries and personnel standards instead of on sound community planning, both churches and church-related agencies are expected to support continuing study of this important feature of private-public agency relationships within the community welfare council.

5. In overall financing, a church-related agency which does sell some service to a public department should take care not to become financially dependent upon the per diem payments by government for its continuance as a private agency.

6. The policies and procedures of a church-related agency with a contract for service to a public department should not be interfered with beyond minimum standards as determined by government, providing that the agency accepts its responsibility to report fully on individual cases as may be required by the terms of the contract.

7. It would be improper for any church-related agency to use any tax funds provided under contract with a public department for the provision of any religious ministrations.

The denominations associated in the department of social welfare of the National Council of Churches will make every effort to assist their local churches and their church-related agencies to give increasing attention to the most effective possible development of public assistance, public welfare and child welfare programs in every State and

locality. We have a great deal of confidence in what can be achieved by citizen understanding and citizen support and citizen participation in the development of public programs which enjoy, as well, the interest and cooperation of private and church-related agencies, not so much as a source of contract money, but as an occasion for teamwork in the provision of services to every family in the community who has need of special help.

Senator Byrd and gentlemen of the Senate Finance Committee, let me thank you for your courtesy in inviting this presentation of the judgment and viewpoint of our churches in these important matters.

(The documents previously referred to follow:)

THE CHURCHES' CONCERN FOR PEOPLE WITHOUT THE NECESSITIES OF LIFE

(A pronouncement adopted by the General Assembly of the National Council of the Churches of Christ in the United States of America, December 8, 1960)

Whereas at least 5 million people in the United States are dependent each month upon public assistance for the necessities of life; be it

Resolved, That the churches be urged to work for availability of adequate public assistance for all needy people; the elimination of State and local residence requirements for public assistance; and the replacement of Federal aid for certain categories of people by a single program based solely upon need; and

Resolved, That the aid to dependent children program be modified immediately—

(1) to prevent discrimination against children because of the circumstances of their birth, and

(2) to eliminate the requirement that employable fathers be absent as a condition of eligibility.

A PRONOUNCEMENT ON THE CHURCHES' CONCERN FOR PUBLIC ASSISTANCE—ADOPTED BY THE GENERAL BOARD OF THE NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE UNITED STATES, JUNE 4, 1958

During any 1 month, more than 5 million men, women, and children in the United States are dependent in whole or in part for their livelihood on the programs of public assistance: old-age assistance, aid to dependent children, aid to the blind, aid to the disabled, and general assistance.[1] These programs represent an effort of a society informed by the Judeo-Christian tradition to insure that everyone in that society shall live at a standard compatible with decency and health without regard to race, color, or religion.

The National Council of Churches affirms that the use of social insurance as exemplified by old-age, survivors and disability insurance is to be preferred to economic dependence upon the public assistance programs. However, it wishes to call to the attention of the churches the needs, spiritual and social, as well as economic, of the large numbers of people who must depend on public assistance. It believes the churches have grave responsibility for the well-being of the people who depend on these programs.

The primary objective of public assistance programs is to furnish monetary assistance to persons in accordance with the determined degree of their economic need. Through grants-in-aid the Federal Government contributes the major portion of the cost of these programs, except for general assistance programs which (where they exist) are maintained by State and local governments.

Recent years have seen many improvements in the administration of public assistance programs and the extent to which they meet the needs of people. However, serious deficiencies exist in many States and communities and demean the people who must depend on these programs for the physical necessities of life. Many people who are ineligible for the federally aided programs do not

[1] The form of public assistance provided by State and local governments for some needy persons ineligible for aid under the federally supported programs cited.

have their needs met in some States, even on a minimal level. In most States residence requirements, archaic in present-day mobile America, prevent or modify the way in which people can be assisted by all these programs. Some States continue to impose citizenship requirements which are often more damaging in their consequences. The National Council of Churches believes that such requirements which serve to penalize people in need should be eliminated.

The fact that general assistance programs usually have lower standards than federally aided programs serves to introduce inequities that cannot be defended by thoughtful Christians. These lower standards of help for those who cannot qualify for the federally aided programs by reason of age, residence, or degree or kind of physical impairment, compel tens of thousands of people to exist at a standard below that of decency and health.

For the people dependent on all of these programs there is universal need for an improvement in the standards of assistance so that health and decency may be maintained. The churches have a vital role to play in raising these standards, and churches need to work for the elimination of all inequitable and punitive policies. It is also a responsibility of the churches to be concerned with the way public assistance programs are administered, and to advocate programs which will make available to needy people the whole range of services which may help them become self-supporting and self-respecting persons. Considerations of race, religion, and family mores should not be factors in determining eligibility for public assistance.

In order to meet these responsibilities certain activities are suggested. Local churches should become vitally concerned with the administration of public assistance programs in their communities and at other governmental levels. They should work to the end that all these programs have available for their administration personnel adequately trained to meet the variety of needs which the recipients of public assistance will have. The churches should recruit Christian young people to work in these public programs, as well as in church-related programs.

The churches should seek to make certain that standards of the general assistance programs are comparable to the federally aided programs. They should, to this end, support Federal aid for the general assistance programs. Further, all churches should seek improvement of all these programs so that assistance and services will be in such amount and so administered that recipients are offered the opportunity for decent, healthful living and opportunity to develop to the maximum their capacities for service to God and fellow men.

The constituent churches of the national council are giving increased attention to the adequacy of church-related programs of health and welfare. However, the churches' concern for needy people should not end here. All people who are economically deprived should be able to depend on equitable and helpful programs of public assistance, but basic economic security must also be strengthened so that the need for public assistance may be minimized.

This does not end the responsibility of the churches. Even if all the public assistance programs were adequate and equitable, there would remain substantial responsibilities which the churches should seek to discharge. The people who receive public assistance benefits ordinarily have special needs in addition to that of money. The aged or blind person, the dependent child, the disabled or dependent adult, is in need of a multitude of spiritual and social services at the community level, many of which only the local church can supply. We call upon our churches to encourage all people to grow in personal, family, and social responsibility, to help them find increasing faith in God and in His love for all men, and to minister especially to disadvantaged people both in the churches and in the larger community.

The CHAIRMAN. Thank you, Doctor, very much.

The committee will adjourn until 10 o'clock tomorrow morning.

(Whereupon, at 3:30 p.m., the committee adjourned, to reconvene at 10 a.m., Thursday, May 17, 1962.)

PUBLIC ASSISTANCE ACT OF 1962

THURSDAY, MAY 17, 1962

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to recess, at 10:05 a.m., in room 2221, New Senate Office Building, Senator Harry F. Byrd (chairman) presiding.

Present: Senators Byrd, Kerr, Long, Talmadge, and Morton.

Also present: Elizabeth B. Springer, chief clerk.

The CHAIRMAN. The committee will come to order.

The first witness is Congressman John F. Baldwin of California.

Won't you take a seat, Congressman?

STATEMENT OF HON. JOHN F. BALDWIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. BALDWIN. Thank you, Mr. Chairman.

Mr. Chairman, I have a statement from Senator Kuchel of California on behalf of an amendment for which I would like to testify, and I would appreciate having permission to insert Senator Kuchel's statement in the record at this point.

The CHAIRMAN. Without objection, the insertion will be made.

(The prepared statement of Senator Kuchel follows:)

STATEMENT BY U.S. SENATOR THOMAS H. KUCHEL

Last year Congress enacted Public Law 87–31 to amend title IV of the Social Security Act and authorize Federal financial participation in providing aid to the dependent children of unemployed parents. I am in wholehearted agreement with the need for this program and I support its continuation. However, I believe an amendment is in order with regard to the administration of this program, as established under section 408 of last year's law. This section deals with Federal payments for foster home care of dependent children. Explanation of this section, in relation to our practices in California with regard to dependent children, should make clear the need for its enactment.

A recent ruling by the Department of Health, Education, and Welfare, under Public Law 87–31, would make ineligible for funds from the aid to dependent children program those children who are placed in foster homes by, and are under the jurisdiction of, the county probation officer.

In other words, ADC funds are unavailable to assist wards of the juvenile court unless these children are completely severed from the jurisdiction of probation officers, who would normally have responsibility for supervising them. To receive such funds, the dependent child would have to be placed under the jurisdiction of the county welfare department since section 408 requires that ADC funds shall not be made available unless complete responsibility for the planning and supervision of the child is carried out by the agency administering the ADC program, in this case the welfare department.

In the State of California, it is the probation officer—an officer of the court—who is responsible for initiating court action, advising the court and supervising children who are removed from their parents and placed in foster homes by judicial determination. The probation officers of my State are trained in court practices and procedures and in child supervision. The law of California grants them the authority to take emergency actions which are often necessary for the protection of these children. And, as many of us are aware, these dependent wards, coming often from unfavorable environments, are particularly susceptible to the pressures which cause delinquency.

If the court is required to place the children in the custody of the local county welfare department in order that Federal assistance can be provided, the result will be a difference of treatment among wards of the court committed for similar reasons.

I have discussed this matter with several respected jurists and probation officers of my State. They are unanimous in their support of the amendment which will be offered to you by Congressman John Baldwin of California. This amendment, if agreed to, will alleviate the present problem which has arisen. These officials believe, as I do, that the existing law is unnecessarily discriminatory when it makes eligible in practice only those dependent children under the jurisdiction of the county welfare department which is in turn responsible to the State department of social welfare for the administration of Federal-State grant-in-aid program.

The county probation department, on the other hand, is strictly a county function in California. Only advisory services are provided by the State. This is not so in some other States, such as Wisconsin, where probation is a State service and is administered under the State department of public welfare. Thus, where Federal ADC funds go to the State agency administering the prohibition program, juvenile court wards in foster homes continue to receive these Federal funds. In California, because local probation services are not under the State department of social welfare, Federal funds are not available unless the juvenile court commits the children to the welfare department.

While the county welfare and probation departments of my State have excellent working relationships concerning the care of dependent children who are wards of the court and receiving aid to dependent children funds, it is essential that court supervision of many of these neglected children be continued. This supervision is carried out by the county probation officer.

I, therefore, urge this committee to consider favorably the amendments to section 408 of the Social Security Act which will be offered by my colleague, Representative Baldwin. Their acceptance is necessary to remedy an unfair and undesirable administrative situation that has now been imposed on the dependent children's program in California.

Mr. BALDWIN. Mr. Chairman, I have a printed statement, and I would like to summarize it, but I would like to have unanimous consent to insert the printed statement as a whole, with its attachments, in the record.

The CHAIRMAN. Without objection.

Mr. BALDWIN. Mr. Chairman, I want to express my deepest appreciation to you and the members of your committee for the opportunity to appear and testify before your committee this morning in favor of an amendment to H.R. 10606. This amendment has been made necessary by an interpretation made by the Secretary of Health, Education, and Welfare of Public Law 87–31, passed by the 87th Congress on May 8, 1961. Section 2 of that act added a new section 408, under title 4 of the Social Security Act. Section 408 prescribes the conditions under which aid to needy children could be paid where children are put in foster homes.

In the great majority of counties in Calfornia children are placed in foster homes through a procedure under which the child is first made a ward of the juvenile court and the child is then placed in the foster home by the county probation department at the direction of the juvenile court.

On November 24, 1961, I wrote to the Secretary of Health, Education, and Welfare asking if this procedure would make it possible for these children to qualify for Federal grants according to the terms of Public Law 87-31, under the aid to needy children program. I am attaching a copy of my letter to Hon. Abraham A. Ribicoff. I received a reply from Mr. Ribicoff, dated February 1, 1962, which is also attached to this statement. This reply contains the following specific answer to my question:

Payments with respect to the child who has been placed in a foster home under the conditions which you have described would not meet the requirements for Federal financial participation in the aid to dependent children program.

Mr. Ribicoff further stated in the same letter:

Section 408(a) (2) sets forth as one of the conditions for Federal participation in foster-care payments that the responsibility for the placement and care of the child who has been judicially removed from his home be in "the State or local agency administering the State plan approved under section 402."

Under the California law and the approved State plan, the administration of the program for dependent children in Contra Costa County is in the Contra Costa County Social Welfare Department, not the county probation office. It seems clear, therefore, that the condition in section 408(a)(2) would be met only if the county social service department is given responsibility for placement and care of the child.

The reason, Mr. Chairman, that I am offering the amendment is the interpretation made by the Secretary of Health, Education, and Welfare which is that any child placed in a foster home under the existing procedure in California under the juvenile court and the probation department is barred from receiving any aid to dependent children funds, even though the intention of the law passed by Congress last year is to make it possible for children in foster homes to qualify for aid to dependent children funds.

The purpose of my amendment would be to modify the provision of the law last year so as to make it possible for children who are placed in foster homes by juvenile courts, through the supervision of the welfare department, to qualify for these aid to dependent children payments.

The amendment which I would like to offer, Mr. Chairman, is attached to my statement, and it would provide that the actual payment of the aid to dependent children funds would be made by the welfare department.

The welfare department would determine the need financially, but the supervision and placement could continue to be made by the juvenile court through the probation department.

Now, I am just positive that it was not the intention of this Congress to disbar the procedure of handling the placement of children in foster homes through the juvenile court and the probation department from qualifying to receive aid from the aid to dependent children program.

I voted for the bill last year, and it certainly was not my intention to vote to prevent them from qualifying.

The Secretary has made an interpretation that no child placed in this way would qualify, and, it would seem to me, to require an amendment, because otherwise this would mean that Congress is saying to every juvenile court and probation department, "You have got to re-

live yourself of your responsibility completely and you have got to turn this entire responsibility over to the welfare department."

I might say, Mr. Chairman, that the amendment has received the support of the County Welfare Directors Association in California, who recognize the fact that this procedure has worked satisfactorily in California for many years, and should continue.

It has also received, and I have attached to my statement, an endorsement from the California Probation, Parole & Correctional Association, and an endorsement from the California Youth and Adult Corrections Agency, which is the State agency in that field.

Mr. Chairman, I submitted this amendment first to the House Ways and Means Committee. At that time the Department of Health, Education, and Welfare said they would like to review the amendment and to submit comments on it, and so the Ways and Means Committee decided to defer action until those comments could be submitted, but they obtained a commitment from the Department of Health, Education, and Welfare to submit their comments before these hearings of the Senate Finance Committee began.

I have been in touch with Mr. Cohen, of the Department of Health, Education, and Welfare, this week. He has informed me by letter and orally that they hope to resolve this matter administratively, but, as of now, it has not been resolved administratively, and I would like to recommend, Mr. Chairman, that the committee give favorable consideration to this amendment to resolve this problem and to make certain that we do not force on local, State, and county governments a complete change in their procedure for the placement of children in foster homes. (See p. 602 for letter from Assistant Secretary Wilbur J. Cohen, dated May 29, 1962, with further comments on the Baldwin amendment.)

The CHAIRMAN. Thank you very much, Mr. Congressman.

Mr. BALDWIN. Thank you, Mr. Chairman.

The CHAIRMAN. The insertions will be made in the record. We are always glad to have you before the committee, sir.

(The prepared statement of Mr. Baldwin, together with the attachments, follow:)

STATEMENT OF HON. JOHN F. BALDWIN OF CALIFORNIA ON H.R. 10606, THE "PUBLIC WELFARE AMENDMENTS OF 1962"

Mr. Chairman, I want to express my deepest appreciation to you and the members of your committee for the opportunity to appear and testify before your committee this morning in favor of an amendment to H.R. 10606. This amendment has been made necessary by an interpretation made by the Secretary of Health, Education, and Welfare of Public Law 87-31, passed by the 87th Congress on May 8, 1961. Section 2 of that act added a new section 408, under title 4 of the Social Security Act. Section 408 prescribes the conditions under which aid to needy children could be paid where children are put in foster homes.

In the great majority of counties in California children are placed in foster homes through a procedure under which the child is first made a ward of the juvenile court and the child is then placed in the foster home by the county probation department at the direction of the juvenile court. On November 24, 1961, I wrote to the Secretary of Health, Education, and Welfare asking if this procedure would make it possible for these children to qualify for Federal grants according to the terms of Public Law 87-31, under the aid to needy children program. I am attaching a copy of my letter to Hon. Abraham A. Ribicoff. I received a reply from Mr. Ribicoff, dated February 1, 1962, which is also attached to this statement. This reply contains the following specific answer to my question:

"Payments with respect to the child who has been placed in a foster home under the conditions which you have described would not meet the requirements for Federal financial participation in the aid to dependent children program."

Mr. Ribicoff further stated in the same letter:

"Section 408(a)(2) sets forth as one of the conditions for Federal participation in foster care payments that the responsibility for the placement and care of the child who has been judicially removed from his home be in 'the State or local agency administering the State plan approved under section 402.'

"Under the California law and the approved State plan, the administration of the program for dependent children in Contra Costa County is in the Contra Costa County Social Welfare Department, not the county probation office. It seems clear, therefore, that the condition in section 408(a)(2) would be met only if the county social service department is given responsibility for placement and care of the child."

The effect of this interpretation is to bar any children placed in foster homes by a county probation department at the direction of the juvenile court from qualifying for aid to needy children funds. In order for such children to qualify for aid to needy children payments, the counties of California and those in many other States would have to completely revise their procedure for the placement of children in foster homes and would have to make such placements through the State or county social welfare department. This is confirmed by the attached letter dated January 29, 1962, which I received from the seven superior court judges of Contra Costa County, Calif. I do not believe it was the intention of Congress to force States and counties to make such drastic changes in the procedure for placement of children in foster homes. It seems to me that the procedure for the placement of these children should be decided by the States and by the counties involved.

I have, therefore, drafted an amendment, with the assistance of the Legislative Counsel of the House of Representatives, which would allow this flexibility. I am attaching a copy of this amendment to my statement. This amendment would be inserted in H.R. 10606, on page 48, after line 6, as two new subsections of section 131.

The amendment would make it possible for children placed in foster homes by local public agencies, authorized under laws of the State to place and supervise dependent children, to qualify for aid to needy children payments, as long as the function of determining the child's need for aid under the plan and of paying such aid in accordance with such determination is reserved to the State or local agency administering the State plan approved under section 402. I think this amendment would resolve this present problem by allowing children to continue to be placed in foster homes by county probation departments at the direction of the juvenile court but providing that determination of the child's need for aid to dependent children payments would be made by the welfare department.

I have submitted this amendment to numerous agencies in the State of California. It has the approval of the California Probation, Parole, and Correctional Association. I am attaching to my statement a copy of a wire which I received from that organization endorsing the amendment. The amendment also has the approval of the California Youth and Adult Corrections Agency. I am attaching a copy of a letter dated March 2, 1962, which Mr. Walter Dunbar, director of corrections, wrote to Congressman Wilbur Mills, chairman, House Ways and Means Committee, in support of my amendment. It also has the approval of the County Welfare Directors Association of California. I am attaching a letter dated April 10, 1962, which I have received from Mr. G. C. Peoples, president of that organization.

My amendment was first submitted in testimony which I delivered before the House Ways and Means Committee on H.R. 10606. At that time the Department of Health, Education, and Welfare asked for additional time to prepare its comments on the amendment and as a result the Ways and Means Committee decided to defer action on the amendment, but obtained assurance from the Department of Health, Education, and Welfare that the Department would submit a report on my amendment prior to the time of the Senate Finance Committee hearing. I have been in contact with Mr. Wilbur J. Cohen, Assistant Secretary of Health, Education, and Welfare on this subject. He has stated that he is going to see if the Department can resolve this problem administratively. He has further indicated that they will make this decision before your committee begins its executive sessions on H.R. 10606, so that if it can't be resolved administratively then my amendment can be acted upon by your committee.

AMENDMENT TO H.R. 10606 OFFERED BY MR. BALDWIN OF CALIFORNIA

On page 48, after line 6, insert the following new subsections to section 131:

"(c) Clause (2) of section 408(a) of the Social Security Act is amended to read as follows: '(2) whose placement and care are the responsibility of the State or local agency administering the State plan approved under section 402 or (if the function of determining the child's need for aid under the plan and of paying such aid in accordance with such determination is reserved to such State or local agency under an arrangement which assures that such agency will be able to obtain the information required to make such determination and payment) are the responsibility of any other local public agency authorized under the laws of the State to place and supervise dependent children,'

"(d) Clause (1) of section 408(f) of such Act is amended by striking out 'each such child' and inserting in lieu thereof 'each such child whose placement and care are the responsibility of the State or local agency administering the State plan approved under section 402.'

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 24, 1961.

The Honorable ABRAHAM A. RIBICOFF,
Secretary of Health, Education, and Welfare, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. RIBICOFF: I am writing to you for an interpretation under Public Law 87-31, passed by the 87th Congress on May 8, 1961. Section 2 of this act added a new section 408 under title IV of the Social Security Act. Section 408 prescribes conditions under which aid to needy children funds can be paid where children are put in foster homes. In Contra Costa County, Calif., the usual procedure whereby children are placed in foster homes is as follows:

A child is first made a ward of the juvenile court and the child is then placed in a foster home by the county probation department at the direction of the juvenile court.

It is my understanding of the intent of Congress that such children are also intended to qualify for Federal grants according to the terms of Public Law 87-31. However, I have been requested by the Contra Costa County Probation Office to obtain an advisory opinion from your office on this point. Will you, therefore, please let me know whether a dependent child who has been placed in a foster home by the county probation department at the direction of the juvenile court can qualify for a Federal grant of aid to needy children funds according to the terms of Public Law 87-31?

Sincerely yours,

JOHN F. BALDWIN,
Member of Congress.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, February 1, 1962.

Hon. JOHN F. BALDWIN,
House of Representatives,
Washington, D.C.

DEAR MR. BALDWIN: This is in reply to your letter requesting an interpretation of section 408 of the Social Security Act, as amended by section 2 of Public Law 87-31. You advise that under procedures used in Contra Costa County, Calif., a child is first made a ward of the juvenile court and the child is then placed in a foster home by the county probation department at the direction of the juvenile court. You asked if such a child can qualify for a Federal grant of aid to needy children funds according to the terms of section 408.

Payments with respect to the child who has been placed in a foster home under the conditions which you have described would not meet the requirements for Federal financial participation in the aid to dependent children program.

Section 408(a)(2) sets forth as one of the conditions for Federal participation in foster care payments that the responsibility for the placement and care of the child who has been judicially removed from his home be in "the State or local agency administering the State plan approved under section 402."

Under the California law and the approved State plan, the administration of the program for dependent children in Contra Costa County is in the Contra Costa County Social Service Department, not the county probation office. It seems clear, therefore, that the condition in section 408(a)(2) would be met only if the county social service department is given responsibility for placement and care of the child.

Sincerely,

ABE RIBICOFF.

CHAMBERS OF JUDGE OF SUPERIOR COURT,
CONTRA COSTA COUNTY, CALIF.,
Martinez, January 29, 1962.

Hon. JOHN F. BALDWIN,
House Office Building, Washington, D.C.

DEAR MR. BALDWIN: It has been called to our attention that last year Congress passed a law which makes possible Federal participation in aid to needy children grants to children in foster homes. This is Public Law 87–31.

We further understand that the law is presently being interpreted in such a way that juvenile court wards in foster homes under the supervision of the probation department would not be eligible. We understand that the present interpretation is that in order for the grant to include Federal funds, the juvenile court wards would have to be placed under the supervision of the welfare department.

It is our considered opinion that the receipt of Federal funds to help these children should not require commitment to the welfare department. We feel that the juvenile court is in the best position to determine what agency should supervise the children. We prefer to use an agency under the control of the courts.

We understand the present law expires in June but will undoubtedly be repassed. We would appreciate your attempting to amend the law so that the Federal funds can also be obtained for wards in foster homes supervised by the probation department. In addition to authorizing Federal funds for welfare placements, the amendment could include Federal funds for children placed by any governmental agency authorized to place and supervise dependent children under the laws of any State.

As you no doubt know, our probation department places and supervises all juvenile court wards in placement, as do several other large probation departments in California.

Sincerely yours,

HOMER W. PATTERSON,
Superior Court Judge, Department 3.
S. C. MASTERSON,
Superior Court Judge, Department 1.
HUGH DONOVAN,
Superior Court Judge, Department 2.
NORMAN GREGG,
Superior Court Judge, Department 4.
WAKEFIELD TAYLOR,
Superior Court Judge, Department 5.
THOMAS F. FRAGA,
Superior Court Judge, Department 6.
MARTIN E. ROTHENBERG,
Superior Court Judge, Department 7.

LOS ANGELES, CALIF., *April 9, 1962.*

Representative JOHN F. BALDWIN,
House Office Building, Washington, D.C.:

The board of directors of the California Probation, Parole & Correctional Association at a regular meeting on April 5, 1962, in Concord, Calif., unanimously adopted a resolution supporting amendment to H.R. 10606 to provide changes substantially as proposed in the amendment offered by Congressman John F. Baldwin. This statewide association of more than 1,600 members solicits your support of this amendment in the Senate Finance Committee.

CHARLES T. G. ROGERS, *President.*

STATE OF CALIFORNIA,
YOUTH AND ADULT CORRECTIONS AGENCY,
DEPARTMENT OF CORRECTIONS,
Sacramento, March 2, 1962.

Hon. WILBUR MILLS,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D.C.

DEAR MR. MILLS: It has come to my attention that an amendment to the Social Cecurity Act is needed to insure that Federal grants-in-aid can be made under the provisions of aid to needy children for the placement of children in foster homes under the supervision of county probation officers. I understand that Congressman John F. Baldwin of the Sixth California District has submitted an amendment to section 152 on page 67 of H.R. 10032, which will make this necessary change. I respectfully urge favorable action by the Ways and Means Committee on this legislation.

It is a matter of great concern to the department of corrections that the present highly satisfactory arrangements for the foster home care of delinquent and dependent children should not be disrupted. These children are particularly vulnerable to stresses causing delinquency. For obvious reasons, this department is concerned that they should have skillful care, as is now generally the case. To turn the responsibility for their supervision over to county welfare departments would accomplish no good end and would destroy a capably managed public service.

I hope that the favorable action of the Ways and Means Committee on Mr. Baldwin's amendment will maintain a sound and appropriate disposition for the care of these children.

Sincerely yours,

WALTER DUNBAR, *Director of Corrections.*

COUNTY WELFARE DIRECTORS
ASSOCIATION OF CALIFORNIA,
April 10, 1962.

JOHN F. BALDWIN,
Member of Congress,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN BALDWIN: At a recent meeting of the County Welfare Directors Association of California, your amendment to section 152 of H.R. 10032 was voted unanimous support. We realize that the timing of this meeting of our association may make our indication of support too late to be effective. However, we do want you to know that we are in agreement with the probation officers in our State on this particular subject. We have a longstanding and cooperative working arrangement regarding the care of dependent and neglected foster children. We feel that some of the present Federal laws and regulations place unnecessary emphasis on county welfare department functions in this area. We believe that our system works well and that the law should permit some flexibility in this regard.

We appreciate your interest in this subject and hope that you will feel free to call on our organization if we can provide information or assistance at any time.

Yours very sincerely,

COUNTY WELFARE DIRECTORS ASSOCIATION,
G. C. PEOPLES, *President.*

The CHAIRMAN. The next witness is Nelson Cruikshank, of the AFL-CIO. We welcome you again, sir, to the committee.

Please proceed.

STATEMENT OF NELSON H. CRUIKSHANK, DIRECTOR, DEPARTMENT OF SOCIAL SECURITY, ALF-CIO; ACCOMPANIED BY LEONARD LESSER, DIRECTOR OF SOCIAL SECURITY ACTIVITIES, INDUSTRIAL UNION DEPARTMENT, AFL-CIO; AND CLINTON FAIR, DEPARTMENT OF LEGISLATION, AFL-CIO

Mr. CRUIKSHANK. Mr. Chairman, I have this statement which I would like to read to the committee.

My name is Nelson H. Cruikshank, and I am director of the Social Security Department of the AFL-CIO, and my office is at 815 16th Street, NW., in Washington.

Appearing with me is Mr. Leonard Lesser, director of social security activities for the Industrial Union Department, AFL-CIO. We are presenting this as a join statement. We are accompanied by Mr. Clinton Fair, of the AFL-CIO Department of Legislation.

We appreciate the opportunity to appear before this committee in support of H.R. 10606, a measure to extend and improve the public assistance and child welfare service programs of the Social Security Act. We note that the official notice of these hearings indicates specifically that they relate only to the proposals contained in the House-passed bill amending the public assistance titles of the Social Security Act. We shall observe this admonition recognizing that it is necessary to hold deliberations of the many complex issues covered under social security to manageable proportions.

We must note for the record, however, that in the last analysis these issues are in fact inseparable and that the provisions of the amendments now before you are interrelated with the pending amendments to OASDI—specifically the proposal to provide hospital and related insurance benefits for the elderly under social security and railroad retirement.

I might say the same applied to proposed amendments to the unemployment compensation section of the Social Security Act.

We are aware of the demanding schedule of important legislation this committee much meet, but we earnestly hope you can consider these other amendments in time for the Senate to act during this session of Congress.

The AFL-CIO has always supported the public welfare programs established when the Social Security Act was enacted more than 25 years ago. While we have consistently taken the position that our social insurance programs must be the framework within which our public welfare programs are to be built, we have always recognized the importance of public assistance and child welfare programs. As this committee knows, we have always supported amendments to provide more liberal payments to those in need through increased Federal grants to the States. At the same time, we have never believed that the reasons which have resulted in the need for persons to seek assistance can be removed by the simple payment of assistance grants.

We, therefore, believe that the basic purpose of H.R. 10606, described by the President in his state of the Union message as "stressing service instead of support, rehabilitation instead of relief, and

training for useful work instead of prolonged dependence," deserve the strong support of this committee and all Members of the Congress.

These purposes are accomplished in various ways. The provisions of the bill would provide increased Federal grants to encourage States to strengthen and broaden the rehabilitative and preventive services and the training of additional competent welfare personnel to provide these services.

We find it hard to believe that anyone would quarrel with provisions designed to achieve these purposes. As the President stated in his message to the Congress, "communities which have tried the rehabilitative road * * * have demonstrated what can be done with creative, thoughtfully conceived, properly managed programs of preventive and social rehabilitation. In those communities, families have been restored to self-reliance, and relief rolls have been reduced."

We are particularly pleased that States will be encouraged to provide services not only to those who are already on the relief rolls, but also to those who in the absence of help would likely become applicants for relief. Moneys spent to prevent dependency are of greater benefit for society as well as the individual than moneys spent on assistance grants.

The provisions of H.R. 10606 extending for 5 years the provisions for aid to dependent children of unemployed parents and expanding the child welfare services are also designed to achieve these ends.

The AFL-CIO has long supported the elimination of residence requirements in public assistance programs. We are all aware of the shifting population trends in our Nation. We believe that people who find themselves caught in these movements should not be denied help. We regret, therefore, that the bill as passed by the House does not contain even the proposed measures to reduce the maximum residence limitations to 1 year and to encourage the elimination of any residence requirements.

As the Secretary of Health, Education, and Welfare has pointed out, the Federal Government's share in these programs represents nearly 80 percent of the cost in some States, and for the Nation as a whole averages nearly 60 percent. Under the revised formulas for Federal participation which are contained in H.R. 10606, the share of the Federal Government will be even greater. These moneys are collected from citizens in every State. They should not be denied to a citizen in need because he has too recently become a resident of a particular State.

We would, therefore, urge at least that the residence requirement be reduced to 1 year as proposed by the administration. We do not believe that the elimination or reduction in the length of residence requirements would encourage people to wander from State to State in search of higher relief checks.

Nor do we believe that American people prefer a relief check to an opportunity to work. At the same time, we recognize that there are many who are not equipped to seek work in the labor market. We, therefore, support the purposes of the community work and training provisions of H.R. 10606. We strongly believe, however, that the protections now incorporated in the bill to assure that the prevailing wage will be paid, the health and safety standards will be observed, that children will not be adversely affected if mothers are assigned to work,

and that persons will not be denied aid for refusal of such work if good cause exists for the refusal are essential if a program such as this is to be enacted by the Congress.

We also believe that every care must be taken to assure that such work projects should not be used as a substitute for work which has normally been provided by the community to all unemployed persons regardless of their status as relief recipients. The provisions of section 409(a)(1)(C) on pages 33 of the bill requiring that such projects "do not result either in displacement of regular workers or in the performance by such relatives of work that would otherwise be performed by employees of public and private agencies, institutions or organizations" are intended to assure this result. We note that this safeguard has been strengthened by the addition of a specific requirement that such project is not of the kind which has normally been undertaken by the State or community in the past. We think the exception in cases of projects which involve emergencies or which are generally of a nonrecurring nature, is reasonable.

There are two other areas in which we feel the House-passed bill should be improved.

First, the formula for matching grants in the ADC program should be liberalized. The change in the grant formula requiring a larger share of the burden in the three adult categories to be borne by the Federal Government was needed because the States are less and less able to carry the tax burden occasioned by these programs. To the extent they do carry them, the burden falls more heavily on low-income groups because of the generally more regressive character of State tax structures. These same conditions argue for a corresponding increase in the share of the Federal Government in the cost of the program for dependent children.

Secondly, we are deeply concerned with the provisions of section 108 which would modify the long-established principle of supporting only money payments made to welfare recipients by the States. We are concerned really with both sections 108 and 107.

We recognize that there is a problem. There are undoubtedly some instances in all assistance programs where the recipients do not always spend their money wisely. And probably more of these are to be found in the ADC program than in others.

The problem is how to deal with that small minority of recipients who do in fact fail to protect the best interests of their children in spending their assistance money without doing harm to the great majority who are responsible.

The administration proposed an exception to the money payment requirement. This they called a protective payment. Such payments would be made in behalf of a recipient to a person in the community concerning whom it could be assured that he had the interest of the recipient at heart. Such a person could be another relative, an interested friend of the family, or possibly a responsible neighbor, or even a member of the welfare department staff. In connection with this proposal, the administration suggested safeguards which were designed to make certain that the payments were made only for persons for whom incompetency or unwillingness to spend money properly was clearly established. As a double safe-

guard it was proposed also that such payments be limited to not more than one-half of 1 percent of the total number of recipients.

The provision contained in the bill adopted by the House seriously weakens these safeguards. In the first place, the limit for protective payments is raised to 5 percent, and it also adds a new section. Under this new section the States would be authorized to take "any other action authorized under State law which is deemed necessary to protect the best interest of the child."

This represents a pretty far reaching letting down of the bar and gives us grave concern. None of the carefully considered protections contained in the administration proposal (and under the House bill applicable only to protective payments) apparently would be applicable to these "other actions." Under this provision there would be a very real danger that welfare departments under severe local pressures would become collection agencies for the landlords, the public utility, or the local grocer. The old humiliating "voucher" system would very likely come back into widespread currency.

Under the guise of protecting the "best interest of the child," much harm could be done to people whose only offense was ignorance, membership in a minority group, or having more children than the critics deemed desirable. In recent years certain State legislatures have actually passed or seriously considered bills that would make it a criminal offense for an ADC relative not to spend the assistance money in the best interest of the child and bills that would forcibly require mothers of illegitimate children to be sterilized.

The problem would certainly arise as to who was to decide what was in the best interest of the child. What one person might consider to be in the best interest, another might consider wasteful or even immoral. Even under the best circumstances these subjective judgments are most difficult to make. They are almost impossible to make when the least articulate, the most poorly represented, and the least privileged people in the community are concerned.

A number of States and communities now provide relief by other means than money payments. The pressures to broaden this are persistent and unrelenting. If those who either through ignorance or selfishness are able to point to a sanction of this practice on the part of the Federal Government, the hand of those who would oppose its wider imposition would be seriously weakened. In all such legislative proposals we need to keep in mind the significant leadership role of the Federal Government.

The original proposal of the administration for "protective payments" in our judgment makes ample provision for the States and communities to deal with genuine instances of questionable parental practice, and we hope therefore that the new provision in the House-passed bill will be removed by the Senate.

Our support of H.R. 10606 does not rest on the belief that it will solve all the problems of need, dependency, or destitution. We know of no person or organization that so believes. In fact, some of the most tragic occurrences of the past several months have arisen from the misguided efforts of those who believe or claim they have simple, shortcut solutions to these complex problems.

This measure does, however, in principle, present a fresh and thoughtfully constructive approach to these problems, and for this reason we hope your committee after incorporating the changes we have suggested will report it favorably and that the Congress will enact it without undue delay.

That concludes my statement, Mr. Chairman.

The CHAIRMAN. Any questions?

Thank you very much, Mr. Cruikshank.

Mr. CRUIKSHANK. Thank you.

The CHAIRMAN. The next witness is Mr. Myles B. Amend, of the New York State Board of Social Welfare.

Will you take a seat, sir, and proceed.

STATEMENT OF MYLES B. AMEND, CHAIRMAN, NEW YORK STATE BOARD OF SOCIAL WELFARE

Mr. AMEND. Mr. Chairman and members of the committee.

My name is Myles B. Amend and I am the chairman of the State Board of Social Welfare of the State of New York. I want to say immediately on behalf of the board and our department how deeply we appreciate the opportunity of speaking to the committee today and filing a supporting statement amplifying our views before the close of the hearing tomorrow.

Perhaps, as a perliminary to the brief remarks I wish to make, I should remind this committee of just what our board is so that the views I shall express on behalf of the board will be received and understood in the context of how the board is constituted and how it functions.

The members of the board are 15 private citizens appointed by the Governor of New York with the consent of the State senate—1 from each of the 11 judicial districts of the State and 4 at large. They serve without compensation except for a per diem stipend and obviously are not full-time officials of the State. Only one of us is a professional social worker.

I, for example, practice law. We have on the board three bankers, two doctors, three other lawyers, several housewives, and one merchant. Most of us were appointed after many years of service in private welfare and other community organizations.

The board is the policymaking head of our department of social welfare. It has certain constitutional powers and duties of inspection and supervision of institutions, and statutory responsibilities for the appointment of the commissioner of the department, who is the administrative head of the department, for the promulgation of rules having the effect of law in our State, and for reporting annualy to the Governor and to the legislature.

Our board is in complete accord with the objectives of H.R. 10606 and applaud with hardly any exception the thoughtful and persuasive statement made by Secretary Ribicoff before this committee on Monday. I want to emphasize this point, because recent statements made by our board have been misconstrued as being contrary to views heretofore expressed by the Secretary and which are now to be implemented in the bill under consideration by this committee.

Our criticism of H.R. 10606 relates not to what it purports to do, but rather to what it fails to do, which we profoundly believe it should do.

Nobody expects the Congress to enact legislation in this field which would in effect give the States a blank check on the U.S. Treasury. Oon the other hand, has the time not come when the States should be treated as grownups? Should not the bill here under consideration provide that a State's law shall conform to Federal requirements rather than a State's plan which includes not only law and rules having the force and effect of law, but also every departmental regulation, order, recommendation, advisory procedure, and even form relating to federally reimbursed categories.

It is this insistence on plan conformity rather than law conformity which contributes so significantly to the proliferation of paperwork and the diversion of both caseworkers and casework administrators from assistance, rehabilitation, and restoration to independence. It is to a great extent also one of the causes of public distrust and suspicion of the whole welfare program and system.

In a word, we believe that the States should not be trusted to handle their own administrative details so long as their general program and practice conform to Federal requirements. This is not a new concept. It is implicit in the Wyman report to which the Secretary referred on Monday. Indeed, we are pleased to note that the administration's proposal and the bill before the committee provide that in certain circumstances the Secretary is authorized to waive State plan requirements for demonstration purposes.

We think the bill should go further and substitute State law for State plan, and we urge that H.R. 10606 be amended accordingly.

My second point proceeds logically from the first with its emphasis on State law rather than plan. Twenty-five years ago when the program was new and evolving, Federal requirements, too, had to evolve and grow. Administrative direction was perhaps the best if not the only way to further the development of the program.

Now, however, the program has pretty well developed. Standards of conformity should now be the subject of congressional mandate and not just left to administrative fiat. The elected officials who are periodically answerable to their constituents should determine the standards of conformity.

This does not mean that all matters involved in the Federal-State relationship in the area of public assistance must be spelled out in Federal legislation. There is still room for administrative negotiation between the two levels of government and administrative regulation in each. But the key condition of conformity should be provided by law and not by administrative regulation with the inevitable multiplication of details inherent in such an approach.

Again we urge that H.R. 10606 be amended accordingly, and lest it be assumed that this involves a monumental task in legislative draftsmanship at this late date, I shall, with the committee's permission, file a memorandum prepared by Mr. Felix Infausto, who is counsel to our board and department, and which spells out precisely amendments to H.R. 10606 which would carry out the recommendations we are making.

The CHAIRMAN. Without objection, it will be inserted in the record.

Mr. AMEND. Thank you.

Finally, I ask you to consider one more facet of the overall Federal-State relationship in this area. However explicit and however carefully drawn may be the underlying legislation, the rules, regulations, procedures, directives, or whatever, there arise sooner or later reasonable doubts as to their interpretation—honest differences of opinion as to application. In the present context such differences, after negotiation, argumentation, and cajolery, are either settled on a compromise basis or on the basis of "Federal funds are involved and hence Federal functionaries decide."

Neither basis is satisfactory. State and local funds are also involved—usually in excess of the Federal contributions. It is not sound that Federal administrative officials should raise the question on Federal audit—and these are not just mathematical or dollar questions—decide the issue, and impose the penalty of deductions from or withholding of Federal reimbursement.

We believe H.R. 10606 should be amended to provide—

(1) Federal court review of any proposed deduction or other penalty.

(2) Since most issues are technical and involve differences of opinion which should be resolved promptly, an intradepartmental board of review or appeal where an appellant's remedy would first have to be exhausted before resort to the courts would be permitted.

(3) Statutory recognition, since the matters involved are rarely susceptible of precise definition, that substantial compliance by the States with federally legislated requirements is expected.

We recognize that the time is short and H.R. 10606 is the legislative medium for the extension of certain temporary legislation which will expire on June 30 next, if not extended. We realize that in the exercise of its legislative judgment this committee may decide that the amendments we are urging cannot be embodied in the bill now before the committee. We are not so impractical as to be unaware of the problems involved in the legislative process.

But we would be lacking in candor, Mr. Chairman and members of the committee, if we failed to say that these issues must be met sooner or later, if not now, in another session of the Congress. These problems have to be resolved because the amendments I am urging involve fundamental concepts of American jurisprudence—quite apart from the social welfare philosophy—concepts of government by law, not by men, the concept of separation of the three branches of government in the American constitutional system, and especially the concept of "due process" to the States before they are denied participation in Federal funds appropriated by Congress for all the States.

That concludes the statement. I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Amend.

Senator Kerr, do you have any questions to ask Mr. Amend.

Senator KERR. No questions.

The CHAIRMAN. Thank you, sir.

(The documents previously referred to follow:)

STATEMENT ON BEHALF OF NEW YORK STATE BOARD OF SOCIAL WELFARE BY MYLES AMEND, CHAIRMAN IN RE H.R. 10606

Public welfare has been undergoing searching review and appraisal in recent years. It has been under formal scrutiny by official bodies in New York State since 1960, and continues under scrutiny at present. Why this should be is probably a summation of many conflicting ideas and misconceptions.

Certainly public welfare programs will continue to be essential underpinnings to the social insurance programs—to individualize care which cannot be provided by mass care programs, and to help those unfortunates not covered or whose benefits expire.

The magnitude of the public welfare task has grown as greater varieties of human problems seek solution in our ever-increasingly technological and urban-centered society.

At the same time there is frustration on the part of the public that easy solutions do not readily arise, that panaceas are not forthcoming.

And hostility results toward the large complex of administration—Federal, State, local—which must nonetheless exist to deal with these tasks.

Further, there is general public suspicion that bureaucracy, paperwork, and procedure override substance and accomplishment.

H.R. 10606 is directed toward many of these issues. In the main, the various aspects dealing with program extensions and program objectives are laudable. Especially notable is the emphasis in the bill on training of staff, on development of skills for intensive work with families, on rehabilitation and retraining efforts directed toward the public welfare clientele.

How most effective use can be made of skilled staff available is a question to which the State board of social welfare has been addressing itself during the past year, at the same time a special commission on public welfare personnel was conducting studies in the same vein.

Concurrently, the board has been increasingly concerned about the suspicions and hostility abroad as to the administration of public welfare.

Each of these main issues—how to do a better job with the staff available, and hostility to the framework of our programs—points to a need to reexamine the respective Federal and State roles in the administration of public welfare in the light of current times. The Federal-State system for public welfare which was developed more than a quarter century ago has been notable in many respects and has produced many achievements.

It provided a system designed to recognize differences in State structure, organic history, program scope, and sophistication.

It provided supporting funds without which many programs would probably never have been developed.

It provided, in effect, a national underpinning to the economy for those not covered, or coverable, under social insurance measures.

It provided a national body of organized experience and information through reporting systems.

It provided constructive guidance and expert assistance to draw upon.

There have been changes, too, in these roles over the years. Certainly the sums involved, both Federal and State, have grown with the variety and complexity of the human problems dealt with. From a simple (relatively) cash assistance program for a few selected groups of needy persons, the public assistance titles today recognize a wide universe of clientele and of assistance purposes. In a State such as New York, with local government traditions, and a longstanding comprehensive program of public welfare, adjustments to changes in Federal policy have been partly by law, partly—and perhaps for the most part—by administrative regulation. This is also true of Federal policy evolution. And, in consequence of all these changes, the complex of procedure and recorded material has grown apace—a good bit of it by gradual accretions to insure accountability for actions and case decisions which collectively involve enormous sums, but which individually represent, in final analysis, value judgments.

H.R. 10606 highlights these problems of concern to us in the State administration of public welfare. The bill properly emphasizes the necessity to develop skilled personnel to deal with critical human problems and it focuses attention on need for services to people in trouble. In effect, it hypothecates the existence

of a highly sophisticated environment within which effective and individualized treatment and service may function—an environment of respect for professional competence and latitude, of restraint in the exercise of intergovernmental authority and relationships. Whether this environment can be cultivated and sustained is the question which troubles the State board of social welfare.[1]

The effectiveness of the approach being sought toward the problems of public welfare today in H.R. 10606 rely on imagination and flexible case services. The direction of the bill is clear, but the scope and limits within which State planning shall proceed are not as clear. Much of the real dimensions of this bill depend on future administrative definitions and ensuing negotiations over State-plan materials.

An imposing responsibility is laid upon administrative staff—both Federal and State—in executing a charter for the expenditure of millions of dollars of Federal and companion State funds, through the State plans. Dealing as we are in public welfare with human values, not physical things, methodology is apt to become a substitute for judgment in appraising program efforts and accomplishments. Over the years the complexity of the problems being dealt with by public welfare—and the huge sums involved—have been reflected in ever-increasing detail and exactitude of definition, of classification, of procedure, and form. This extends to the caseworker in large degree (it is his work which is thus regulated) and has made case recording—to show compliance with prescribed procedure—a major undertaking. As Secretary Ribicoff put it succinctly recently:

"There is too much paperwork in Government. It stifles new ideas. It eats up time. It frightens away topnotch workers; it leaves their tasks to the pedantic and unimaginative. The social welfare worker especially must deal with people, not percentages. He cannot waste his time with irrelevant pencil pushing and envelope stuffing. He must have energy and hours to devote to those who need him."

In another vein these concerns were touched upon aptly in the special report to the Secretary last year of recommendations for improving administration of the welfare programs ("A Report for the Secretary of Health, Education, and Welfare"; by George K. Wyman; August 1961):

"Times change, progress is made, and administrative know-how develops. It is no longer necessary to 'hold hands' with the States. They can be trusted with administrative details so long as general program, practice, and development are assured. The Department [of Health, Education, and Welfare] should raise its sights to this level rather than continue to concentrate on the minutiae of day-by-day State operation."

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[1] For example, the temporary amendments of last year authorized care of dependent children in foster family homes under certain conditions as part of the aid to dependent children title. The "Federal Handbook of Public Assistance Administration" set forth guidelines of policy for the States—guidelines which embody excellent professional concepts. However, this material concludes with setting 13 requirements for State plans, requirements which proceed from legal bases, to general State policy, to specifications of such particulars as:

"Include [in the State plan to be filed] the State's method of establishing cost figures for foster family care (or for the statewide method to be used by all local subdivisions in arriving at the cost figures to be included for this consumption item), see 'Handbook,' IV–3131, items 1 and 2. * * *" ["Handbook," IV–3131, items 1 and 2, provide that (1) "The State plan must include the statewide standards and the policies to be applied uniformly throughout the State in the determination of need and amount of assistance"; and (2) "The consumption items to be included as basic for all individuals * * * The description of the specified circumstances affecting the need of individuals which the State agency will recognize by including additional consumption items for all individuals in these circumstances. Such items must be set forth in the State plan * * * (for additional requirements when direct payments to vendors are made for medical care, see also IV–5632) * * *. The State-established money amounts on a statewide method to be used by all local subdivisions in arriving at the money amounts to be included for an item or group of items * * *."]

And finally, as an adjunct to State-plan requirements, there are specifications of case record material:

"The case record must contain specific evidence of the agency's actions in the entire process of determining the eligibility of the aid to dependent child for foster care. Such record must show, in addition to other eligibility factors, the agency's effort prior to initiating court action, dates of actions in the court, particularly decisions to remove the child from his home, and pertinent aspects of the court order; documents to substantiate the agency's responsibility for child's placement and care, status of the foster home as an approved home, and the agency's plan for continuing care of the child."

These are unexceptionable principles, but are they the particulars to be dealt with in such degree as matters of precise requirement and compliance between the Federal Government and the States in the administration of such a highly individualized service as care of children in foster homes—and now prospectively in institutions—a service which more than others, involves voluntary agency cooperation and broad latitude for individual professional judgment and practice?

That limitations, details, and uncertainties in present concepts of State plans may inhibit mobility and development of program (because of the quasi-legal status which procedural and other material acquires when embodied in the State plan) seems recognized by section 122 of the bill, the section authorizing waiver of State plan requirements for demonstration efforts. The present concept of State plans which has evolved, and which embodies a tremendous amount of procedural instruction and detail in them, cannot lightly be now waived by administrative staff. Some formal sanction would appear desirable. To this end, the board suggests that section 122 be further amended—

> "to authorize acceptance of State statutes which embody and assure the principles being sought by the Congress in present conditions of State plans—in lieu of descriptive administrative materials, procedures, etc.—as an option to States where, in the words of the Wyman report, 'program, practice, and development are assured'."[2]

The reason for this proposal is twofold:

First, State statutes are clearly enforceable and impose mandatory duties upon State and local officials.

Second (since they do not ordinarily deal with the minutiae of day-by-day operations) they offer as guarantor of continued performance in accordance with the intent of the Congress, the State's main formulators of public policy—the elected officials, executive and legislative, who tend to get bypassed in the growth of interagency administrative agreements and whose alert interest and support the field of public welfare needs.[3]

This does not imply that all matters can be handled this way. There remains room for program development negotiation and regulation of novel matters. But certainly the key conditions of "conformity" as specified heretofore in section 2 of each title might well be covered now by general provisions of State law (when they exist) rather than by administrative submissions of considerable detail—if we are to free Federal and State staff from preoccupation with matters, the principles of which have long been accepted and applied.

Closely allied with the foregoing is the fact that no matter how explicit provisions may be of plans, regulations, procedures, or whatever, there arises sooner or later some reasonable doubt as to how they are to be read in application. Not an audit goes by but what some issues of principle arise, of honest differences of understanding of what some procedure meant. It is infrequent that the amounts involved are of significant degree. What is important is that this sort of thing breeds further complexity and detail—an honest concern on the part of Federal personnel to see that the misunderstanding be corrected by a clearer (and hence more exact) specification of the matter involved; and an equally conscientious effort by State staff to issue further instructions and procedural specifications to local staff (generally affecting the caseworker) to avoid recurrence of the situation. And thus our procedures and paperwork grow.[4]

Each staff, Federal and State, has a duty to perform: an enormous duty, ultimately reflected in fiscal results. Yet the responsibility for adjudicating points at issue falls upon the same administrative staff which, in the first instance, posed the question. Federal personnel are charged with setting the guidelines, inspecting results, reporting potential variances, then with settling the matter.

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[2] For example, the New York State civil service law is a most comprehensive body of statute governing State and local employment and personnel practices for all functions of government, not welfare alone. Why this law should require detailed amplification in the form of administrative submissions as part of the State plan was unclear to the temporary State commission to study federally aided welfare programs in 1951, 1952 and 1953, and remains so today.

[3] As the Welfare Study Committee of the Commission on Intergovernmental Relations observed in 1955 in assessing Federal grants: "Open-end grants with all of their complexities have enabled and in fact compelled administrators, both at the State and Federal level, to usurp some of the functions associated with the appropriation of public funds, a power universally vested by both the Federal and State constitutions in the legislative branch of government."

[4] Currently, exceptions have been taken in an audit to certain technical classifications of transactions in the aid to the disabled program where the State had believed it was observing "Federal Handbook" specifications. Something less than 65 items are involved, yet the point of concern is that last year, in another program (OAA), this same question arose after the State had released bulletins and instructions to the 65 local public welfare districts—instructions which subsequently had to be amended at least twice before satisfaction of State plan requirements were met. In that instance, final resolution of the matter appeared to confirm the very proceeding which now appears in doubt. Administrative staff, Federal and State, will doubtless feel it incumbent upon them, and rightly so in the context which has evolved, to be even more meticulous in written procedures on this point in the future (whichever way it turns out).

Many of the issues of misunderstanding which arise are differences of opinion, not differences of law. Three things would ease the burden this situation imposes:

First, provision for court review of proposed deductions or penalties where construction of law is involved, as recommended by the New York Temporary State Commission to Study Federally Aided Welfare Programs (1951-52-53), and more recently by the Temporary State Commission on Coordination of State Activities (1961).

Second, since most issues are technical differences of opinion and should be cleared up rapidly in advance, some administrative appeal or review mechanism would appear appropriate—a board of appeal or review. The former Social Security Board provided a collective judgment on critical issues in the formative days of the program. It provided an important element of security to Federal and State personnel in the sense that technical differences could ultimately be examined in the broad interests of all, and be resolved by group judgment. Section 121 of the bill gives wide duties of general review to the Advisory Council. It would appear appropriate to provide it, or an analogous group, with appellate and review functions on Federal-State matters of current administration.

Third, since we are dealing with matters of less than exact dimension, some indication in the law that substantial compliance by the States is expected would be welcome. As the law now stands there is an implication that the critical matters dealt with are absolutes. And yet, in human affairs, and especially the intangible factors dealt with in public welfare administration, essentially we deal with relative values. Some expressed latitude as to the intended rigor of application of the principles laid down would probably be welcome by all administrative officials engaged in this intergovernmental enterprise. The New York Temporary State Commission to Study Federally Aided Welfare Programs of a few years ago was in part, called into being as a result of many audit questions arising over the status of local employees; technicalities as to duration of provisional status when sufficient personnel of adequate qualifications were in short supply. In the intervening years our localities have made substantial increases in salaries, have dropped local limitations on residence, have joined in statewide recruitment and examination. These have been evolutionary changes—and all the more stable and accepted as a result. The latest audit, however, notes exceptions as to provisional status for some 77 local employees out of the 11,500 engaged in local public welfare administration Is not this substantial compliance? Efforts to keep on top of any such situations should be evidenced (and they have), but for it to be necessary to schedule fiscal adjustments under such circumstances seems questionable.

In summary, our request is that after a quarter century of development, there be some stocktaking of the administrative involvements which have grown up in our Federal-State system; that, to the greatest extent feasible, administrative personnel, State and Federal, be relieved from concern with details, with form and procedure of conformity and their attention be directed to the constructive, the imaginative, and the productive; and that the inherent value judgments involved in treating human affairs be safeguarded by appropriate review and resolution of differences of opinion when they arise.

Finally, if there be insufficient time available to give earnest consideration to these matters on this occasion, we request they do not be dismissed, but be reserved for future study and consideration.

Addendum to Statement of Myles B. Amend on Behalf of New York State Board of Social Welfare Re H.R. 10606

MEMORANDUM OF PROPOSED AMENDMENTS TO H.R. 10606

On February 20, 1962, the New York State Board of Social Welfare adopted a resolution with respect to Federal-State relations in the administration of public assistance. A copy of that resolution is attached. There follows a description of specific amendments to H.R. 10606 which would accomplish the intent of the resolution.

The board's resolution could be accomplished in one of several ways:

(*a*) Substitute "a State's law" for "a State plan" and "law" for "plan" in sections 1, 2, 3, 4, 5, and 6 of title I, entitled "Grants to States for Old-Age Assistance and Medical Assistance for the Aged", of the Social Security Act and make similar changes in the corresponding sections of titles IV, X, XIV, and proposed XVI.

or

(*b*) Define a State plan in the definition section of each of the public assistance titles (I, IV, X, XIV, and proposed XVI) (sections 6, 406, 1006, 1405, 1605) for the purpose of that title. The definition could be: A State plan shall mean the laws of a State making provision for old-age assistance (or other appropriate reference to the category of assistance); and at the option of the State, such rules and regulations as such laws may require or authorize, but the Secretary shall not require the State to promulgate any rules or regulations.

or

(*c*) The above definition or some similar definition could be made applicable to all the titles, I, IV, X, XIV and proposed XVI, by including the definition in a general provision such as title XI, section 1101.(a); this could be added to (a) as subparagraph (9).

(In the material that follows I am assuming that (b) or (c) would be followed, i.e., that State plan would remain in the various parts where it now appears, but a definition as indicated in (b) or (c) would be included indicating that the term referred to the State's law.)

Because "approved" does not seem an appropriate term to use to describe the determination of a Federal official relative to the conformance of State law with Federal requirements, it would seem appropriate to take this term out of the various sections in which it occurs with respect to State plans, in each of the existing titles and of the proposed new title. In lieu of "approved" I suggest there be substituted "determined ('or found', if that is preferred) to conform to the requirements of this title."

Sections 1, 2, and 3 of title II of the board resolution could be translated as follows: Amend the last sentence of section 1 of the Social Security Act (and make similar changes in the corresponding sections of titles IV, X, XIV and proposed XVI) as follows: "The sums made available under this section shall be used for making payments to States which have in operation State plans for old-age assistance, or for medical assistance for the aged, or for old-age assistance and medical assistance for the aged, which plans have been submitted to the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) and have been determined to conform to the requirements of this title.

Amend subsection (b) of section 2 of the Social Security Act to read as follows (and make similar changes in corresponding sections of titles IV, X, XIV and proposed XVI):

"(b) A plan shall be determined to be in conformity with the provisions of this title if it fulfills the conditions specified in subsection (a) and does not impose, as a condition of eligibility for assistance under the plan (1) an age requirement * * *; (2) any residence requirement * * *; (3) any citizenship requirement * * *;

Reletter subsection (c) of that section to be subsection (d) and add the following new subsection (c) (make corresponding changes in the other titles):

"(c) If within sixty days from the date a plan, or an amendment to a plan, is submitted to the Secretary he shall fail to act with respect to it or shall determine that such plan or amendment is not in conformity with the requirements of this title, the State affected may institute an appropriate proceeding before the United States Court of Appeals requiring him to act or to determine and accept the plan, or amendment, as being in conformity with the requirements of this title, when such is the case; the Secretary shall not require a State to amend a plan or any amendment thereof which has been approved or found to be in conformity with the requirements of this title, except amendments required by amendments of this title or by other provisions of law".

Amend section 3 (and make similar changes in corresponding sections of titles IV, X, XIV and proposed XVI) of the Social Security Act in the following respects:

Amend subsection (a) to read:

"(a) From the sums appropriated therefor the Secretary of the Treasury shall pay to each State which has a plan determined to conform with the requirements of this title, for each quarter the State administers the plan in good faith and

substantially in compliance with such requirements, beginning with the quarter commencing October 1, 1960 * * *".

Add a new subsection (c) to read:

"(c) The Secretary shall not reduce the amount to be certified for any State, as provided in (2)(A) of subsection (b), on the grounds that portions of amounts previously paid to such State pursuant to this section have been expended for purposes not authorized by this title, if the State expended the funds in good faith for the purposes and objects of this title and substantially in accordance with its State plan, without the approval of the States' plan review board granted after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan for such State. If the Secretary proposes to find that certain amounts have been expended for purposes not authorized by this title and were not expended in good faith for the purposes and objectives of this title and substantially in accord with the State's plan, he shall notify such State agency and the review board that he proposes to reduce the amount to be certified to the Secretary of the Treasury for payment to such State for the next succeeding or any subsequent quarter to the extent of the unauthorized expenditure, if the review board approves after reasonable notice and opportunity for hearing to such State agency. If the review board approves the Secretary's proposed reduction, in whole or in part, notice that the approved reduction will be effected shall be given not less than 30 days prior to the date on which the amount to be paid to such State for the next succeeding quarter is to be certified to the Secretary of the Treasury. Unless with 30 days after the date of such notification such State agency has filed an appeal under subsection (b) of section 4, the Secretary shall reduce the amount to be certified to such State in accordance with paragraph (2)(A) of subsection (b) of this section. If within 30 days after such notification such State agency files an appeal under subsection (b) of section 4, the Secretary shall not reduce the amount to be certified for such State until the expiration of such 30-day period and until the United States Court of Appeals has sustained the findings of the review board in regard to such reduction, and the action of the Secretary with respect to such finding, by a final judgment which has been sustained on review by the Supreme Court of the United States or which is, because of the lapse of time, no longer subject to review by the Supreme Court of the United States."

Amend section 4 of the Social Security Act, entitled "Operation of State Plans" (and make similar changes in corresponding sections of titles IV, X, XIV and proposed XVI), as follows:

"SEC. 4. In the case of any State plan which has been determined to conform with the requirements of this title, if the Secretary has reason to believe (1) that the plan has been so changed as to impose any requirement prohibited by section 2(b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency administering or supervising the administration of such plan, in a substantial number of cases; or

"(2) that in the administration of the plan there is a failure to comply substantially with the provisions required by section 2(a) to be included in the plan; he may notify such State agency and the State's plan review board that he proposes to so find and to stop further payments to the State until such prohibited requirement is no longer so imposed and there is no longer any such failure to comply. If such board shall determine, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the plan, and after considering all the evidence, that the State has so imposed such prohibited requirements or has so failed to comply, such board may approve or disapprove the Secretary's proposed findings, in whole or in part, in accordance with the evidence; and, when appropriate, such board may also determine whether, and to what extent, and under what circumstances future payments shall be made to the State until the review board and the Secretary are satisfied that the prohibited requirement is no longer so imposed and that there is no longer such failure to comply. Any withholding of payments from a State shall be commensurate with the degree and wilfulness of the State's failure to comply, provided always the State's failure is substantial. If the board shall determine that further payments to a State shall not be made or shall be made only in part, the board shall notify the Secretary and the State agency affected, and thirty days after such notification the Secretary may make no further certification to the Secretary of the Treasury with

respect to payments to such State, except in accordance with the board's determination, until the board and the Secretary are satisfied that such prohibited requirement is no longer so imposed and that there is no longer any such failure to comply.

"Unless within such thirty-day period the State agency has filed an appeal under subsection (b), the Secretary, after the expiration of the thirty-day period, shall make no further certification to the Secretary of the Treasury with respect to such State until he is so satisfied. If within such thirty-day period, the State agency files an appeal under subsection (b), the Secretary shall not refuse to make a certification to the Secretary of the Treasury with respect to such State until the expiration of such thirty-day period and until the United States Court of Appeals has sustained the findings of the States' plan review board and the action of the Secretary and such board with respect to such findings, by a final judgment which has been sustained on review by the Supreme Court of the United States or which is, because of the lapse of time, no longer subject to review by the Supreme Court of the United States."

"(b) (1) Any State dissatisfied with or aggrieved by a finding of the review board, with respect to such State under subsection (a) of this section or paragraph (2) (A) of subsection (b) of section 3 may appeal to the United States Court of Appeals for the circuit in which such State is located. Such appeals shall be filed within the thirty-day periods referred to under such subsection and under subsection (c) of section 3. The summons and notice of appeal may be served at any place in the United States. The review board shall forthwith certify and file in the court the transcript of the proceedings and the record on which it based its findings.

"(2) The findings of fact by the review board, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the board to take further evidence, and the board may thereupon make new or modified findings, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence. So far as necessary to decision the court shall decide all relevant questions of law, and interpret constitutional and statutory provisions.

"(3) The court shall have jurisdiction to affirm the findings of the board, and the action of the board and Secretary with respect to such findings, or to set them aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254 (1) and (3)."

Amend title VII, entitled "Administration," of the Social Security Act, by adding an appropriate provision making provision for the appointment of a States' plan review board of five or more substantial citizens to be appointed by the President, by and with the advice and consent of the Senate, whose duties shall be as indicated and who shall serve for such terms as shall be specified. Provisions relating to their qualifications should indicate that these persons should not be affiliated with the Federal Government in any other capacity.

Section 702, "Duties of the Secretary," should be amended to reflect specifically the substance of 4, 5, and 6 of II of the board's resolution.

III of the board's resolution has already been reflected in the above proposals.

Resolutions of the State Board of Social Welfare

Resolved, That this board recommends that the Social Security Act be amended as follows:

I. That titles I, IV, X and XIV be amended to require that a State's laws, instead of a State's "plan," conform to the requirements of those titles to qualify the State for Federal funds, thereunder;

II. That titles I, IV, X, XIV and related provisions of the Social Security Act be amended to make clear that the powers and duties of the Department of Health, Education, and Welfare be limited to—

(1) Determining whether a State's laws conform to the requirements of the Federal legislation;

(2) Determining whether in the administration of the State's laws there be substantial compliance with the Federal legislation;

(3) Determining whether a State's claims for Federal funds are properly computed and are based on actual expenditures made in good faith, and whether a State has correctly computed and reported the Federal share of amounts recovered from recipients, their estates and relatives;

(4) Stimulating and assisting States to provide skilled social services for the prevention of dependency and for rehabilitation;

(5) Stimulating and subsidizing research into the causes of dependency and into methods of effective rehabilitation; and

(6) On request, to give advice and guidance to States for the better administration of the federally aided programs; and

III. That titles I, IV, X, and XIV and other related provisions of the Social Security Act be amended to provide that the Department of Health, Education, and Welfare shall not deny or withhold Federal funds made available to the States under any of the federally aided assistance programs except with the approval of an impartial administrative board (comprised, for instance, of three or five persons appointed by the President with the advice and consent of the Senate, and assured of facilities and services adequate to the discharge of its functions), issued after appropriate notice and opportunity to be heard shall have been afforded the State affected; and to provide further that the State affected shall have the right to appeal the determination of such board to an appropriate Federal court; and be it further

Resolved, That this board recommends that the Governor request the legislature to memorialize the Congress to amend the Social Security Act in accordance with the foregoing resolution.

The CHAIRMAN. The next witness is Julius Horwitz of New York City, N.Y.

Please take a seat, sir, and proceed.

STATEMENT OF JULIUS HORWITZ, NEW YORK, CITY, N.Y.

Mr. HOROWITZ. Mr. Chairman and members of the committee my name is Julius Horwitz. I am the author of the novel titled "The Inhabitants," the only American novel in existence, I believe, that has for its specific locale the newly emerged world of public assistance. "The Inhabitants" was published in August 1960 by the World Publishing Co., and the New American Library published the book in a Signet edition that has gone into every corner of America and into many European countries. A Danish edition is scheduled to appear soon and the rights have been purchased for the English edition.

I am also the author of "The City," a book dealing with life in New York City in fictional and nonfictional settings and my work has appeared in Commentary and Midstream magazines.

In 1954 I was awarded a Guggenheim fellowship for writing. And for the past 6 years I have been an employee of the Department of Welfare, City of New York, working as a social investigator, going daily into the awesome public assistance world of New York's West Side and Harlem.

Immediately after publication, "The Inhabitants" received astonishing reviews in the American press and magazines, characterizing the novel as shocking and a blight on the American conscience. Many people told me privately that they were horrified and shamed by the book. They did not believe that the social catastrophe I described in my book really existed in New York, or more accurately, existed without their knowledge and their horror was not so much horror of the physical conditions that I described but a horror of their own ignorance.

I expected an outcry in New York City, but no cry came, for New York is too vast a city to have a conscience and in its present stricken and yet feverish activity, it can ignore the cries of over 200,000 children directly receiving public assistance, many of whom have almost forever lost the ability to handle day-to-day reality.

I wrote my novel "The Inhabitants" with a great sense of responsibility to the hundreds and thousands of people I have seen in my day-to-day work as a social investigator. My book is fiction but fiction only because in art is it possible to recreate the reality of our daily lives, to isolate in time, moments of meaning and feeling.

In New York City I became aware that tens of thousands of people on public assistance were living in a nightmare world of drug addiction, alcoholism, violence, packed together in buildings unfit for human habitation, at rentals that were and still are scandalous, that children were being bred with no thought to their place in the world and that the birth of a child was beginning to emerge as the means for guaranteeing financial security and recognition to a growing group of young girls who themselves had grown up in dependency and who were unprepared, by their environment or training, to enter into the productive life of their communities.

I quickly became aware that this world was part of a public record known to responsible agencis of the local, State, and Federal Government and yet this world was somehow unknown outside of Government. And to whom could the recipients of public assistance complain about the conditions under which they lived if they already knew that their lives were part of a public record, and though many of the recipients had made the almost irreversible shift from poverty to pauperism and total dependency, many were not ready to do so. And certainly out of the thousands of investigators going into the barbarous but yet institutionalized world of public assistance, there should have emerged a picture of decay and deterioration, the living death of dependency, that would have reduced any responsible person to tears and rage and which should have aroused the entire community.

I have read the amendments of the proposed bill on public assistance before this Congress, and I do not feel the bill adequately reflects the newly emerged welfare crisis in our major American cities, nor does it have in it any explicit direction or recognition of the problems of the caseworkers who must intimately and ultimately carry out the program.

The central problem of public assistance today is not the able-bodied man who won't work but the production of children within the welfare system, children born of second- and third-generation mothers on public assistance, children born into a dismal wasteland whose landscape is defined by mental institutions, reformatories, adult prisons, the street. These children, at least those I have seen in New York City—children without fathers, without a community, with none of the simple advantages that somehow bind the poor together, are developing into underground creatures, with no responsibility toward the society that bred them, and they represent both a sickness and a threat to our urban centers. Already in New York City, these children, disturbed, frightened, their minds torn apart by the frightening environment that surrounds their welfare homes, have almost disrupted the New York school system.

The amendments have specific directions for the payment of ADC grants in situations where it is determined that the parent is not providing responsible care and directs that payments can now be made as voucher payments or to responsible relatives. This, of course, is a recognition of a serious problem in the everyday reality of public assistance work. But we must again understand that there is often no responsible relative, no family to call on for help, at least for the individuals who are the focus of what is called the welfare problem, and more serious, our institutions are already overcrowded and the New York papers have recently referred to the scandalous overcrowding in child-care institutions. Over 20,000 children in New York City are waiting for a home and the only home that may ever give them any real peace will be their grave.

A new language, a new spirit, new goals and possibilities, a language that will somehow be able to substitute for and replace the loss of a father, a language that will make it possible for the recipient to realize their humanity instead of submerging it in important and often violent rage, a language that will give meaning to the great work of public assistance is desperately required.

Today in New York City, and I suspect in other great cities, public assistance is viewed by the very people it is meant to protect and deliver from want, and even by those who administer the program, as a shame and more recently and tragic, as an expected way of life.

I tried in my book "The Inhabitants" to make public the guilt that all of us must share toward the administration of welfare programs. I think we must admit that guilt before any real positive work can be done in this area. I am not the only person to say that the great schools of social work, the multitude of private social agencies and the three great faiths have hidden their faces and their intellects in this area. Their behavior has been a national disgrace, though in a deeper sense they have merely represented the fixed American attitude toward poverty, pauperism and dependency, which is, pay the bill and don't send us any receipts. The silence of administrative officials in welfare has been the silence of men who have abdicated moral responsibility for a quasi-religious bureaucratic procedural dogma.

Today the knowledge of welfare problems has become public property and words like rehabilitation, ADC, OW, OAA, are passing into our language. But a more frightening development is underway. Today public officials are saying what they would have never dared make public 5 years ago. Just recently the commissioner of welfare in New York City described the condition of abandoned babies in New York, some of whom have spent a year or more in hospital wards, healthy babies, who are developing into what the commissioner phrased as human vegetables. Yet there was no outcry. Welfare officials are beginning to make the awesome discovery that the words which they felt might explode the community, do not explode, and nobody cares, it seems, least of all the people who do the actual work of public welfare. In New York City the resignation rate of the social service staff is an official 38 percent, and in other New York communities the resignation rate is as high as 60 percent.

In the battle of the slums, in the battle for the survival of the minds of tens of thousands of children, those born and to be born, we must find what William James called a moral equivalent, and the moral

equivalent to welfare is not more Federal reimbursement, more procedures, matching funds, exhortation, studies, projects, but an awakening in ourselves that the problem of welfare is only one of the many problems facing us in this century that demands we finally use our intelligence to intelligent ends. Welfare is, at least for me, a major testing ground for our ability to survive as rational creatures.

For the past 6 years I have been in daily, painful intimate contact with the recipients of public assistance, the world that surrounds them and the outer world of schools, hospitals, prisons, relatives and community agencies. If the members of this committee have any questions to ask me in regard to this work, I will be happy to answer whatever questions I can.

The CHAIRMAN. Thank you very much, Mr. Horwitz.

Senator Kerr.

Senator KERR. You have made a very dramatic presentation of certain statements. Would you point to the recommendations that you make there with reference to either the enactment or amendment to this act?

Mr. HORWITZ. I am not opposed to the bill before Congress. What I wanted to point out in my statement is that I feel the objectives of the amendments do not meet head on what I described as the welfare crisis in the United States.

What I do feel from my insight into the work is that there has to be resolved within the people who do the work, apart from the legislative process, a freeing of the peculiar and very particular guilt and secrets which they have kept buried within themselves for at least the past 10 years about welfare programs. Until this kind of situation is resolved, the people who run the program will be in very desperate procedural batles, say, on the local, State, and Federal level, but will continue to avoid facing the human and tragic elements of our welfare programs.

In that sense I support the recommendations made by Mr. Amend of the New York Social Welfare Board, that the procedures now appearing in the amendments of the public assistance bill, will only give rise to a greater amount of paperwork, procedural involvements and will, in a sense, further detract from the very real problems that face the day-to-day realities of this work.

The CHAIRMAN. Senator Talmadge.

Senator TALMADGE. Mr. Horwitz, did I understand you to say that more and more, the second and third generation were producing illegitimate children as a means of providing a livelihood or security?

Mr. HORWITZ. Well, the act of sex itself, at least among the women that I see is spontaneous, and certainly the women do not have relations with the men and, in the back of their heads say, "I want a baby and I will get public assistance."

But these very tragic girls who have grown up without really a home, never having known a father themselves, having been born in out-of-wedlock situations, have no real human contact with the community. They are desperate in a sense to find their place in the world.

In the front of their heads, whether they articulate it or not, they are aware that the production of a child will give them, in New York City, financial security, so that on the production of a child, or within,

say, 5 months' pregnancy, they can come to the welfare center, where I am at, and say, "I am pregnant, I cannot work, I need public assistance," and it will be granted to them because they are in need, and New York City is a place where need takes precedence over every other requirement.

Senator TALMADGE. I think you have put your finger on one of the gravest problems in our country at the present time. I think it is a problem not only in the city of New York but all the States of the Union. I know it is in Georgia.

We have found situations, particularly when I was Governor of the State, where we had families, sometimes six, seven, and eight dependent children; and then one of the dependent children would start having dependent children and, of course, all of them immediately starting welfare benefits. It costs the taxpayers a tremendous amount of money.

What is the remedy and what solution would you recommend?

Mr. HORWITZ. The remedy is difficult. One of the most profound remedies, of course, is that the social investigator is the single person who has the intimate contact with the recipient of welfare. He represents the local government, the State, and the Federal Government, all of the legislation, and all of the very complex machinery that our civilization has in effect advanced to give aid to a person in trouble.

Now, if this person communicates definite values to the recipient, if he can, by his very self communicate to the girl in a dependent situation the sense that, "All right, you are pregnant or you have produced this out-of-wedlock child; but now the Federal Government is providing you with the means to raise a decent human being, that the purpose of the ADC Act is to provide care for women and children who are in need, and the manner in which you raise your child will determine your child's future and your own decent place in the community," he can begin to break the cycle of dependency.

Unfortunately, many of the recipients do not really grasp or understand the import of the ADC procedures in a profound and real way.

Many people recommend birth control in these areas. And I would strongly recommend birth control information be made available to recipients of public assistance, through Federal health programs, if necessary. In New York City social caseworkers are prohibited by procedure from referring recipients to birth control centers, or even discussing these matters, and I have gone on record as saying that this is a barbarous situation and is harmful both to the unmarried mother and to the caseworker, and militates against any possible hope of rehabilitation in this area. But we must also understand that birth control is not the whole answer in this kind of subterranean world. The peculiarities of the sex life, the hostility of the recipients toward any kind of organized community life militates against a normal kind of sexual behavior.

At the moment, in all reality, as desperate as the situation is of these girls, I have found in my personal experience that the only thing that reaches them at this moment is if they are taken quietly aside, if they are told that they are human, they have produced a living, breathing child; that they both have a right to existence, that the law guarantees them this right; the child can develop into a healthy American citizen. They need not live like dogs, like beasts

or, as I say in my book, when a Negro social worker comments, "I know they are human, but I would like to have one in a hundred prove it to me."

Now, if these people can be reached on a human level, and respond, and we respond most to what is human there can be some progress made—unfortunately, as I pointed out, the resignation rate is absurd: 38 percent of the staff in New York resign; 60 percent in upstate communities and there are very few real workers, but only people who see to it that the checks get out on time, and that the necessary paperwork is completed to meet statutory deadlines, and office procedures. I understand it is the same way throughout the United States.

Commissioner, that is, First Deputy Commissioner Keppler, in New York, pointed out that in a study made of the work that the caseworker has to do, that if he works full time, 8 hours a day, one-third of his work still will go undone.

Senator TALMADGE. You think one remedy might be—it is rather difficult to teach these people moral standards overnight and contraception—do you think it might be wise to take the children away from them and put them in a foster home of some type and cut off the economic benefit? Would that be of some value?

Mr. HORWITZ. The only answer to that, Senator, is there is a tremendous shortage of institutions in the United States to care adequately for children, and there are not too many people around who are trained to bring up infants and developing children, so that they will be productive members of our community.

All of us in this room here today who are parents know what a 2-year-old and a 3-year-old demand of their father and their mother; and if the children who go into institutions are going to become productive members of our community, they will need that kind of care or else the intellect and brains of our great schools of social work, and the people who give their lives, their life energy, to this kind of work, will have to devise and figure out what is it that will return these children to a normal productive life, for we must never forget for a moment that many of the children born out of wedlock, in a welfare situation, came from a world where they have never known simple family life, and to reach these children we will really have to give them life again.

The children that I have seen, well, I can describe one dramatic instance of a boy who came out of an institution. They gave him some rhetoric, exhortation. He was bewildered, and in order to make his protest against society, he stopped a funeral procession on Broadway in New York City and urinated in front of the car, and he was arrested. That was his most agonized way of protesting.

A girl that I know, 15, who produced one out of wedlock child, and then a second child, told me that all she wants is to be on public assistance and to have a radio, you see; and public assistance in New York does not provide a grant for a radio—and that was the height of her ambition, welfare and a radio.

Senator TALMADGE. Do you think economic reward such as accelerated benefits then would do; would you approach it from that angle?

Mr. HORWITZ. The actual amount of money, say, in New York City that a person gets is only about $1 a day for food and for, say, a newborn child it would be $7.70 every 15 days for food. But it is not

the economic which is so important. The economic is important in the sense that it gives security to the person who has no place in the community.

What is harmful at the present time to American life is that these people who have no security of self, get only the security of dependency, and they live in a terrible vacuum.

The children that they bring up, I feel, and other very distinguished people that I have spoken to feel the same way, that the vast production of these children can, in a sense, represent a legitimate threat to American institutions; that there can build up almost seemingly overnight a great number of children who have no responsibility to society, who are, in a sense, what I call a moral, who can be called upon to take any kind of action that would satisfy their anger toward a community.

Senator TALMADGE. The problem you have mentioned here today, as I recall, is costing the U.S. taxpayers about $1 billion annually now. If you can think of some suggestions that would be helpful in discouraging that, this committee, I am sure, would appreciate your giving us some ideas for a remedy.

Thank you very much.

Mr. HORWITZ. Thank you.

The CHAIRMAN. Thank you very much, Mr. Horwitz.

(The following was later received for the record:)

SUPPLEMENTAL STATEMENT BY JULIUS HORWITZ, NOVELIST, AUTHOR OF "THE INHABITANTS," OF TESTIMONY GIVEN ON THURSDAY, MAY 17, ON PUBLIC ASSISTANCE BILL H.R. 10606

I feel it is necessary and important for Congress to undertake an investigation of public assistance programs in the United States in order to determine their impact on community life. Public welfare officials, social caseworkers, and the recipients of public assistance are burdened and overwhelmed by the frightening conditions now prevailing in our major cities and rural areas. These people do not have an opportunity to express either their indignation or knowledge of conditions and several important studies have been severely critical of the secrecy and lack of important information regarding public assistance programs that is made available to the public. Welfare today is a national problem and requires the immediate and profound attention of the Congress. I feel that public hearings on public assistance, conducted by the Congress, will have the effect of cleansing the awesome guilt that now characterizes public assistance and will make it possible for constructive programs to be carried out in an entirely new atmosphere.

The CHAIRMAN. The next witness is Cora T. Walker of New York, N.Y.

Take a seat, please, and proceed.

STATEMENT OF MRS. CORA T. WALKER, SPECIAL COUNSEL TO NEW YORK STATE JOINT LEGISLATIVE SUBCOMMITTEE ON PUBLIC WELFARE

Mrs. WALKER. Mr. Chairman and members of this committee, I am Mrs. Cora T. Walker, an attorney in New York City.

I have actively practiced law for 15 years. I was formerly the president of the Harlem Lawyers Association, formerly vice president of the National Bar Association. I have worked actively in every civic and community activity in my area.

I have served as counsel for the New York State Joint Legislative Subcommittee on Public Welfare. I am the mother of two children.

I appear before you today gravely concerned about the underlying human aspects of the public welfare program as it is presently administered.

The tragedy of the current welfare program, in spite of its vast budget, is the welfare recipient.

My observations are based upon 15 years of professional and civic work in an urban city in which the largest percentage of welfare recipients reside.

Aside from the effect of the increasing welfare problem upon the governmental budget, it has had a deteriorating consequence upon the community and the outlook of the youth of the welfare family.

Due to the increasing heavy tax burden, there are proponents of drastic measures to reduce welfare services, and there are also groups who feel that the solution to the problem is to give more and better without regard to costs.

I undertook the position as counsel to the New York State Legislative Subcommittee on Public Welfare because I, as a citizen, civic worker and mother, was gravely concerned as to the results and the effects of this vast welfare program upon a large segment of our population.

I appear here with respect to H.R. 10606 because a vital part of any proposal to interject change into such a sensitive area as public welfare should seriously take into consideration the human aspects of the current problem.

During the course of my investigation I interviewed a cross section of welfare recipients in New York City, and interrogated them as to where they expected to go and what they wanted out of life.

Many of them presented a tragic picture of human beings with no place to turn. Those who had uttered a spark of hope of becoming self-supporting were confronted with a mass of redtape in order to do so.

There are a great number of recipients who do not want relief, but they do need some guidance and assistance in areas such as rehousing, enforcement of laws against deserting fathers and husbands, job training in some form, and day care centers for minor children in order to find their place once more in society as a self-supporting citizen.

At present, only the strong willed are able to make their way back into the mainstream of society on their own.

It has become a way of life to a large segment of them. They have lost all hope or desire for anything better than looking to the investigator for their every need.

This group needs rehabilitation, either in the form of psychiatric treatment, medical care, or some other assistance to convince them that their present way of life is abnormal.

Many of them are housed in the worst slum areas, occupied completely by other welfare recipients, with the same philosophy toward life. There is an infinitesimal effort to make a change of this condition.

Communities, as a whole, are being affected by this mounting problem.

Because of citizens permanently affixed to the welfare rolls, having degenerated themselves into a blot on many of our urban cities and causing the more stable citizens to flee to the suburbs, many of the problems such as increasing crime rates, deficient schools, health, cleanliness, increasing slum areas and decline in real estate values can be directly linked to our present welfare problems.

Who can expect a group of individuals who have lost their desire to care for their own personal needs and problems to have any interest in more efficient government services or any community pride?

The prospective change in the aforestated conditions is completely hopeless under the present administration of public welfare.

As Mr. Horwitz said, the direct link between the welfare client and the welfare program is the investigator. An investigation and conference with many of the staff members in New York City revealed a condition which was shocking.

You encountered a group of dedicated professional workers, but in a state of panic. They felt that they were not serving the needs and were not being of service.

The vast turnover that has arise in personnel was because of their dissatisfaction with the administrative procedure and the feeling of hopelessness of the staff that they cannot meet the welfare clients' needs.

I submit to your committee that I agree and concur with the principles of H.R. 10606, but I further submit to you that under the present plan of establishing rigid rules and regulations as to implementing the principles from a top administrative level will make it absolutely impossible for these fine principles to function on the grassroots level.

We must, of necessity, take into account the already tremendously incumbent rigid rules, regulations, and procedures which presently hamper the efficient functioning of public welfare.

The tendency to follow rigid rules and procedures and the failure to permit the individualization of the welfare program to meet the clients' needs has already caused the present crisis.

The social investigator must follow rules and procedures made up by those who have no contact with the recipients. Everything must fit into a category, and an investigator is precluded from dealing with firsthand problems in any form, other than these procedures, even if it means keeping children out of school for months in order to get a clearance on clothing, or keeping a family on welfare for 8 years at a cost of approximately $25,000 because the expenditure of approximately $200 does not fit into a category or an established rule.

This should bring about, and I urge, an immediate change in the rules and regulations which hamstring individualization of welfare on all levels of the program beginning with the policymaking level.

If a man needs assistance for a week, this should be possible without reducing him to a status of permanent poverty, thereby and therefore making it impossible for him to regain self-dependency.

We must understand that the administering of money grants to lengthy prescribed rules without considering the importance of returning the recipient to self-supporting dignity will be fatal to our Nation.

I thank you for this opportunity of being here.

The CHAIRMAN. Thank you, Mrs. Walker. You have made a clear statement.

Senator Talmadge?

Senator Morton?

Senator MORTON. Mrs. Walker, as I get your point, the redtape, the operation is so prescribed with a certain formula that either we have written into the law or the department has put in the form of regulation, that the workers who, as you point out, are dedicated people, feel they cannot rehabilitate these people. All they can do is just go on and say, "yes, you are in need." Is that what is the matter?

Mrs. WALKER. Yes, Senator. It goes a little further than that.

At the present status of our rigid procedure, unless a person fits into a category or comes within a prescribed rule or regulation, even though that person, with the expenditure of a small sum of money can get off of welfare, they are kept on welfare.

Senator MORTON. Is part of this due to the fact that we require plans to be statewide? You may have a difference between Auburn, New York, and New York City. The problems, of course, vary as you get into the heavy metropolitan areas as against a semirural area; is that part of the problem?

Mrs. WALKER. Yes, very definitely.

If I can give you an example of one particular incident that came to my attention during the course of our investigation in New York City, this out-of-wedlock mother had been trying for 8 years to get an approval of an expenditure which would have amounted to about $400 in order to become self-supporting and get off welfare.

Because that expenditure did not come within an approved category she was kept, she and her child were kept, on welfare, and it was a fact and established that because there was no established rule for this expenditure of $400, we had spent approximately $25,000 in tax money.

Senator MORTON. Of course, it is difficult to take a taxpayer's money and just turn it over to the States without having some guidelines and rules.

Mrs. WALKER. Very definitely.

Senator MORTON. That is a problem that we face as legislators.

I am sympathetic with the position you have expressed here. Our problem is to amend this bill, if we can, so that it meets the need more realistically, and I hope we can get concrete suggestions as to how we might accomplish that end, because all the members of this committee and, I think, all the Members of Congress, want to see, of course, the maximum benefit from any Federal funds or any other funds that are spent for welfare purposes.

You have that contact with these people who have left, you talk about the rapid turnover in workers. What do they do? What else can they go into? Are they leaving because of frustration or are they leaving because they can find a better economic opportunity in some other line of endeavor?

Mrs. WALKER. No, they are not leaving, the majority of them are not leaving, because of the economics of it.

They are leaving because of having been trained to help the people, they feel that administering checks, seeing that they had food, clothing, rent, without trying to help these people is not being of service, and it is because they are completely frustrated with the required rigid procedure that is necessary in order just to pay out the money grants, and they do not have an opportunity to sit down or to spend any time at all in working with rehabilitating and making these families become self-supporting.

Senator MORTON. Thank you very much.

The CHAIRMAN. Thank you, Mrs. Walker.

Mrs. WALKER. Thank you, Mr. Chairman.

The CHAIRMAN. The Governor of Alabama has just arrived, and I will ask him to come to the stand and take a seat.

I want to say to you, Governor, we are very proud and glad to have you here.

Governor PATTERSON. Thank you, Mr. Chairman. It is a pleasure to be here.

The CHAIRMAN. Governor John Patterson.

STATEMENT OF HON. JOHN PATTERSON, GOVERNOR OF THE STATE OF ALABAMA

Governor PATTERSON. I am John Patterson, Governor of Alabama and chairman of its State board of pensions and security. The department of pensions and security is responsible for the administration of the public assistance and child welfare service programs authorized by the Social Security Act, as amended. The pensions and security program in Alabama is primarily State-federally financed and is administered by the 67 county department under the supervision of the State department.

I appreciate the opportunity of appearing before you today and will not take up your busy time to describe the details of the public welfare amendments, nor shall I comment on all of them. Instead, I would like to emphasize the importance to Alabama of the provision for more favorable Federal matching for the aged, the blind, and the permanently and totally disabled (from four-fifths of the first $31 with a maximum of $66 now to $29 of the first $35 with a maximum of $70). I urge that this provision be retained as passed by the House because it would do much to help Alabama provide more adequately for this group of its citizens. In fact, it would enable the department of pensions and security to raise average payments for these recipients by about $4.50 a month. We would like very much to see this more favorable matching extended even further for these categories and to see some upward adjustment in Federal participation for needy children.

I should like to make it clear that we in Alabama have demonstrated our concern over the inadequacy of payments. Since I became Governor, the appropriation from the State general fund has increased from $4.5 million to $8.6 million a year. In addition, certain revenues earmarked for pensions and security purposes have increased. We are not unmindful of the fact that you authorized a variable grant formula in the 1958 amendments to the Social Security Act. We also take cognizance of the temporary dollar increase which you made

in 1961 for the aged, the blind, and the handicapped. These Federal and State improvements have resulted in the fact that Alabama's rate of growth in average public assistance payments between September 1958, and December 1961, is several times higher than the rate of growth in the national averages. For example, the average old-age assistance payment in Alabama rose from $38 to $59 while that for the Nation rose from $62 to $69 during the same period.

Our latest average payments (March 1962) for these people were $63.42 for the aged, $44.16 for the blind, and $40.93 for the permanently and totally disabled. It is obvious from these figures that additional funds are still needed to provide a better way of life for these recipients.

The changes proposed for child welfare services would make it possible for Alabama to expand and strengthen its program of services in behalf of children in an orderly manner. Our State long has been concerned about its children. In fact, our public welfare program today grew out of a child welfare program which was begun in 1919. The increase in authorization for these services (from $25 million this year to $50 million in 1969) is badly needed out of equal importance is the appropriation of the full authorization.

I am glad to see the emphasis in this pending legislation that is given to providing for and strengthening preventive and rehabilitative welfare services. Although the value of preventive and rehabilitative services in public welfare has been long recognized and repeatedly demonstrated, these services have not yet been built up to a level which begins to approach their potential effectiveness. The 75 percent Federal participation in the most of certain services will make it possible for Alabama to provide more clearly adequate services.

While there are other constructive amendments contained in this pending legislation, I will not discuss them with you as I am sure other witnesses have already indicated their reaction to them. Again, thank you for the privilege of appearing before you today and may I commend you on your demonstrated interest in and concern about the public welfare program in this country. The enactment of this legislation would be a step forward in making it possible to preserve and strengthen our greatest asset—our human resources.

We are proud of the progress that we have made in recent years in Alabama in our public assistance programs.

We, since the fall of 1958 have been able to increase our average old-age pensions in Alabama from about $38 a month to about $65 a month. This pending legislation would assist us to do an even better job.

I would like to also point up that we are constantly increasing the amount of State money going into our public assistance program.

In fact, we have made major strides in getting substantial increases in appropriations from the State general funds as well as increased State taxes in the 1959 sessions of our legislature and the 1961 sessions going into the public assistance programs.

So we are making a substantial contribution from the State level to this program.

We, of course, appreciate the assistance of the Federal Government in this field, and I think that we are working together very effectively in the State of Alabama, in fact, I am told that in the last 3 years

we have improved our public assistance program in our State probably more than any other State.

We are very proud of that, and this new pending legislation would help us to do an even better job, and I heartily recommend it.

The CHAIRMAN. Thank you very much, Governor Patterson.

Any questions?

Senator TALMADGE. It is a pleasure, Governor, to welcome you to this committee.

Governor PATTERSON. Thank you, sir. It is a pleasure to be here.

The CHAIRMAN. I hope you will come again, sir.

Governor PATTERSON. Thank you.

The CHAIRMAN. The next witness is the Honorable Henry A. Wise. Will you come forward, Mr. Wise?

I would like to state that Henry A. Wise is a New York State senator, who is chairman of the committee on public relief and welfare.

He comes from a very prominent and distinguished Virginia family. One of his forebears with the same name of Henry A. Wise, let me say, was a candidate against me for the U.S. Senate, and I was fortunate enough to get elected—that was about 28 years ago—and I received a letter from him that I treasure as much as any I have ever received, written just a month or so ago, saying that he had watched my conservative record, and that he was glad that he was defeated and I was elected. I appreciate that very much.

Senator Wise, you may proceed, sir.

Senator MORTON. Will you yield, Mr. Chairman, for a moment? I would like to say to Senator Wise that my grandfather came from Virginia, so that is about the only good thing about either one of us. [Laughter.]

But I do want to say, Mr. Chairman, I took the liberty, sir of notifying Senator Keating that Senator Wise would appear here this morning. Senator Keating said that he would be present to hear Senator Wise if he could, but that he had to attend one of his own committee meetings. He asked me to express to you, sir, and the committee, his appreciation for scheduling Senator Wise this morning.

The CHAIRMAN. We are very glad to have you, Senator, before us. Proceed.

STATEMENT OF HON. HENRY A. WISE, STATE SENATOR, 43D DISTRICT, NEW YORK

Mr. WISE. Mr. Chairman and members of the committee, I certainly appreciate those undeserved kind words and, like Senator Scott, of Pennsylvania, I am sort of a wrong-way carpetbagger, although my mother's people were from that part of the country; when I graduated from the University of Virginia I went back to grandpa. The only other alternative was to go on relief at that time.

(1) It is intended to confine this statement to three points: First, political implications of federally aided public assistance programs; second, simplification and clarification of rules of the game; and, third, problems with HEW, common to all States, not just New York's difficulties.

(2) When he walked out of Independence Hall after the Constitutional Convention had completed the greatest document ever put together by the brain of man (except the Bible), Benjamin Franklin

was asked, "What have you given the people?" He replied, "A Republic, if they can keep it."

You have heard testimony during these hearings to the effect that a democracy has an obligation to assure all persons in the Nation full opportunity for family life, healthful living, and so on, ad nauseam. In the first place the United States is not a democracy and never was intended to be. No democracy that has come and gone throughout history has survived as long as this Republic—I hope it is still a republic.

A republic, as I understand it, is a government of, by, and for the people, composed of their elected representatives protected from the clamor of the moment so that decisions may be based upon full information with a view to the long-range public interest, not simply short-range largesse. We should thank God for the wisdom of men like Edmund Randolph, John Marshall, Thomas Jefferson, the Clintons of New York, Abraham Lincoln, Grover Cleveland, Al Smith, and yes, the chairman of this Finance Committee. Such men established, and have tried and are trying to protect, our system of checks and balances. Today Uncle Sam is writing so many checks he is losing his balance.

The second fallacy of the testimony above referred to is that more and more of our citizens who should know better, want to make Congress a tool for all their personal desires to do good and to uplift or downgrade everybody to the mediocrity their aims have gone so far already in achieving. These bleeding hearts have no grasp of the fundamental fact that a sound currency is the greatest domestic protection to the wage earner, the farmer, the office girl, and people trying to live on their savings and insurance policies. They seldom offer practical suggestions as to how their starry-eyed dreams can be achieved because they forget that every person is an individual.

(3) Certainly this committee is aware that statements here by spokesmen for the American Public Welfare Association, National Association of Social Workers, and other organized welfare pressure groups do not represent the views of the public as a whole. A start must be made to administer welfare in the interest of deserving needy people and of the general public, not just for certain social theorists and their chronic relief "clients."

We may think slavery has disappeared from America. No, sir. The dogmatic nonsense that has become accepted social welfare doctrine is making slaves of thousands of people today—slaves in the prison of pauperism. One can work his way up from poverty but paupers lose all hope; and such a lost person is no less a slave than are the captives paying tribute to the arrogant despots of big labor who rule just as selfishly as did big business prior to President Taft.

(4) My interest in welfare springs from the fact that public assistance as it has evolved today is the perfect example of a problem, one of the many that has arisen in our country, from our failure to heed the teachings of history and the wisdom implicit in the Constitution of the United States. Also, I am concerned in this age of change, shifting population, automation, that deserving persons in need are restored quickly to self-support, not allowed to languish in the slavery of pauperism, as Mr. Walker pointed out, is not the situation in many large cities. The trouble is not so much the objectives but how they

are being achieved, or rather, not achieved in proportion to the money and the man-hours spent.

(5) Elected public officials too often are leery of "getting into" welfare. They believe it is a morass with no political future and that the pressure groups will brand them as men callous to Ma and the kids. I got into welfare back in 1949, the second year I was in Albany. Some constituents had come to me with stories that I simply didn't believe at first, but when I looked into it I found they were true. The ridiculous situations involved were largely out of the control of the county and State governments, but emanated from doctrinaire theories of the then Federal Security Agency. Local officials had surrendered too much responsibility, as they so ofen do when the Central Government gets into the act, down to the dotting of "i's" and crossing of "t's".

My election pluralities increased after I became identified with efforts to restore a sound welfare system. Among my best supporters are the large number of welfare administrators and social workers who think the dogma of their self-appointed spokesmen is hogwash.

Just ask almost any taxi driver, cop, factory worker, stenographer, farmer, or other earner what they think of welfare, especially those that know something about it and are willing to tell the truth like Mr. Horwitz and Mrs. Walker and Mr. Amend; the way it is today, with its uniform statewide standards largely ignoring the individual differences and needs of people and spending tax money like crazy.

(6) After serving 10 years as chairman of welfare in our State senate—and, by the way, New York State has managed to get, we have 500,000 people on public assistance, and spend $500 million a year total tax money, State, Federal, and local, 70 percent of which goes to New York City—1960–61, I was handed the vast headache of conducting the first thorough investigation of public assistance at all levels that had been undertaken in many, many years in the heterogeneous State of New York. Our subcommittee report and recommendations were adopted in full by the temporary State commission on coordination of State activities (Little Hoover Commission) March 23, 1961. Proudly I can say that the nonpartisan State board of social welfare of which Mr. Amend who testified here this morning is chairman, the statutory head of the State welfare structure, has implemented or is implementing practically every one of our recommendations as far as they can without running afoul of HEW edicts. The board has available the broad experience, outlook, and ability of experts such as its counsel, Felix Infausto, and its deupty commissioner for finance, Bryon Hipple, who are observing here today. Myles B. Amend, who has testified here today, is chairman of the board and has given you their recommendations for technical changes in H.R. 10606 and relevant sections of the Social Security Act which, of course, Mr. Amend did not read in detail, but has handed them up to the committee and has indicated the willingness on the part of his staff to work with yours to work out the amendments.

Mr. Amend, a prominent Manhattan lawyer, is a man of broad experience but he persists in continuing to register as a Democrat.

The New York City phase of our investigation—I just want to show you that this is a nonpartisan thing. The New York City phase of our investigation would not have succeeded except for the

rare perception, energy, and ability of Mrs. Cora T. Walker, our counsel for New York City. She also has testified here today. I am sure that Mr. Amend agrees that the recent progress his board has made is due in part to the powerful support and encouragement of at least one topflight State leader, Senator Walter J. Mahoney, of Buffalo, president pro tem and majority leader of the senate of New York.

(7) In my opinion Governor Ribicoff is the best Secretary of HEW there has been since Uncle Sam got into the public assistance business back in 1936. He is a fresh breath of spring trying to overcome the depression-of-the-thirties thinking of his vast bureaucracy of 74,577 civil servants as of March 3 last.

His career people will not be able to do the snow job on Mr. Ribicoff that they did on his predecessors. I hope he has been able to inculcate into them the idea that the object of welfare should be restoration and rehabilitation, not the idolatry of pauperism or the glorification of indigence. Of course, New York has placed rehabilitation in the forefront for years. Under my sponsorship, a work relief program was established in the Dewey administration over strong opposition of certain powerful, unenlightened union leaders. It was vetoed in the succeeding administration and restored again in 1959. This, however, only applies to home relief, a non-Federal category. HEW wouldn't allow anyone receiving federally aided assistance to be put to work even with all the safeguards that our law spelled out. Mr. Ribicoff is trying to change that in this bill, to a certain degree, but I am afraid the work program under this bill will not be put into effect widely because it is so hedged about with conditions and restrictions.

For instance, as Mr. MacDougall mentioned the other day in testifying for the National Association of County Officers, if you have to have local prevailing wage in northern California, somebody to work out his relief, you would have to get $4 an hour, $3.50 an hour.

We believe minimum requirements should comply with the State minimum wage law or in case there is no minimum wage law, the Federal minimum wage law.

Secretary Ribicoff is also attempting to cut down the dead burden of administrative overhead by giving the States more latitude. He is trying to eliminate the paperwork entailed by all these categories, but I fear this heralds complete Federal control of public assistance, especially if temporary ADC is made permanent. Aid to dependent children was designed as a program for widows with children, and we are making it a supplement to unemployment insurance.

I hope that, personally that, this committee will delete the extension of that program from the bill and, in that respect, the New York State Catholic Charities wholeheartedly agrees.

Temporary ADC will result in the States unloading men and women hitherto on home relief, or general assistance (non-federally aided), on to TADC. They just get every possible person they can, and it is only natural on a category where they can get Federal aid.

Thus gradually the last of the strictly State administered public assistance programs will disappear. But here is a chance for the States to get more Federal money, so responsibility wanes in the face of that lure. Secretary Ribicoff also has embraced a concept which became the law of New York last year as a result of our commission's

recommendations. I refer to central registry to locate deserting parents, which HEW, I just learned this morning, does not simply recommend to the other States, but it mandates on other States. That was lifted from our recommendations.

A law strictly for the State of New York, which is a good law, and we would like to see other States adopt it, is now by administrative flat being mandated in every State.

This requires all State departments in New York State, including income tax, to open their records to the bureau of central registry of the department of social welfare and to cooperate in locating the deserters—deserting parents. Other States are cooperating with us under an interstate compact, and are returning New York deserters back to New York under an interstate compact.

I oppose $140 million tacked onto the bill in the House. Money is not the answer to the problems in public assistance. More money is not the answer to it.

Because he is on the ball I hope that Secretary Ribicoff will stay on his job at least through 1964. The fact that I am registered in the party of your late beloved colleague, Senator Taft, may color my hopes in this respect.

(8) There has been much talk at these hearings about lack of trained social workers—and rightly so. But what kind of training? Is Congress going to encourage young men and women to attend these schools of social work that preach doctrines that glorify indigence? Deans of some of these schools—at least one in my own State—ought to be brought before the House Commitee on Un-American Activities. To remedy the shortage and despite the howls of the pros, New York administrators, in areas deficient in caseworkers, can now hire people of commonsense and judgment as assistant caseworkers, to go out in the field and learn on the job by talking with and understanding these unfortunate people.

After they have demonstrated the necessary capacity and had sufficient practical experience they can assume a full caseload without a college degree. Think of it—without a college degree, just plain old horsesense. Such a "step backward."

(9) I believe the Social Security Act should be amended to permit States to use their own judgment in deciding for each case the medium of welfare payment. We hear it said that it is undignified and degrading to give vouchers or food orders, or even checks payable jointly to the "client" and supplier so that the money will go where it is intended to go. Secretary Ribicoff would permit some latitude in certain cases, but why not trust the States to use their judgment just this little bit. Maybe it's more degrading or is it not more degrading to spend the cash for liquor and starve the kids than it is to present an order for food and clothing at the store? In my own area there are third generation able-bodied welfare families, and when I speak of my own area I mean a community in northern New York State exactly the same distance from New York City as Richmond is from New York City.

These third-generation welfare families up in my area, 325 miles from New York City, and Richmond is the same distance from New York, they never have worked before 1936, never have worked and

never will. They still live in tar papershacks and sew themselves up in their underwear from Thanksgiving until April Fools' Day. The only difference between now and then is that they buy store whisky with their welfare money instead of making it themselves, like they used to do. The long-term, able-bodied reliefer (exclusive of the elderly) should not receive cash, unrestricted.

There is a middle ground between the 19th century poor laws and the doctrinaire approach of Federal administrators.

(10) The Legislature of New York (Resolution No. 176, of Mar. 6, 1st)—copies of which were sent to all members of this committee through official channels—asks three procedural changes through amendments to this bill and to the Social Security Act; first, I might add, that this resolution unanimously passed in the lower house of the State legislature, was based on recommendations of the board of social welfare, the head of the State social welfare structure; broadly, the first thing the resolution asked is the elimination of requirement of uniform statewide standards of assistance. Such uniformity ignores individual differences and needs of people.

Variance from the norm will be permitted by the "czars" if the objectivity of such a variance can be shown. The result is so much paperwork and redtape that the money is just handed out. Thus, the lazy are encouraged in their sloth and those with drive to benefit from extra money for worthy purposes, such as the case Mrs. Walker pointed out to you today, like buying tools or taking training, lose their initiative. A great howl has gone up and will go up to beat this proposal, first, because bureaucrats never want to surrender any power. That is Parkinson's law. Second, because it will be said that people will be invidiously discriminated against. Now, I happen to be one of a shrinking minority in New York State, and I don't want to be invidiously discriminated against when I apply for welfare (as I'm going to have to do unless I start practicing law again or unless my partner raises my allowance about $25 a month). Certain pressure groups have succeeded in blurring the very clear distinction between unfair discrimination on account of race, creed, or color, and individual discernment—two very different things. I should like to see the Federal statute amended to include a clause disqualifying a State for Federal largesse if it engages in invidious discrimination. If that were done any excuse to keep these uniform statewide standards in effect would not be valid. Such an amendment would take care of that problem.

According to the Kelly commission (appointed by Governor Dewey in 1950) reports of 1951–53, Congress refused to authorize the Federal Security Agency, predecessor of HEW, to establish uniform statewide standards. The administrators, nevertheless, usurped the authority and did it anyway, safe in the knowledge that the States had no appeal from this administrative action other than to give up their grants.

Second, we urge Congress to specify the rules of the game and not leave this vital field entirely to administrators. The States, by statute, not by administrative plans, then should decide how much of the Federal "largess" they wished to avail themselves of or qualify for. Congress should tell the legislatures, not have HEW keep telling the State administrators, and this thing of going back all the

way between Richmond and Washington, New York and Washington, Baton Rouge and Washington, and whatnot. Of course, in so vast an operation, Congress and the legislatures must delegate a certain amount of authority and discretion to the administrators. This however would hardly require an almost complete delegation of power as is the case now. It will become more so under this bill. Such a lack of legislative standards is not good government. Mr. Amend's amendments, if adopted, would remedy this situation.

Last, we urge, as the Kelly commission urged 10 years ago (Mr. Amend here today served on that commission to which Mr. Infausto was legal counsel), to establish some kind of an independent tribunal to determine conflicts between the States and HEW regarding interpretations of the law and regulations and concerning their respective areas of authority. HEW now is the prosecutor, judge, and jury.

(11) We are fully aware that when Congress appropriates money there must be adequate means of insuring that it is spent as intended. Substantial compliance with the Federal statute, as so amended, and with State law adopted in accordance with the congressional mandate, plus audits, would insure compliance. This is true especially where a State has a long record of alert social responsibility. The detailed meedling, administrative requirements, and so-called fair hearings are simply impediments to good, responsible administration. Is this hearing before the Finance Committee a fair hearing? According to HEW theory it must not be because it was not advertised as such. A "fair hearing" in HEW parlance means a hearing stacked against the taxpayer.

Engrossed copies—you practically have to prove beyond a reasonable doubt that a man is not entitled to welfare or should be cut off before the administrators can cut somebody off then they subjectively know he should be cut off. But unless they can prove it to the satisfaction of practically a jury, they are powerless.

Engrossed copies of the concurrent resolution of the New York Legislature were sent to each member of this committee through official channels. I have a few extra copies if anyone wants one. Specific amendments have been proposed today by Mr. Amend in his testimony, as I have mentioned several times.

(12) The National Association of Social Workers, which represents the thinking of by no means all social workers, will fight these proposals. Such groups are traumatic to change in favor of anyone by themselves. They like the mountains of paperwork. I am serious. This keeps them chained to their desks, or a certain number of them. I am not talking about the very great number of devoted and wonderful social workers, but there are a certain number of them, and the hierarchy, I believe, is among them, which likes this great mountain of paperwork—it keeps the social workers chained to their desks—a perfect excuse not to go out and rehabilitate, fight the cockroaches and the unspeakable conditions under which some people are compelled to exist in our big cities.

Mr. Julius Horwitz, a caseworker in the Department of Welfare of the City of New York, has already alluded to that. He is a courageous public servant. Please let me urge each of you gentlemen to read his book, "The Inhabitants"—and, by the way, I asked him if he would not bring some copies of it here which is now in paperback form to present to the committee—which tells the true story, although in novel form. I know, because I have visited with the author some of the unfortunates referred to in the book, under fictitious names.

This book is as fascinating as it is stark, but nothing is glossed over as it was in the show "West Side Story" which portrays the less horrible side of the picture, horrible as that is.

(13) Heretofore I have been speaking as cosponsor of the concurrent resolution of the New York Legislature previously referred to. As an individual State senator and a non-Catholic, I wholeheartedly endorse the statement filed with this committee dated May 15 of the New York State Catholic Charities by Charles J. Tobin, its secretary and counsel. Also I wholeheartedly endorse the statement presented yesterday on behalf of the Illinois Chamber of Commerce.

If Congress does not see fit to give the States full discretion as to the method of payment to welfare cases, then I favor section 107 of the bill, subject only to a prohibition against invidious discrimination.

(14) In closing may I offer for the record the following documents:

(1) Report (Mar. 23, 1961) of the New York State Temporary Commission on Coordination of State Activities containing our recommendations on welfare (p. 35 et seq.), particularly as to Federal-State relations; and

(2) Pages A1477–A1479, Congressional Record of February 27, 1962, Extension of Remarks by Mr. Curtis, of Missouri, which, incidentally, must have made quite an impression. This was a rather lurid but factual speech I made in the New York senate this winter, and apparently three different Congressmen inserted it in the Record.

(3) Page A1436, Congressional Record of February 27, 1962. Extension of Remarks by Mr. Kilburn, of New York, including an editorial from a New York newspaper said to have the largest circulation in the United States, the New York Daily News, which newspaper has run a series of articles on welfare in New York City by a person with perception and understanding of this problem almost equal to that of Mr. Horwitz and Mrs. Walker, and this editorial is from the paper said to have the largest circulation of any paper in the United States, and it might interest the committee.

I thank you very much for your forebearance and your kind remarks, sir.

The CHAIRMAN. Thank you, Senator Wise, for your very kind contribution.

Mr. WISE. Thank you, sir.

(The documents referred to follow:)

Legislative Document (1961) No. 84

STATE OF NEW YORK

REPORT

OF THE

NEW YORK STATE TEMPORARY STATE COMMISSION ON COORDINATION OF STATE ACTIVITIES

PART 1

A Study of Operations in the Department of Public Works

PART 2

A Study of the Administration of Public Welfare

1960–61

LETTER OF TRANSMITTAL

To the Governor and the Legislature of the State of New York:

Pursuant to Chapter 302 of the Laws of 1960, the Temporary New York State Commission on Coordination of State Activities respectfully submits its report.

AUSTIN W. ERWIN, *Chairman*
JOSEPH R. YOUNGLOVE, *Vice-Chairman*
JOSEPH R. CORSO, *Secretary*
HENRY A. WISE
SAMUEL L. GREENBERG
A. BRUCE MANLEY
WILLIAM J. RONAN
T. NORMAN HURD
ROBERT MACCRATE

March 24, 1961

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PERSONNEL OF THE COMMISSION

Appointed by the Temporary President of the Senate:

SENATOR AUSTIN W. ERWIN, *Chairman*
SENATOR HENRY A. WISE
SENATOR SAMUEL L. GREENBERG

Appointed by the Speaker of the Assembly:

ASSEMBLYMAN JOSEPH R. YOUNGLOVE, *Vice-Chairman*
ASSEMBLYMAN JOSEPH R. CORSO, *Secretary*
ASSEMBLYMAN A. BRUCE MANLEY

Appointed by the Governor:

T. NORMAN HURD, *Director of the Budget*
WILLIAM J. RONAN, *Secretary to the Governor*
ROBERT MACCRATE, *Counsel to the Governor*

Ex-Officio—

The Senate:

HON. WALTER J. MAHONEY, *Temporary President and Majority Leader*
HON. JOSEPH ZARETZKI, *Minority Leader*

The Assembly:

HON. JOSEPH F. CARLINO, *Speaker*
HON. WILLIAM H. MACKENZIE, *Chairman, Committee on Ways and Means*
HON. ANTHONY J. TRAVIA, *Minority Leader*

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STATUTORY AUTHORITY FOR COMMISSION

The Commission on Coordination of State Activities was created by Chapter 1002, Laws of 1946, sections 2, 3 and 5 of which set forth its powers and duties as follows:

> § 2. The duties of the commission hereby created shall be, to make a study of and investigate any department or agency of the state government to determine whether the activities thereof are essential to good government and are being carried on in an economical and efficient manner and without duplication, for the purpose of determining the feasibility of improving the administration of the state government by the elimination of all unnecessary activities, the avoidance of duplication, and increasing efficiency and economical operation by consolidation or rearrangement of any of the agencies of state government; to study and investigate and recommend legislation concerning the adequacy of judicial review of the administrative determinations of the various agencies of the state government; to study and investigate and to report upon any special matter which may be referred to the commission for such action by the governor or by joint resolution of the legislature. The commission is further authorized to study and inquire into any subject or matter deemed by the commission to be relevant to the purposes of its study or helpful to it in the consummation of its work.
>
> § 3. The commission may employ and at pleasure remove counsel, a secretary and such other officers and clerical, stenographic or technical assistants as it may require and fix their compensation within the amount appropriated therefor. The commission may sit at any place within the state and hold either public or private hearings. It, and each member thereof, shall have the power to administer oaths, take testimony, subpoena and compel the attendance of witnesses and the production of all books, papers, records or documents deemed material or pertinent to any subject within the scope of its investigations and shall generally have, possess and exercise all of the powers of a legislative committee.
>
> § 5. The commission may request and shall receive from any department, division, board, bureau or other agency of the state and from any political subdivision or agency thereof, such assistance and data as will enable it to properly consummate its studies and investigations hereunder.

The Commission was last continued by Chapter 302, Laws of 1960.

PART 1

I

INTRODUCTION

The findings and recommendations in this report result from the extension, in 1960, of studies by this Commission which, in view of a growing population, increasing demands for state services, and the mounting cost thereof, are directed toward two objectives.

The more immediate of these is the elimination of unnecessary and expensive duplications of functions in government, the mechanization and simplification of procedures where feasible, and the development of economies generally that will not impair state services.

Secondly, because the State's expanding responsibilities toward its people dim hope of any early downturn of overall government cost, the Commission seeks continually to develop and up-date for the Legislature the basic information necessary to sound budgeting.

For this reason, costs of the studies are shared by the Commission, the Senate Finance Committee, and the Assembly Committee on Ways and Means.

The first of the two objectives, immediate and practical economies, must of necessity be pursued mainly in operations of State Departments and other activities financed by so-called State Purposes funds.

Approximately 54 per cent of the $2.4 billion budget for 1961–62 is for Local Assistance, or State aid. The programs which this money finances in heavy part are mandated by law and the funds involved flow back to localities under statutory formulas. Capital Construction, an area of small opportunity for appreciable savings, will require about 14 per cent of appropriations in the new budget. Debt Service will take 2 per cent.

The remaining 30 per cent is for State Purposes and it is in this area that the Commission's search for sound economies has been concentrated. Based upon its 1960 studies in the Department of Public Works, recommendations will be found in this report which could mean eventual savings totaling nearly $12 million.

Proposals accounting for most of this total were submitted to the Division of the Budget and announced publicly in December, 1960.

The search for such economies must be unceasing if, as State financial responsibilities expand, cost is to be kept at a sound minimum with some assurance of maximum value for expenditures.

This necessity was emphasized by Governor Rockefeller in his 1961 budget message to the Legislature when he declared himself "ever mindful that the search for economy in government must be a continuing one. It cannot be done once and for all."

Giving generous recognition to the work of the Commission, the Governor said its reports on operations of the Department of Public Works and utilization of the State's highway maintenance equipment "will provide an important basis for future economies and greater efficiencies."

The 1960 Study—Scope and Approach

The Commission's study of the Department of Public Works had been merely initiated when it submitted its 1959–60 report. That report presented recommendations, many of which have been effectuated, toward an estimated $3 million of annual savings in the Department of Taxation and Finance; the Division of Standards and Purchase, including its Surplus Foods Section; the Division of Safety, and, to a small degree, the Department of Public Works.

Broadening its study of the Department of Public Works in 1960, the Commission focused

on two important areas in its vast operations, the Division of Administration and the utilization and repair of equipment and trucks.

The Commission has continued to retain the management-engineering firm of Stevenson, Jordan and Harrison, of New York City, to guide and help progress the study. To permit simultaneous surveys in different areas, each of three men assigned by the firm works with a regular research employee of the Commission or the Senate Finance Committee.

These teams have, in seeking information bearing upon the various areas of study, worked not only within relevant units in Albany but also and extensively throughout the ten districts of the Department of Public Works.

Again, in line with the Commission's belief that recommendations must be feasible in relation to day-to-day performance of services, proposals in this report have been discussed, as each was developed, with those responsible for functions involved.

Agreement on the recommendations has been reached, as a result, with officials responsible for their effectuation. The Commission in turn recognizes that, in some instances, the progress of such effectuation will be influenced by the complexities of some changeovers required.

All findings reported, and the recommendations based upon them are, of course, as of the time of the study. In their development, the Commission has had the utmost cooperation from officials and personnel of the Department of Public Works.

II

NEW YORK STATE DEPARTMENT OF PUBLIC WORKS

(Division of Administration)

Centered in this Division are a majority of the administrative functions touching upon operations of the Department of Public Works. These administrative functions are performed by seven Bureaus—Contracts, Finance, Methods and Procedures, Office Services, Personnel, Rights of Way and Claims and Safety—as well as individual units in the ten district offices of the Department.

GENERAL RECOMMENDATIONS

The study of the operations of these Bureaus and the district offices led to these general major recommendations:

1. Revise the functional requirements, procedures, and organization of the various administrative bureaus and units in Albany.

2. Centralize under the administrative deputy in Albany, as reflected by Chart A, all administrative functions now supervised by the various District Engineers throughout the State.

SUMMARY OF POTENTIAL SAVINGS

The potential of savings through effectuation of these recommendations totals $664,481, summarized as follows:

	Number of Positions Eliminated	*Savings*
Bureau of Contracts		
Highway Maintenance Agreements Section; Contracts Section	5	$27,018
Bureau of Finance		
Fiscal Control and Accounts Section	...	...
Purchase Section	3	14,480
Budget Section	3	18,623
Payroll and Expense Section	2	10,399
Revenue Section	3	10,819
Expenditures Section	3	12,540
Files Section	...	...
Totals	14	66,861
Bureau of Methods and Procedures	4	24,134
Bureau of Office Services		
Information Data Processing Section	1	3,650
Rental of Equipment—Data Processing	...	3,624
Reproduction Section	15	69,834
Mail and Supply Section	7	34,638
Office of Director	1	3,212
Totals	24	114,958
Bureau of Personnel	6	28,131
Bureau of Rights of Way and Claims	1	4,327
Bureau of Safety	..	...
District Offices	73	399,052
Grand Totals	127	$664,481

SPECIFIC RECOMMENDATIONS

The specific recommendations of the Commission, as related to the various Bureaus of the Division of Administration, are briefly discussed hereafter.

BUREAU OF CONTRACTS

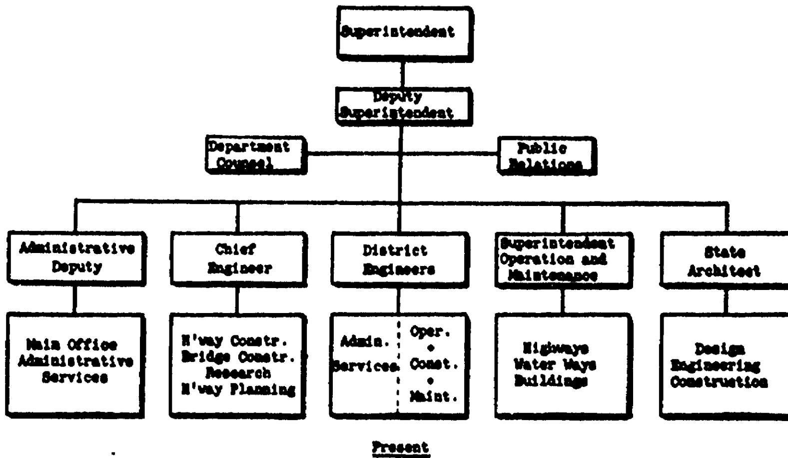
Reduction of the Bureau's present nine operating units, through combination of related functions, is recommended to provide more efficient utilization of personnel and resulting economy in operating costs.

The groups now functioning individually are Highway Contracts, Highway—Insurance and Estimates, Sales and Return of Highway Plans, Building Contracts (preparation and processing), Insurance and Estimates on Buildings, Sales and Return of Building Plans, Grade Crossings and Relocation of Utilities, Highway Maintenance Agreements, and General Supervision.

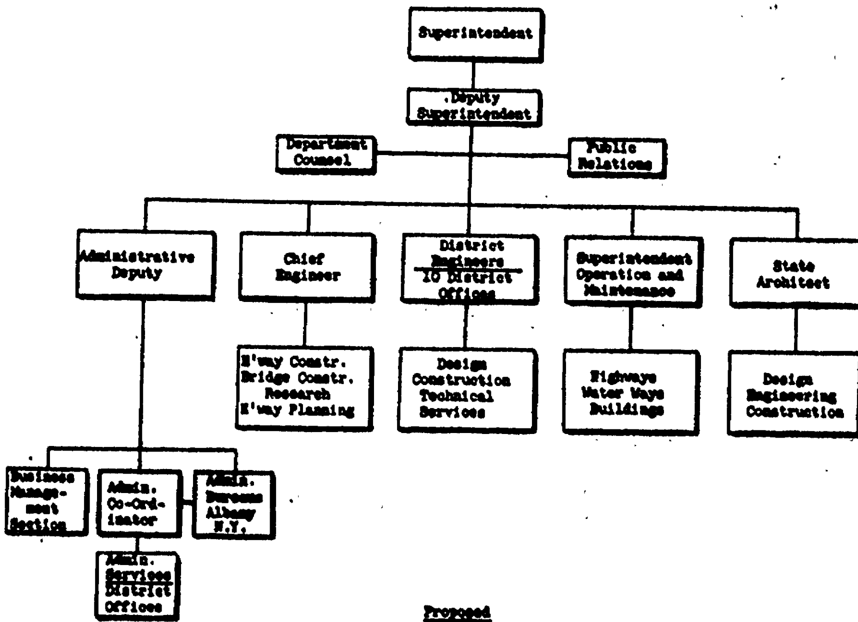
It is specifically proposed that the two units currently and separately concerned with highway and building contracts be consolidated into one unit. Such a combination would eliminate five positions at a savings of $27,018 annually.

The Commission urges similar combinations where, in the discretion of the Bureau, related functions make such action practicable.

DEPARTMENT OF PUBLIC WORKS — Chart A



Present



Proposed

BUREAU OF FINANCE

The Bureau of Finance is composed of the following sections or units: Fiscal Control and Accounts, Purchase, Budget, Payroll and Expense, Revenue, Expenditures, and Files.

The Commission's study of the Purchase Section showed a conformance, generally, of its purchasing procedures with those of the Division of Standards and Purchase, now a part of the Office of General Services.

However, comparative analyses of the work loads supports the Commission's recommendation that three positions be eliminated for an annual savings of $14,480.

It is proposed, because of the relationship of their functions, that the Budget Section be combined with the Bureau of Methods and Procedures.

This would tend to stabilize the work loads of both and help to reduce the back-log of special assignments in the Bureau of Methods and Procedures. Potential annual savings involved, through the elimination of seven positions in the two units, total $42,757.

Substitution of machine operations for present hand processing, as recommended by the Commission, for tabulating the distribution of expenditures for engineering services and expenses would permit the elimination of two positions at a yearly saving of $10,399.

The revision of operations in checking and rechecking federal reimbursements and the transfer of certain clerical functions to electronic data processing machinery would allow the elimination of three positions for an annual saving of $10,519.

The Expenditure Unit processes, for payment by the Comptroller, purchase vouchers and warrants; right of way official orders, land agreements and railroad and utilities relocation agreements, and small claim payments.

This function is performed by the Unit's 24 employees, subdivided into six functional groups. The Commission recommends consolidation of these grouped operations which, along with a revision of certain procedures in the Fiscal Control section, would eliminate the need for three positions for an annual saving of $12,540.

The Files section, presently with five employees, maintains combined files for both the Bureau of Finance and Bureau of Contracts. It also provides mail service for both Bureaus and a directory service for all divisions within the Department. Messenger service also is provided for the Bureau of Finance.

In order to improve mail and messenger service, it is recommended that the three positions involved be transferred to the Bureau of Office Services.

BUREAU OF OFFICE SERVICES

The Bureau of Office Services includes the following subdivisions:

- Office of Director
- Information Data Processing Section
- Reproduction Section
- Mail and Supply Section

Office of Director

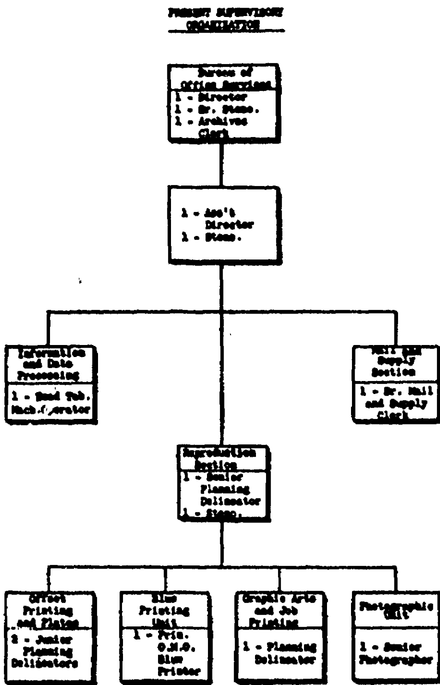
The Commission's review of operations in this office indicated the desirability of eliminating one stenographic position, for an annual saving of $3,212, and transferring the Assistant Director to the Reproduction Section to strengthen supervision of the latter.

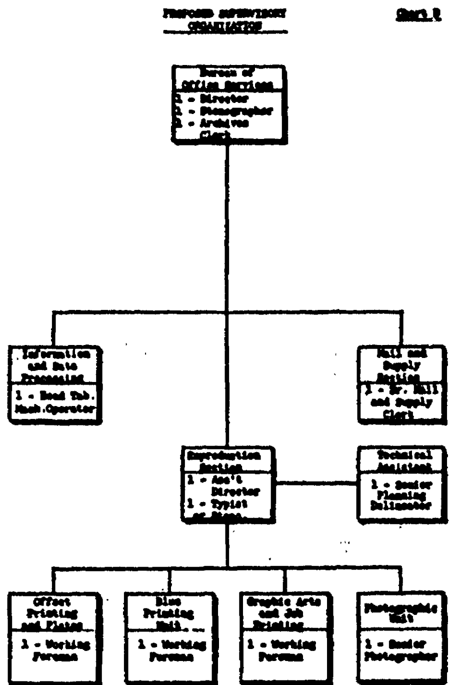
Information Data Processing Section

This section is responsible for the operation of data processing equipment including key punches, sorters, tabulators and a computer, the related accounting functions and the maintenance of files and records. It services, in this field, most divisions and bureaus within the Department.

A new unit in this section is cooperating with the Federal Government in a research and development project covering the application of electronic equipment in the engineering phases of planning, design, administration and construction of highways in the State.

The Commission's survey of the Information Data Processing Section was made in full





awareness of the fluidity of its operations and the ever increasing demands which will be placed upon it.

Because of these developing demands upon the electronic equipment, the Commission recommended, and provided criteria for, the exercise of careful judgment as to what programs can be most effectively processed electronically.

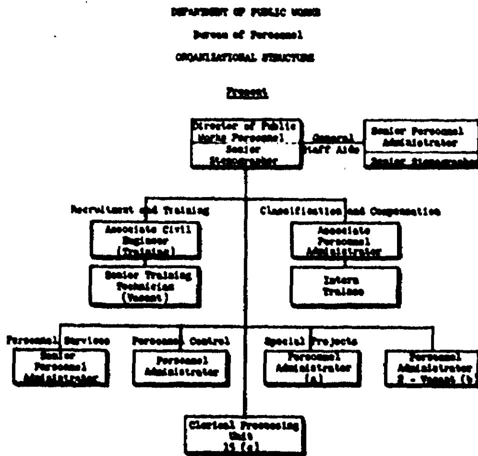
Selective loading of the processing machinery will permit effectuation of the Commission's recommendation for elimination of three pieces of machinery, at a savings in annual rentals of $3,624, and one tabulating machine operator, for an annual saving of $3,650.

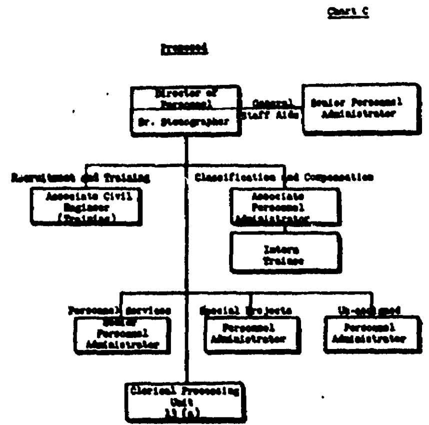
Reproduction Section

The principal functions of the Reproduction Section include the reproduction of maps, drawings and other material; the preparation of illustrations for various printed matter; the designing of forms; the designing and manufacturing of still and animated displays; the supplying of photographs, and all mechanical operations required in the production of printed material.

The Commission's study of this section indicated the need for a better organized supervision, Chart B, and a more careful planning of the work load that has developed from a multiplicity of functions which have been added periodically, and individually expanded, over the years.

Such planning, along lines suggested by the Commission, plus the transfer to this unit of the Assistant Director of Office Services, as previously mentioned, would make for a more efficient operation and permit the elimination of 15 of the present 60 positions, for a saving of $69,834 annually.





Mail and Supply Section

This section has two functions, the primary and most important being the reception, routing, delivery and pick up of all main office mail. It also maintains a central inventory store of office supplies and Department forms for both the main and district offices.

Elimination of the second of these functions is recommended since it duplicates an activity which is being performed for most state agencies by the Office of General Services.

Centralization in the Bureau of Office Services of the mail and messenger services of the Files Section, previously referred to, and the Mail and Supply Section would eliminate the need for seven positions in these two units and save $34,638 annually in salaries and related costs.

BUREAU OF PERSONNEL

This Bureau provides a personnel service for all units of the Department of Public Works, assisting in all matters related to obtaining and maintaining a satisfactory work force. It maintains a centralized record of all pertinent data concerning each employee. The Bureau also performs several other functions related to these primary responsibilities.

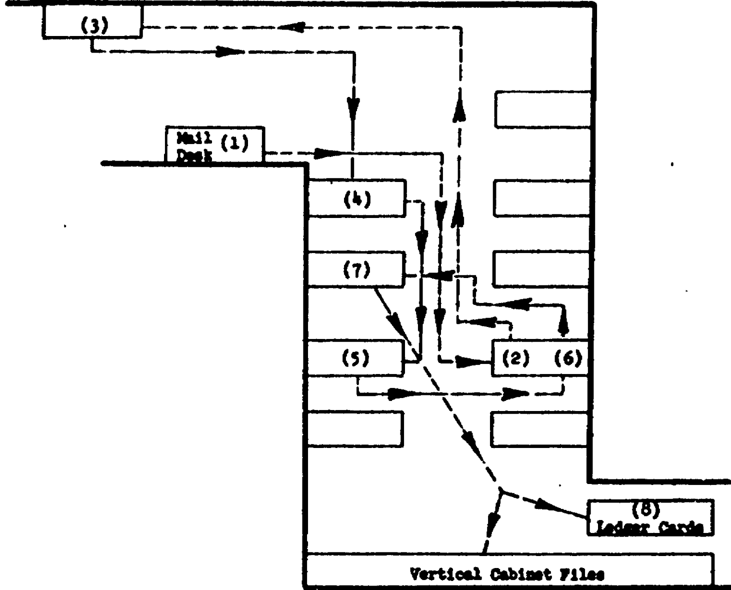
The three principal units of the Bureau are: Administrative, Technical and Clerical Processing.

Several recommendations stem from the Commission's study of this Bureau, total effectuation of which would eliminate the need for six positions costing $28,131 annually. (Chart C)

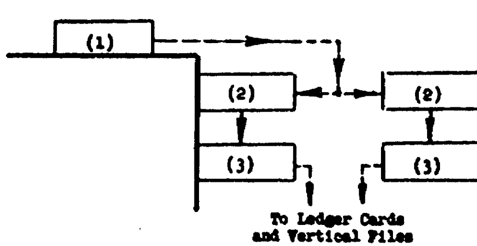
One of these, currently vacant, is that of a training technician whose duties it was sug-

Chart D

CURRENT WORK FLOW CHART
FOR THE NOTICE OF COMPETITIVE APPOINTMENTS
(Form P-6)



REVISED WORK FLOW CHART



gested be transferred to the Associate Civil Engineer. Another of these positions can be eliminated by a realignment of stations in the work flow, as indicated by Chart D.

Other savings would result from changes in certain procedures and elimination of duplications, an example of which is the maintenance, in both the main and district offices, of personnel ledger cards on each employee.

BUREAU OF RIGHTS OF WAY AND CLAIMS

The responsibilities of this Bureau deal with the acquisition of real property for public use.

Its functions include the review of parcel maps, evaluation of individual parcels of land, negotiating with owners, approving settlements, and cooperating with the Department of Law in searching for and establishment of titles and handling legal claims and actions. These are performed by six different units, titled in accordance with their duties.

Study of this Bureau indicated wide, periodic variation in the clerical and stenographic work load in the various units.

A more efficient production and substantial savings could be achieved, particularly in the district offices, by a more extensive interchange of clerical and stenographic personnel among the several units of this Bureau. The resulting stabilization of the work load therein would permit periodic release of clerical and stenographic help to other sections of district offices.

The elimination of one clerical position in the Administrative Services Section, at an annual saving of $4,327, can be achieved by machine processing of project expense records.

Several suggestions also were made by the Commission as to reorganization of functions, which could result in more efficient operations.

ADMINISTRATIVE SERVICES— DISTRICT OFFICES

General Functions

There are ten district offices in the Department of Public Works, located in Albany, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton and Babylon.

Each has a unit responsible for administrative aspects of the District's operations, which functions in close cooperation with the Division of Administration in Albany. This unit also provides stenographic and other general office services in the district office.

Recommendations

The Commission's study of this area disclosed the need for more uniformity in administrative organization in the various district offices.

To achieve such uniformity, the Commission recommended a pattern for reorganization of functional responsibilities in the administrative units of district offices.

A principal factor in such reorganization would be the relieving of the District Engineer and other technical supervisors of responsibility for clerical and general office operations. This would be accomplished by "direct line reporting" of the Head Account Clerk, to the proposed new Administrative Coordinator in Albany, as indicated in Chart E following.

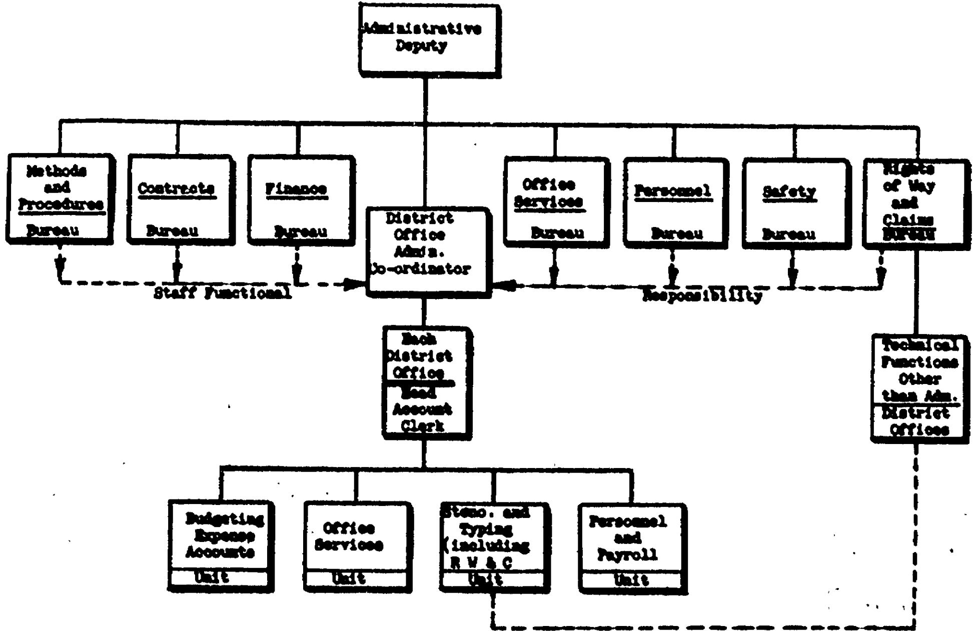
As a further aid to desired uniformity of administration, the Commission proposed, as also shown in Chart E, a regrouping of clerical personnel in each district office along the following lines:

(1) *Budgeting, Expense and Accounts Control Unit*
Budgeting, Accounts Control Purchase Orders, Requisitions, Vouchers.

(2) *Office Services Unit*
Mail Supply
Central Files
Reproduction

(3) *Stenographic—Typing Unit*
Pooled Service to all Clerical and Technical Units
Telephone Switchboard—Receptionist
Highway Estimates
Highway Permits

(4) *Personnel and Payroll Unit*
Expense Accounts
Personnel Records
Payroll Records



It is recommended that the function of "appropriation" accounting, which includes posting operations and preparation of financial statements and is now performed in district offices, be transferred to the central office in Albany where it can be done more efficiently and economically.

Similar transfer to Albany of operations involved in distribution of salaries and expense and in the processing of highway contract payments, plus substitution of machine procedures for both, also is recommended.

As a result of the previously mentioned reorganization of administrative units in district offices, the Commission proposes a reduction of supervisory personnel as outlined in Table F.

Summary of Savings Possible Under Recommendations

Savings that could be achieved through the recommendations for reorganization of administrative units in district offices, transfer of functions within these offices and to Albany, and improvement in procedures, total $399,052 and, involving 73 positions, are detailed in Table G and summarized in Table H.

TABLE F

DISTRICT OFFICE PERSONNEL

As At October 1, 1960

Districts	Head Account Clerk	Principal Account Clerk	Principal Clerk	Senior Clerk	Senior Account Clerk	Total	Grand Total Pers. Admin. Sec.	Approx. Req. if on 1 in 7 Basis
1 Albany	1	3	...	1	2	7	30	4
2 Utica	1	3	...	1	3	8	29	4
3 Syracuse	1	2	1	2	..	6	25	4
4 Rochester	1	3	...	2	3	9	32	5
5 Buffalo	1	2	...	1	2	6	36	5
6 Hornell	1	2	...	1	2	6	23	3
7 Watertown	1	2	...	..	2	5	29	4
8 Poughkeepsie	1	2	...	1	3	7	28	4
9 Binghamton	1	2	1	2	1	7	21	3
10 Babylon	1	2	...	1	2	6	38	5
Totals	10	23	2	12	20	67	291	41

Ratio

$\frac{291}{67}$ = 1 in 4^{1} basis

Source: Tabulated by Coordination Commission Staff from data supplied by District Offices.

TABLE G

SUMMARY OF POSSIBLE SAVINGS IN DISTRICT OFFICES

	Elimination of the Accounting Function at District Level	Salary Distribution to be done by Electronic Process in the Central Office	Estimated Payments for Highway Const. Contracts to be done by Electronic Process in the Central Office	Reduction in Supervisory Pers. — Lower Ratio of Super to Clerical
District No. 1				
Number of Positions	1	2	4	1
Amount of Compensation	$3,224	$8,356	$22,150	$5,642
District No. 2				
Number of Positions	1	2	2	1
Amount of Compensation	3,810	7,476	9,330	5,206
District No. 3				
Number of Positions	1	2	3	1
Amount of Compensation	3,810	7,586	15,740	4,932
District No. 4				
Number of Positions	1	2	5	1
Amount of Compensation	3,662	6,132	25,070	5,824
District No. 5				
Number of Positions	1	2	4	..
Amount of Compensation	3,516	5,840	22,150	.....
District No. 6				
Number of Positions	1	1	3	..
Amount of Compensation	3,358	3,650	15,740	.....
District No. 7				
Number of Positions	1	2	4	..
Amount of Compensation	3,810	6,716	22,150	.....
District No. 8				
Number of Positions	1	2	4	..
Amount of Compensation	3,810	8,094	22,150	.....
District No. 9				
Number of Positions	1	1	6	1
Amount of Compensation	3,962	4,5[illegible]	31,480	5,250
District No. 10				
Number of Positions	2	3	8	..
Amount of Compensation	7,626	10,412	44,300	.....
Totals — Positions	11	19	43	5
Totals — Amount	$40,588	$68,782	$230,260	$26,854

(In addition to the above, and by the reassignment of work, five positions—one each in Districts 2, 4, 6, 7 and 10—would be eliminated for an estimated annual saving of $15,706.)

TABLE H

SUMMARY OF POSSIBLE SAVINGS IN DISTRICT OFFICES

		No. of Positions	*Amount*
Gross Savings in Personnel		83	$382,190
Addition to Staff — Central Office			
Administration — District Office Co-ordinator.	$8,500		
Clerical — Bureau of Finance or Contracts			
1 Senior Clerk	3,840		
1 Clerk	3,212		
1 Typist	3,212		
	$10,264		
Data Processing Room			
4 Key Punch Operators (3 Key Punch — 1 Verifier)	13,416		
1 Sr. Tab. Mach. Oper.	4,032		
1 Tab. Mach. Operator	3,354		
	$20,802		
Central Staff Increase		10	39,566
Net Personnel Savings		73	342,624
Plus 14% Fringe Benefits			47,968
Total Savings in Personnel Compensation			$390,592
Disposal of Equipment			
11 Sunstrand B'keeping Machines (30% of Cost)	10,500		
Additional Equipment			
Key Punch & Verifiers	(2,040)		
Total Savings in District Operation			$399,052

III

UTILIZATION AND REPAIR OF EQUIPMENT AND TRUCKS

The Commission's Study of Department of Public Works operations in 1960 concentrated upon the utilization of highway maintenance equipment and trucks and the distribution and repair of both.

These activities are carried on throughout the ten Public Works districts previously named, each of which has in close proximity to its headquarters a repair shop where maintenance equipment and trucks are stored, distributed and repaired.

Within each district are a number of resident engineers who are in charge of highway maintenance and repair in their individual residencies. A residency may consist of a county, part of a county or parts of several counties. It also has storage facilities for equipment and repair garages for light maintenance work.

The Department of Public Works operates on a varying basis of decentralization, with some districts controlling equipment after state headquarters initially assigns it while in others such control is given to individual residencies.

Summary of Findings

The surveys on utilization of trucks and equipment disclosed use at about 55 per cent of the equipment potential, with over 2,000 units ranging from motorized lawn mowers to road pavers in excess under operating conditions at the time of the study. Similarly many trucks could also be readily eliminated or placed in reserve.

It is estimated that the Commission's recommendations in this area, discussed hereafter, could result in eventual savings of about $7 million by eliminating the need for future replacement of excess machinery at present purchase prices.

The survey on distribution and repair of trucks and equipment includes an evaluation of current automotive shop facilities, parts inventory maintenance, equipment maintenance, and assignment and storage practices.

It resulted in recommendations which could mean $4,053,046 in economies, a $1,457,899 reduction of operating expense plus the possibility of $2,595,147 in savings by freeing capital assets, including buildings and repair equipment, for other uses.

Summary of Recommendations

The Commission's recommendations in the two fields of utilization of trucks and equipment and maintenance and repair of same can be stated broadly as:

1. A continuing re-evaluation of needs, in relation to work requirements, for various types of equipment currently in use, for the assessment of which formulae and standards have been developed by the Commission for Department application.

2. Transfer of certain equipment, now restricted to use within a single district or residency, to a pooling arrangement for servicing larger areas.

3. Establishment of a planning program at the state level for (a) judicious replacement of equipment to avoid excessive maintenance cost and (b) to activate more preventive maintenance so as to eliminate the greater cost of equipment breakdowns.

4. Reduction of the present ten district maintenance and repair shops to five currently operating shops that would service equipment on a designated area basis, instead of the present district basis.

The Commission's study developed information which could support a specific recommendation, based on present operations, as to which shops would be retained. However, the anticipated expansion of highway building and likely changes of emphasis in such programming are major factors to be considered in a gradual changeover of the shop set-up. The Commission believes, therefore, that discretion as to shops to be retained should be left with the Department.

Detail of Recommendations

1. Purchase, Assignment and Effective Use of Equipment

(a) Equipment and truck acquisition and replacement.

Highway maintenance equipment should meet minimum operating use standards in terms of hours on the job. No equipment should be purchased unless its utilization according to such standards is anticipated. (Examples of such standards are shown in Charts I, J and K.)

CHART I

Graders—Hours Reported During 1959

The graders and maintainers are listed by year of purchase and are identified by the assigned district and unit number. The chart shows the number of hours each machine was reported used during 1959. The vertical lines on the chart represent the following:

AVERAGE HOURS PER ALLOCATED MACHINE—In order to initiate the program, that is, proper utilization of equipment through advanced planning and control, extra machines will be needed. The initial total of machines are identified as *allocated machines*. This line represents the average hours each allocated machine would have been used during 1959. The average would have been 1240 hours for graders and 640 hours for maintainers.

NORM—This line represents the average annual use of graders and maintainers which can be anticipated, provided that the Commission's recommendations are carried out.

AGE—The horizontal line placed between the listing of 1950 and 1951 machines indicates the point above which machines may normally be considered obsolete (over 8 years old), on a maintenance and technological basis. These machines should only be retained if they meet the following requirements:

A. Accumulated repair costs do not exceed 120% of replacement cost.

B. Maximum one-time repair as a percent of replacement cost does not exceed the following:

Age in Years	1	2	3	4	5	6	7	8
Percent of Replacement Cost	50	40	33	27	23	23	20	17

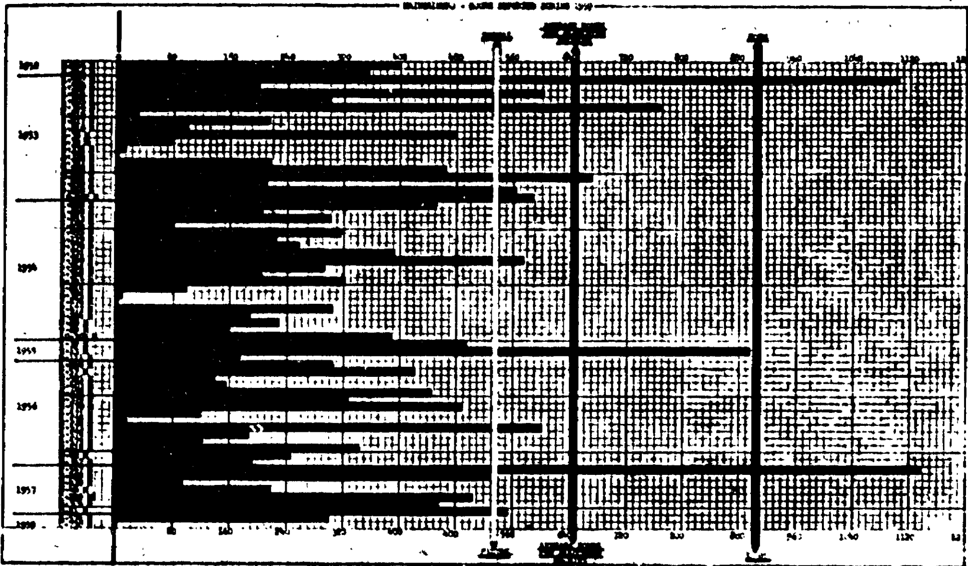


CHART J

Maintainers—Hours Reported During 1959

The graders and maintainers are listed by year of purchase and are identified by the assigned district and unit number. The chart shows the number of hours each machine was reported used during 1959. The vertical lines on the chart represent the following:

RENTAL—This line represents the dividing point, in terms of hours of use, and indicates whether a machine is more economically owned or rented. If a machine is to be used less than the number of hours indicated by the line, it is advantageous to rent it rather than to own it.

AVERAGE HOURS PER ALLOCATED MACHINE—In order to initiate the program, that is, proper utilization of equipment through advanced planning and control, extra machines will be allowed. The initial total of allowed machines are identified as *allocated machines*. This line represents the average hours each allocated machine would have been used during 1959. The average would have been 1260 hours for graders and 960 hours for maintainers.

NORM—This line represents the average annual use of graders and maintainers which can be anticipated, provided that the Commission's recommendations are carried out.

AGE—The horizontal line placed between the listing of 1950 and 1951 machines indicates the point above which machines may normally be considered obsolete (over 8 years old), on a maintenance and technological basis. These machines should only be retained if they meet the following requirements:

A. Accumulated repair costs do not exceed 120% of replacement cost.

B. Maximum one-time repair as a percent of replacement cost does not exceed the following:

Age in Years....	1	2	3	4	5	6	7	8
Percent of Replacement Cost	50	40	33	27	23	23	20	17

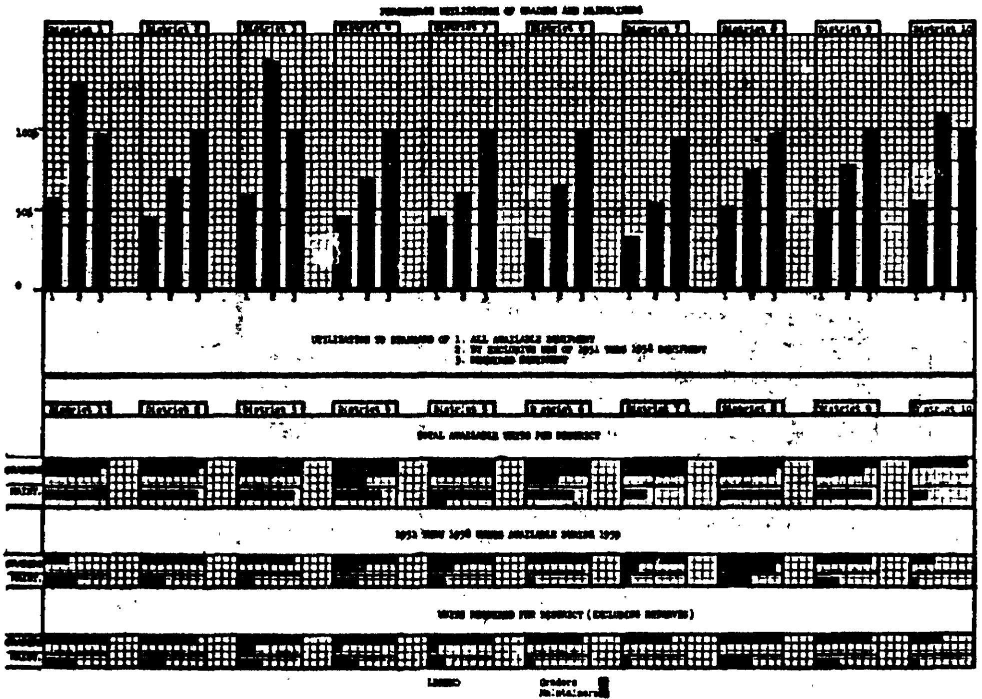


CHART K

Percent Utilization of Graders and Maintainers

This chart is divided into four sections. The first section is composed of three vertical bars per district, identified as follows:

1. All Available Equipment
   This shows the actual hours reported cumulatively for all graders and maintainers during 1959, as a percentage of the standard norm (1500 hours X total machines).
2. By Exclusive Use of 1951 thru 1958 Equipment
   This bar represents the percentage utilization of graders and maintainers, assuming equipment purchased from 1951 thru 1958 has been used to accomplish *all* work required during 1959. In certain instances, districts had insufficient equipment in this age group to accomplish the required work, unless operated at well over 100% of the standard norm.
3. Required Equipment
   This represents the percentage utilization of equipment based upon the allowance recommended by the Commission. This could only be accomplished after the initial introduction of the preventive maintenance and central planning programs.

Total Available Units Per District

This shows the present unit distribution of graders and maintainers by district.*

1951 thru 1958 Units Available During 1959

This identifies the number of units purchased during this period and their distribution by district.

Units Required Per District (Excluding Reserves)

This represents the number and types of units required to perform the work during 1959 based upon all units operating near norms established by the Commission.

* Unit: One square equals one machine.

Similarly, the Commission believes, all trucks should meet minimum operating use standards designed for the type of truck and measured in days used and annual mileage driven.

So-called "emergency" equipment, such as snowplows and pumps, should be exempted from the operating use standard requirement.

In connection with these recommendations, the Commission has developed and furnished standards for the Department's guidance.

(b) *An Equipment Pool*

Equipment should be pooled at designated locations for use on an "area" basis (beyond district lines) if its actual or anticipated use in a residency or district falls below the prescribed use standard. The rare unit of equipment with an exceptionally low-use potential, such as a concrete cutter, should be assigned on a statewide basis.

2. Maintenance

(a) *Truck and Equipment Age*

Trucks and equipment should not be kept in service beyond the point where obsolescence, number of breakdowns, and maintenance cost make its use uneconomical. Retention of such equipment has resulted, in most cases, not only in disproportionately high repair cost, in relation to its usefulness, but also loss of efficiency because of technological advances in new machinery.

The Commission recommended development by the Department of repair and replacement schedules for each type of equipment, based upon a careful assessment of maintenance costs.

(b) *Preventive Maintenance*

A sound preventive-maintenance procedure should be rigidly prescribed and faithfully observed.

The Department's present program of equipment and truck maintenance contains some elements of preventive maintenance. However, a pre-planned program calling for the periodic replacement of certain equipment and truck components should be instituted to prevent field breakdowns. Such a program should include utilization of repair work time standards as established by manufacturers and should prohibit indiscriminate use of worn parts from idle or junk machinery.

(c) *Equipment and Truck Assignment*

Concentration of trucks and other items of equipment in such a manner that the operating jurisdiction has, so far as feasible, equipment of similar make simplifies maintenance planning and reduces the variety of spare parts needed in inventory.

The Commission recommends, therefore, that newly purchased trucks and equipment be assigned in accordance with this policy. It further proposes that the Department undertake a gradual interchange of equipment between jurisdictions so as to effectuate this policy and benefit by it to the greatest possible extent.

3. Management and Work Planning

(a) *Assignment of Work and Equipment*

Nearly all highway maintenance work involving more than one residency is assigned to the multiple jurisdictions of the various areas included, with segments of the project being supervised by resident engineers. In addition to the supervision by several authorities, there is an uneconomical duplication of equipment.

To simplify planning and eliminate duplication of supervision and equipment, the Commission recommends that road maintenance work be assigned on the basis of the entire project rather than on its parts as determined by residency boundaries.

(b) *Centralized Record Keeping and Planning*

The present work planning and record keeping at the district level and by varying methods results in costly inconsistencies in maintaining inventories of spare parts and equipment.

Record keeping related to truck and equipment usage, maintenance and repair costs, and

replacement scheduling lends itself to electronic data processing.

The Commission proposes that all such records be transferred to data processing equipment already available in the central office in Albany.

This would permit a continuous and instant check upon equipment utilization and facilitate central planning toward more effective assignment and use of machinery.

4. Distribution and Repair of Maintenance Equipment and Trucks

Practically all trucks and maintenance equipment, except when in district shops for repairs, are in the residencies for use by the resident engineers. Notable exceptions are blacktop pavers which are too expensive, too limited in use and too scarce to be assigned to each residency. These pavers are moved from residency to residency by the district office in accordance with work loads and pre-arranged schedules. This indicates that it is feasible to move equipment where and when needed, and that advance planning and scheduling is practicable.

At present, equipment is available at only two levels: district and residency.

The maximum distance from the far reaches of a residency to a district repair facility is presently 165 miles. Considerable time is lost in transportation of equipment to the district shop for repairs and expensive equipment is out of operation during this time. After reaching a district shop, equipment often is further tied up by non-availability of parts, particularly as a result of cumbersome procurement policies.

The distance factor also is important because many parts used in repairs at the residencies must be obtained from the district repair shops, since only a limited inventory is maintained at the residency and local purchasing is prohibited.

It is necessary that the residency mechanic, at least one of whom is found in most residencies, travel to the district shop several times a week to obtain repair or replacement parts. This situation exists even in those circumstances where the part is minor in nature and could be procured locally at small cost.

Each residency repair shop performs various types of repairs on equipment. Apparently, no overall policy is enforced as to the type repairs to be performed at the residency level, and each mechanic operates largely at his own discretion and within his own ability limitations.

Categories of Repairs

Repairs are in three general categories: Minor repairs, unit replacements and major overhauls. Minor repairs include mending or replacing a few individual parts or reconditioning assemblies when such work can be performed without highly specialized tools or equipment. Such jobs should be performed at the residency level. Functional assemblies, such as generators, and water pumps should also be installed at this level. All major repairs, such as engine overhauls and work required as a result of periodic inspection should be done in shops which are better equipped to handle such work.

Recommendations

In the interest of greater efficiency and substantial economies in the distribution, maintenance and repair of trucks and equipment, the Commission recommends reduction of the present ten district maintenance and repair shops to five currently operating shops for the servicing of equipment on a designated area basis, instead of the present district basis.

Application of this area concept to the functions of distribution, maintenance and repair would not, as envisioned by the Commission, affect administrative or other aspects of the present district structure.

In studying various combinations of districts and/or residencies in this connection, the Commission saw possibilities for substantial reduction of travel distance between residencies and repair shops. One such combination would cut to 94 miles the previously cited present maximum of 165.

Any specific recommendation by the Commission as to the retention or closing of particular shops in the present set-up would have to be made on the basis of work programs and operations at the time of the study.

The maximum benefits of the recommended area concept, however, can be realized only with careful consideration for anticipated expansion of highway building and the likely changes of emphasis in such programming. For this reason, and in consideration of the many complexities involved in achieving the most effective concentration of maintenance and repair facilities, the Commission believes discretion as to the location of "area" shops should be left with the Department.

Another major advantage of the area concept for distribution, maintenance and repair of equipment would be increased efficiency of remaining shops. This would be achieved through better work scheduling, maximum utilization of shop facilities and equipment, specialization of repair personnel, elimination of duplications in inventory, a greater inventory flexibility, and reduction of fixed supervisor and clerical costs.

The Commission also recommends that the specific types of repairs to be performed at the area shop, as against minor repairs to be left with the residency shops, be clearly defined.

Also proposed by the Commission is the granting of authority to purchase minor repair parts within the residency, which would eliminate long-distance travel or delays in obtaining such parts and greatly reduce repair time on equipment.

Potential Savings

The Commission's recommendations in the field of equipment utilization could, as previously stated, mean eventual savings of approximately $7 million through elimination of the need for future replacement of much of the Department's equipment inventory.

This estimate of potential savings, at current replacement costs, is based upon a utilization analysis of all work orders for a 12-months period in 1959–60, covering approximately 150 different items of equipment. The data thus compiled from headquarters records in Albany was verified by a check against records in the individual districts. The results are shown in Table L.

The Commission's major recommendation in the area of distribution and repair of equipment, proposing reduction to five of the present ten district maintenance and repair shops, could mean an eventual savings of $4,053,046.

Of this amount, $1,457,899 would be a reduction of operating expense indicated by a sample concentration of facilities considered by the Commission for study purposes. The study indicated further that almost any combination of five existing shops could mean approximately the same savings.

The same is true of the Commission's estimate of $2,595,147 in possible savings through the freeing of capital assets. The sample combination of shops analyzed by the Commission showed possible savings of $270,486 in machinery and tools, $514,857 in parts inventory, and a conservatively figured $1,809,804 through the freeing, for other uses, of buildings with that total of original building cost.

The possible savings in machinery, tools and parts would be realized as the consolidation of shops progresses. The savings on buildings, however, would eventuate as and when they are disposed of or uses are found for them, thus eliminating the need for new facilities.

TABLE L

SUMMARY OF EQUIPMENT COST AND UTILIZATION

	Total Inventory	Required Units	Excess Units	Utilization of Present Equipment (%)	Total Replacement Cost of Excess
Auger — Earth	26	10	16	38	$7,680
Chipper — Wood	13	7	6	58	13,260
Chisel — Joint	11	1	10	9	8,600
Collector — Dust	11	1	10	9	18,900
Compressor	215	144	71	67	286,900
Conveyor	315	124	191	39	315,150
Crane — ¾ yd	8	4	4	50	50,400
— 1½ yd	13	10	3	77	65,700
— Misc.	13	9	4	69	60,000
Crusher — Stone	4	3	1	75	22,700
Curb Laying Machine	10	1	9	10	9,000
Cutter — Brush	250	122	128	48	32,000
Cutter — Concrete Saw	10	1	9	10	7,740
Cutter — Stump	5	2	3	40	9,195
Distributor — Bit	12	6	6	50	28,400
Drills — Core & Wash	48	30	18	63	59,400
Dryer — Stone	126	30	96	24	76,800
Excavator — ¼ yd	1	.....	1	..	27,000
— ½ yd	17	10	7	59	210,000
— ¾ yd	17	10	7	59	231,000
— 1½ yd	16	8	8	50	288,000
— Gradall	33	25	8	76	235,200
Generators	43	14	29	33	50,895
Graders	183	89	94	49	1,024,600
Line Markers	34	19	15	56	27,825
Loader — Scoop	203	179	24	88	192,000
Loader — Misc.	53	39	14	74	37,000
Maintainers	67	32	35	48	225,750
Mixer — Bit	210	71	139	34	243,250
Mixer — Concrete	247	38	209	15	153,950
Mowers — Highway	502	405	97	81	194,000
Mowers — Lawn	233	85	148	36	38,332
Paver — Bit	51	30	21	59	304,500
Pumps	300	186	114	62	26,220
Roller — 3 Wheel	83	34	49	41	318,500
— Traffic	49	11	38	23	76,000
— Trench	12	3	9	25	43,830
— Two Wheel	10	4	6	40	30,000
— Tandem	56	34	22	61	132,000
— 3-Axle Tandem	14	13	1	93	11,000
— Port. Gallon	150	64	86	43	344,000
Saws — Chain	449	223	226	50	80,095
Screen Plant — Sand	7	4	3	57	33,000
Sewer Cleaner	18	9	9	50	32,112
Snow Plow — Rot.	18	10	8	56	200,000
Sprayer — Bbl. Type	127	62	65	49	37,375
— Tank Type	44	20	24	46	46,899
Spreader — Material	51	30	21	41	45,675
— Salt	508	310	198	61	126,720
Steam — Culvert	13	10	3	77	5,826
Sweeper — Drawn	87	32	55	37	110,000
— Pick-up	11	7	4	64	37,200
Tractor	18	4	14	22	16,702
Tractor — Crawler	40	22	18	55	283,680
— Wheel	29	7	22	24	250,800
Trench Filler	23	10	13	43	49,400
Welder	41	20	21	49	27,300
Miscellaneous	98	37	61	38	132,472
Total	5,255	2,726	2,529	52	$7,121,422

PART 2

REPORT
TO THE
NEW YORK TEMPORARY STATE COMMISSION ON COORDINATION OF STATE ACTIVITIES
BY ITS
SUBCOMMITTEE ON PUBLIC WELFARE

Organization of this report is in sections, as follows:

I. Method of Conducting Welfare Study
II. Introductory Observations
III. Consultants' Recommendations
IV. State-Federal Relations
V. Uniform Statewide Standards
VI. Negotiation of Federal-State Differences
VII. Structure of Board and Department of Social Welfare
VIII. Legislation

Approved by the Commission on Coordination of State Activities, March 23, 1961.

I

METHOD OF CONDUCTING WELFARE STUDY

For a number of years, segments of the public, the press and the Legislature have expressed growing dissatisfaction with the administration of public welfare in this State. This dissatisfaction has been concerned primarily with the public assistance programs, including Home Relief (HR), Aid to Dependent Children (ADC), Old Age Assistance (OAA), Aid to the Disabled (AD) and medical care for the indigent.

The Temporary State Commission on Coordination of State Activities, which has broad powers sufficient to undertake this type of survey, was given specific authority to do so by chapter 1006 of the Laws of New York, 1960.

To initiate its investigation, the Commission took two principal actions, as follows:

1.—In May of 1960, the management consultant firm of Cresap, McCormick and Paget of New York City was retained to make a professional reconnaissance study of social welfare operations in New York State. This work was done as part of the overall survey under the immediate charge of a special Commission Subcommittee on Public Welfare. The Cresap firm submitted its two-volume report to the Commission on January 18, 1961. Because of public interest and the comprehensiveness and detail of the report, the Commission promptly released it to the press without taking action on it at that time.

2.—After employment of the Cresap firm, the Commission Chairman, Senator Austin W. Erwin (R.—Geneseo), pursuant to authority given him by the Commission, designated four of its members as the special Subcommittee on Public Welfare mentioned above. These members were Senator Henry A. Wise (R.—Watertown), named as Chairman; Assemblyman Joseph R. Corso (D.—Brooklyn); Assemblyman A. Bruce Manley (R.—Fredonia); and Doctor William J. Ronan, Secretary to the Governor, who accepted designation with the understanding he could not participate in the Subcommittee's detail work.

The Subcommittee, in addition to maintaining constant liaison with the Cresap firm, complemented the professional study undertaken by that firm by special studies of its own.

From its Albany and New York City offices, the Subcommittee employed the following four major methods of developing findings and recommendations:

A.—Collection and review of outstanding previous studies, reports, statistics and documentary material pertinent to the assignment;

B.—Exploration of conflicting areas by personal interviews with individuals and groups concerned;

C.—Public hearings in key sections of the State; and

D.—Formation of a special Medical Advisory Committee to the Subcommittee, composed of experts in medical care, particularly as applied to public welfare.

Under Study Program A, the Subcommittee in general attempted to amass material covering the past decade, involving welfare operations not only on the State level, but on Federal and local levels as well. The material came from both public and private sources and was constantly updated to include documents of the most recent publication. In addition to the scores of official reports, special surveys and even grand jury presentments collected and studied, the Subcommittee also undertook to familiarize itself with policies and procedures

at the several levels of welfare operation, public and private. Such related material as magazine articles, books and special newspaper series on public welfare problems was assembled and studied.

Under Study Program B, legislative members of the Subcommittee and members of its staff personally interviewed hundreds of persons. Out-of-State consultations included meetings with staff members of the United States Senate Permanent Subcommittee on Investigations (McClellan Committee), which at present is reviewing procedures of the Department of Health, Education and Welfare; conferences with the Chairman of a Committee of the New Jersey Legislature now studying public welfare operations in that state, and talks with the Chairman of a Committee of the California Legislature studying ADC in that state. Interviews on an official level in New York included conferences with personnel of the State Department of Social Welfare and various members of its Board; with representatives of local departments of public welfare in all sections of the State; and with representatives of major private welfare agencies and civic organizations concerned. In addition, scores of private individuals who wrote in to volunteer information were interviewed personally by Subcommittee staff members. Many other private individuals were queried by mail, including more than 150 former social investigators in the New York City and Buffalo areas. As part of their studies, the legislative members of the Subcommittee visited in person a cross section of welfare recipients in a section of New York City inhabited almost entirely by public assistance cases.

Under Study Program C, the legislative members of the Subcommittee held public hearings in three key areas of the State. These hearings in 1960 were convened in Syracuse on October 19 and 20; in New York City on November 14, 16, 17 and 18; and in Buffalo on December 20, 21 and 22. Witnesses questioned by the Subcommittee included public officials, executives of public and private welfare organizations, representatives of civic groups and individual witnesses. A total of 20 witnesses from Central New York were heard at Syracuse; 58 from the Metropolitan Area at New York City; and 39 from Western New York at Buffalo. Official stenographers transcribed a total of 1,570 pages of testimony taken at the hearings.

Under Study Program D, the Subcommittee formed a Medical Advisory Committee for the purpose of obtaining a professional set of opinions and recommendations in that specialized area of welfare operations. Members of the Medical Advisory Committee were Dr. Robert P. Whalen, of Albany, as Chairman; Dr. George James, of New York City; and Dr. James Greenough, of Oneonta. Dr. Whalen is former Albany County Commissioner of Public Welfare and presently is Commissioner of Public Health of that county. Dr. James is First Deputy Health Commissioner of New York City. Dr. Greenough, a veteran private practitioner, was selected as a representative of the Medical Society of the State of New York. In its special studies, the Medical Advisory Committee and a staff of seven outstanding professional consultants, themselves all doctors and experts in various fields of public medicine, held extensive conferences with numerous medical and dental practitioners, hospital administrators and others at meetings in Albany and New York City. A report of findings and recommendations was submitted to the Subcommittee by the Medical Advisory Committee on January 22, 1961, and copies subsequently were distributed to each member of the Commission.

Altogether, the Commission has received the formal, two-volume report of the firm of Cresap, McCormick and Paget; the informal, individual expressions of Subcommittee members; the minutes of three extended public hearings; and the report of the Medical Advisory Committee.

II

INTRODUCTORY OBSERVATIONS

The broad objective of public welfare in this State is defined by the following statutory language (Section 131, Subdivision 1, Social Welfare Law):

> "It shall be the duty of public welfare officials, insofar as funds are available for that purpose, to provide adequately for those unable to maintain themselves. They shall, whenever possible, administer such care, treatment and service as may restore such persons to a condition of self-support, and shall further give such service to those liable to become destitute as may prevent the necessity of their becoming public charges."

In attempting to accomplish this, a vast, complex and unwieldly structure has evolved. Its interlocking problems are unknown to the general public. In fact, only a handful of individuals grasp the complete picture with objectivity.

Public assistance, primarily, is dispensed and administered directly to the needy person by the local welfare districts. These normally are the counties, but sometimes are the cities, as in the case of New York City, Binghamton, and others. All the local operations are subject to policy made by the State Board of Social Welfare, as carried out through the supervision of the State Department of Social Welfare. The Board is specifically defined as the head of the Department.

Up to 25 years ago, this State-local system in general worked pretty well. At that time, the Federal Government entered into the field of public assistance by providing funds for certain programs such as Aid to Dependent Children (ADC) and Old Age Assistance (OAA). To insure the expenditure of the federal monies as intended, still another layer of laws, regulations and requirements was imposed.

Thus, today, in order to feed, clothe and shelter needy persons and get them back on their feet as contributing members of society, we have a huge complex of three levels of government. At the bottom are the rules and regulations of the local authorities. These, in turn, are subject to the added rules and regulations of the State. And both are subject to the rules and regulations of the Federal Government.

In addition to the inevitably cumbersome and often hamstrung operation resulting, the end product is a system in which none of the three levels has complete responsibility and authority for the administration of public assistance. But each has partial or complete responsibility in some phases of it. (We use the term "public assistance" because that is the segment of public welfare to which the major part of this study was directed, in contrast to other welfare activities such as institutional and child care.)

Because of the three control levels, it is inevitable that abuses, defects and failures occur. The divided responsibility also makes difficult the problem of providing effective remedies. Indeed, it is possible to make only one flat and unqualified statement in this direction, namely that there is no single remedy, no panacea. At the same time, however, there are certain definite steps and attitudes which can be taken to make the administration of public welfare more effective and less costly.

For 1960, expenditures for State-aided, locally-administered welfare programs were almost one-half billion dollars. Of this, roughly 34 per cent was local funds, 35 per cent State funds and 31 per cent Federal funds. The year-

by-year increase projected and predicted on the basis of past trends amounts to an average of $30 million. In other words, welfare costs at the present rate of growth in New York State will continue to grow indefinitely at the rate of $30 million a year unless some action is taken to halt them.

What this action is to be has been the elusive quarry sought by this investigation. So far as our studies have shown, the answer lies in the direction of paying constant attention to improving internal administration wherever possible. This, also, is not something that can be done through any one major action or change. It requires continuing action, constant vigilance and vigorous, determined leadership. Only such new vigilance, vigor and determination can control the growing costs and render the services for which the State has obligated itself.

III

CONSULTANTS' RECOMMENDATIONS

The welfare report of Cresap, McCormick and Paget was originally undertaken as a reconnaisance survey. In actuality, it is a comprehensive study in depth which far exceeds the contractual obligations of the firm. Its findings and recommendations—the first of such detail on a statewide basis for many years—will provide helpful material in the welfare field for a long time.

At this time the Subcommittee, after long study, gives its approval to a selected number of conclusions and recommendations of the Cresap report. These are extracted from the report verbatim and are attached hereto as an appendix to this report.

The Subcommittee specifically urges, in line with points in the Cresap report presently approved, that greater administrative emphasis be placed on the following five points:

(a) Pilot rehabilitation programs to test new techniques;

(b) Research to improve methods and procedures;

(c) Recodification and simplification of rules, regulations and bulletins, separating theory, advice and information from State requirements and the latter from Federal requirements;

(d) In cooperation with the Public Welfare Personnel Classification Commission (chapter 1006, Laws of 1960), guide local welfare districts toward solving their personnel problems of recruitment, morale, excessive paperwork and high turnover of caseworkers; and

(e) Where needlessly high local administrative costs develop, improved methods should be made available to local officials and guidance provided toward putting them into effect.

If a start were to be made on the foregoing, it would be a significant accomplishment. Therefore, the Subcommittee is not prepared to express an opinion on other findings and recommendations of the Cresap report, or on the specialized report of the Medical Advisory Committee. Failure to include such other findings and recommendations in this report should not be construed as disapproval. More consideration must be given to them.

IV

STATE-FEDERAL RELATIONS

The overwhelming factor affecting the cost and administration of public assistance in New York is the impact of the federally-aided programs: Aid to Dependent Children (ADC), Aid to the Disabled (AD), Old Age Assistance (OAA), and Aid to the Blind (AB).

Prior to 1936, New York's welfare programs were carried out by local administrators, subject to state supervision but without present-day requirements in detail. Much more discretion was left to those who knew the cases personally to deal with them as individuals, as their personal situations and characteristics warranted.

Since 1936, major programs in our State to aid persons in financial need have been supported in large part by federal funds, now totaling approximately $150 million annually. With these funds have come the imposition of strict standards and controls which have in effect stultified welfare planning in New York. Our State Welfare Department now is the legal agent of Washington in supervising these programs. Federal policies and procedures quite logically have carried over into non-federally aided programs. Thus, the federal theory of uniformity in contrast to the idea that people are individuals and should be cared for as such has carried over into most of the State's welfare administration. It has evolved, as one highly placed state official succinctly stated it, largely into a bookkeeping system.

The standardization process will take another big step this year, in all probability. Congress is considering amending the ADC program, originally designed for special services to widows with children. It is proposed to expand ADC to include homes in which the father is residing but unemployed. Thus, from a specialized program to meet a family problem, there emerges one of relief to supplement unemployment insurance. If the proposal succeeds, inevitable pressure will be applied to the Legislature to adjust our law to become eligible for the new federal funds involved. Much of our present Home Relief costs, now shared on a state-local basis only, would then be transferred to ADC and our present power to control the administration of Home Relief without federal interference would be largely surrendered.

V

UNIFORM STATEWIDE STANDARDS

On January 1, 1952, the Federal Security Agency, now the Department of Health, Education and Welfare (HEW), put into effect the requirement of uniform statewide standards of assistance referred to in the preceding Section IV. The Temporary State Commission to Study Federally Aided Welfare Programs (known as the Kelley Commission) was established by the Legislature in 1951 to resist this. (See Commission's reports — Legislative Documents Nos. 30, 28 and 7 of 1952, 1953 and 1954, respectively.) The Commission, largely due to the work of the Counsel to the State Department of Social Welfare, clearly demonstrated that this federal imposition was without any legal sanction since Congress had refused to authorize it. However, the federal agency usurped the authority, safe in the knowledge that the States would yield in order to avoid losing federal funds pending protracted litigation. The Kelley Commission was successful in gaining a few concessions but lost the major points.

From the imposition of these uniform standards, little known to the general public, stem many of the much publicized welfare abuses. It is only natural that some people who know their "rights" will take advantage of policies and standards designed for uniform mass application. In addition, such standards, even though some variances are permitted (thanks to the Kelley Commission's work), also serve to impede rehabilitation. This is so because the extra help and guidance required by those who have the drive to benefit thereby places too heavy an administrative burden on already overworked and understaffed local welfare departments and their field workers.

The imposition of uniform standards is an outstanding example of the administrative weakness resulting from Federal Government participation in public welfare programs. As has been pointed out, before such participation by Washington, there was far more local discretion in providing grants on the basis of individual need and condition—far more effective direct aid on a personal basis which looked toward rehabilitation.

Long and serious thought should be given by leaders of the State Government to this question. Broadly speaking, that question is: Are the people of this State as a whole benefiting from taking federal dollars under the conditions imposed?

VI

NEGOTIATION OF FEDERAL-STATE DIFFERENCES

Pending any other changes in the present federal-state welfare relationship, it is considered urgent by this Subcommittee that immediate action be taken towards lessening federal controls. Accordingly, negotiations should be sought and carried on with the encouragement, guidance and leadership of the State's Chief Executive, in keeping with New York's acknowledged leadership in the public welfare field, for the purpose of gaining relaxation of federal requirements where they seriously impinge on the traditional social welfare pattern of this State.

This is no mere formal suggestion. The Permanent Senate Subcommittee on Investigations (McClellan Committee) is currently conducting an investigation of HEW procedures. Other industrial states, with a tradition of sound public welfare systems, also are not satisfied with federal-state relations. New York, with her traditional leadership, could exert heavy influence with the Federal Department (HEW).

As the Kelley Commission repeatedly recommended (Leg. Doc. No. 30 of 1952 at page 21, Leg. Doc. No. 28 of 1953 at page 16, and Leg. Doc. No. 7 of 1954 at page 10) there should be a method by which a state may test in court its rights to receive federal grants-in-aid, under the federally-aided assistance programs, before the Federal Department can cut off funds from a state.

Such a method would render state administrators less helpless before threats of loss of federal aid, threats often based on administrative decisions of doubtful legality. To gain this end alone would be worth staking the leadership of New York in conjunction with other states.

It is emphasized that this is not a partisan approach. The same doctrinaire, professional, over-scientific thinking which leaves little room for on-the-spot local judgment prevails in federal public assistance policies today as when they were first initiated. The same sort of thinking, furthermore, is all too prevalent among professionals in the state administration. It is for this reason that policy determination and follow-through by the non-professional Board of Social Welfare, with the close and continuing encouragement and cooperation of the state leadership, is vitally necessary. Otherwise, we can only sit supinely by and become no more than an agent of the Federal Government in the whole field of public welfare. This would be in opposition to the view held by many—including ourselves—that public assistance, as distinguished from social security, is not a proper area for federal activity.

The Report of the Advisory Council on Public Assistance to Congress (Leg. Doc. No. 93, 86th Congress) dated December 31, 1959, contained a significant viewpoint by two members of the Council. It is proposed to resolve the confusion of joint federal-state participation in social welfare programs in the following way. The Federal Government would wholly take over Old Age Assistance and other social security-type categories. The Federal Government would withdraw entirely from strictly public assistance programs such as ADC. At the time proposed, this would have left the actual allocation of federal funds among the States about as it was. Many of the complexities, irritations and problems of joint responsibility would have been eliminated. The States then would have been free to administer public assistance programs on the basis of need, as determined by those in a position to appraise it at first hand, free of the slide-rule approach now found in the administration of "categories."

As previously indicated, the administration of public assistance by "categories" is a cause of continuous criticism because of the added burden imposed on local officials. It is an artificial way of handling public assistance but will probably have to continue as long as joint federal-state participation continues. Turning over some programs *in toto* to the Federal Government and others to the States, however, should be pursued as the start of serious effort to work out more practical federal-state relations.

If such efforts are not undertaken, federal control will become even more dominant. In this case, consideration should be given to abandoning our thin remnant of local responsibility under state supervision. Under the traditional concept of local self-government, this used to work reasonably well, since at that time there was local responsibility and authority in fact. If it is to be diluted further, then it might be simpler, less complex and less expensive if the State Department of Social Welfare, as the federal agent, simply took over the work of issuing public assistance checks by completely standardized mass methods.

VII

STRUCTURE OF BOARD AND DEPARTMENT OF SOCIAL WELFARE

The Governor appoints the 15 members of the State Board of Social Welfare. It is the legal head of the Department of Social Welfare. Its function is that of a policy-making and supervisory body. Its chief administrative officer is the Commissioner of Social Welfare, whose duty is to execute the Board's policies and rules.

In theory, the Board and the Department are limited to guiding and supervising administration by the local public welfare departments. However, as pointed out, federal requirements and the tendency toward standardization have led the State Department more and more into detailed control of local departments.

The Board itself serves an important function as a balance wheel. It affords a forum to private groups and local officials for expression of their views—often in opposition to the specialized, standardized approach of professional personnel in the Department. Private agencies have a definite and important function in welfare, in which they should be protected and encouraged. They are subject to certain rules of the Board and their work brings them into constant contact with public welfare administration. The Board, oriented to private as well as public welfare activities, is in a better position to settle differences between private agencies and professional public administrators than the Department, which is oriented to the public approach. Furthermore, strong local officials, who exert some responsibility independent of the State Department, also need a tribunal capable of detached judgment.

One may ask why should the State Department of Social Welfare be headed by a Board any more than any other state department. The reason is because the State does not have the responsibility and authority actually to administer welfare programs, such as public assistance, which is a local function.

The shortcomings of administration and leadership in the Board and the Department as pointed up by the Cresap report and emphasized in Section III of this discussion should not be attributed to the Board-Department structure. It is true that the Board has remained somewhat aloof and withdrawn over the years. It is also true that, over the years, the consultation and guidance which must come from the Executive and Legislative branches has been sporadic. Personnel problems exist. No public relations approach has been found to bring the whole welfare picture into graphic focus, to bring its complexities and problems home to the public. Yet, sweeping changes are regarded as neither practicable nor desirable.

Before proceeding with any drastic changes in the Board-Department relationship, it should be encouraged and helped to function properly. Drastic changes could lead to more problems than would be solved.

This Subcommittee, therefore, offers the following summary of its findings concerning the structure of the Board and Department of Social Welfare, together with a plan it recommends to strengthen weaknesses.

1. Present organization

Over the years, there have been only sporadic liaison and exchange of views between the Board of Social Welfare and the Executive and Legislative branches.

The 15-member Board is the legal head of the Department of Social Welfare which carries out policy made by the Board. The members are unsalaried.

All members of the Board are appointed by the Governor for staggered terms, one

member is from each of the ten judicial districts and the remaining five at large.

One member is designated by the Governor to serve at his pleasure as Chairman.

This organizational pattern—Governor to Board to Department and on down to the local welfare districts—has raised questions as to whether a more streamlined chain of command should be established.

It is believed that the chief weaknesses are not so much the structure as: (1) lack of close and continuing liaison with the Legislative and Executive brances of government; (2) weak public relations; (3) unwieldly size of the Board; (4) need for more vigorous and determined leadership among personnel of both Board and Department; and (5) providing the Board with some tools it needs to function properly.

It is believed that this can be attained without complicating the situation by further dividing or fragmenting responsibility.

II. The following PLAN is recommended.

(a) By statute, reduce the membership of the Board to nine by eliminating the requirement of appointing one member from each judicial district.

(b) This could be effected by terminating the terms of the presently-serving 15 members at once. (This is legally permissible.) Or, the reduction could be made gradually, as current terms expire.

(c) A person of outstanding executive talent and drive, preferably with public relations experience, should fill the position of Chairman of the Board.

(d) Although the Board chairmanship should not necessarily be a full-time job, we recommend that this position be reasonably compensated, considering the time required and qualifications needed.

Such a plan, it is felt, would be a means of tightening up social welfare Legislative-Executive relations, putting drive into the Board and Department and improving public relations. In this way, these objectives could be achieved by strengthening the Board and protecting its important function as a balance wheel between private welfare, the State Department and the local districts. The Board also should serve as a deterrent to certain types of doctrinaire thinking among career personnel.

This plan underscores the major findings of this Subcommittee—that vigorous, determined leadership is vital if anything is to be done as a start toward meeting the problems of public welfare today. At best, reorientation and visible results will take considerable time. Without strong and systematic leadership, together with cooperation at all levels, they will not happen at all.

VIII

LEGISLATION

Most of the conclusions and recommendations contained in this report can be translated into action by the proper leadership. Very few new laws are necessary, but, as the result of public hearings and other phases of this survey, a group of ten bills have been introduced. They are as follows:

1. Senate Int. 2949, Pr. 3152 (Wise)
   Assem. Int. 4092, Pr. 4311 (Manley)
   AN ACT to amend the social welfare law, in relation to the appointment of citizens advisory committees
2. Senate Int. 2951, Pr. 4048 (Wise)
   Assem. Int. 4084, Pr. 5191 (Corso)
   AN ACT to amend the social welfare law, in relation to the establishment of a central registry containing information with respect to the fathers of abandoned children in the State department of social welfare
3. Senate Int. 2946, Pr. 4037 (Wise)
   Assem. Int. 4096, Pr. 5192 (Manley)
   AN ACT to amend the county law and the social welfare law, in relation to the appointment and removal of public welfare commissioners
4. Senate Int. 2895, Pr. 3096 (J. Cooke)
   Assem. Int. 4017, Pr. 4219 (Crawford)
   AN ACT to amend the social welfare law, in relation to liens for public assistance and care on claims and suits for personal injuries
5. Senate Int. 2947, Pr. 3150 (Wise)
   Assem. Int. 4095, Pr. 4314 (Manley)
   AN ACT to authorize the department of social welfare to prepare a master plan for the reorganization of public welfare districts
6. Senate Int. 2948, Pr. 3151 (Wise)
   Assem. Int. 4093, Pr. 4312 (Manley)
   AN ACT to amend the social welfare law, in relation to liability of relatives to support
7. Senate Int. 2950, Pr. 3153 (Wise)
   Assem. Int. 4094, Pr. 4313 (Manley)
   AN ACT to amend the social welfare law, in relation to installment sales to persons receiving public assistance and care
8. Senate Int. 2952, Pr. 3155 (Wise)
   Assem. Int. 4085, Pr. 4304 (Corso)
   AN ACT to amend the social welfare law, in relation to cooperation with other states on the problems of migrants coming into the state
9. Senate Int. 2953, Pr. 3156 (Wise)
   Assem. Int. 4083, Pr. 4302 (Corso)
   AN ACT to amend chapter eight hundred thirty-four of the laws of nineteen hundred sixty, entitled "An Act to amend the social welfare law, in relation to creating a public welfare personnel classification commission and prescribing its powers and duties," in relation to its powers
10. Senate Int. 3142, Pr. 3404 (Wise)
    Assem. Int. 4369, Pr. 4634 (Corso)
    AN ACT to amend the civil practice act, in relation to stays of summary proceedings or actions for rent against public welfare recipients

The first two of these bills are non-controversial and generally acceptable. The third, relating to appointment of local commissioners, although initiated at the request of the local commissioners themselves, through the Executive Committee of the New York Public Welfare Association, is strongly opposed. There may be insufficient time at this session to develop the technical amendments necessary to insure its passage.

The remaining seven were introduced for consideration. Some require amendment. It may be that final action on some of these bills should be deferred until the next session of the Legislature.

The above report and the attached appendix of approved findings and recommendations extracted from the Cresap report are submitted by the legislative members of the Subcommittee on Public Welfare.

Dated: March 15, 1961

HENRY A. WISE, *Chairman*
JOSEPH R. CORSO
A. BRUCE MANLEY

APPENDIX

Following is the approved material extracted from the report made by the management consultant firm of Cresap, McCormick and Paget on January 18, 1961. The approved sections are reproduced verbatim and in the original format.

INTRODUCTION

Public welfare is a complex problem about which there is too little knowledge and understanding. In most instances, departments of public welfare must endeavor to deal with the problems that result from failures in other public and private activities of our communities, such as housing, health, education, correction, industry and family life in general. Corrective action for these failures is not usually within the powers of departments of public welfare. And yet, the problems and the failures exist and grow more acute. Unless basic changes occur to operate on these failures, even under conditions of a healthy economy, public welfare costs in New York State may be expected to increase at the rate of $30 million annually until in 1970 they will have increased approximately $300 million, or 60 percent, to $780 million per year.

In the welfare field, New York State has much about which it can be proud. It has always occupied a position of leadership in the Nation, exhibiting a genuine concern for the needs of its citizens. Public welfare programs, including health and medical care, are well financed in New York, which is one of the few states attempting to meet the full, individual needs of its less fortunate citizens. And yet, because of the existing framework for local administration of public welfare, it is not possible to make a blanket statement that public welfare is well or badly administered. There is evidence that, in some areas, the quality of administration is high, while in others it is much less than satisfactory. This reconnaissance study, dealing primarily with the State Department of Social Welfare, examined those functions representing only a small segment of the cost of public welfare, $7.1 million out of a total of $486.5 million in 1959.

It would be a mistake, however, to minimize the importance and effect of this small segment. For, in the final analysis, it is this segment which provides, or fails to provide, the requisite leadership for the State which sets the tone and direction of public welfare efforts.

In the final analysis, it is the intensely personal relationship between the public welfare recipient and his caseworker which determines if public welfare funds represent an investment in the future or wasted efforts. Effective administration of public welfare, especially prevention and rehabilitation efforts, depends to a great extent upon experienced caseworkers with a dedicated and practical view of this relationship. A study which fails to recognize this fact, and is not directed toward the ultimate improvement of this relationship, has not achieved its maximum potential. While this study has been largely concerned with the State Department of Social Welfare, its orientation has been in the direction of strengthening this role of the caseworker in public welfare.

MAJOR PROBLEMS

Problems in public welfare are many faceted, tending to become entangled with other, related problems. The following problems appear to be those of first magnitude, and unless they are corrected they will preclude any significant abatement of increasing welfare costs.

The Basic Objectives of the State Department of Social Welfare Are Limited

The basic orientation of the Department is toward determining eligibility and making

prompt payments. Leadership for prevention and rehabilitation, a primary charge upon the Department under the Social Welfare Law, has been lacking.

The Organizational Setting for Public Welfare Within the State Government Handicaps the Development of Remedial Efforts

The Department of Social Welfare is somewhat detached from the direct influence of the Chief Executive of the State because of the existence of the Board of Social Welfare. Solutions to many basic welfare problems in the fields of health, education, housing and employment require multi-department action, but the existing organizational setting hampers coordinated efforts from all State departments primarily concerned with these problems. As a result, sustained and coordinated effort is not achieved.

Little Basic Research Is Performed on the Fundamental Causes of the Need for Financial Aid

Most research performed has been statistical and not basic to the underlying problems that result in financial dependency. Areas in need of research not now being performed by the State include:

—How to communicate family life values to persons of limited cultural and intellectual background

—The effect of continued reliance on public assistance upon persons of limited education and training

—Early casework with the aging

—The effects of saturating a neighborhood with welfare services as it begins to deteriorate

Intake and Case Assignment Procedures Used in Most Departments Do Not Recognise Potential Long-Term Dependency or the Special Needs of Multi-Problem Families

Little if any attempt is being made to identify in advance the potential chronic public assistance case. Further, cases are not being assigned in accordance with their complexity or their needs. The most experienced and least experienced caseworkers normally carry the same type of case load.

Shortages of Welfare Staffs Occasioned by Excessive Turnover Have Increased Administrative Costs and Impeded the Effective Operation of Welfare Programs

The total staff rate of turnover of the State Department ranged from 20 to 26 per cent during the past five years and of the local departments ranged from 19 to 23 per cent. The social worker staff rate of turnover of the State Department ranged from 22 to 40 per cent during the past five years and of the local departments ranged from 28 to 36 per cent. Caseworker turnover in 1958–59 was 60 per cent in Chenango County, 56 per cent in Albany County, 55 per cent in Cayuga County, 50 per cent in Dutchess County, 50 per cent in the city of Newburgh and 40 per cent in Westchester County.

Work Performed by Caseworkers Has Not Been Stratified to Permit the Utilization of Less-Trained Staff and Greater Utilization of Professional Staff Time on Complex Matters

A large proportion of caseworker functions involves clerical operations. Only slightly over 20 per cent of caseworker time is being used for social services. Cases are not assigned to caseworkers on the basis of the widely differing needs of the recipient in order to secure the advantages of specialization or the best use of caseworker skills.

Responsibility for Children's Services, Including Juvenile Delinquency Prevention Programs, Has Been Divided

The programs and operations of the State training schools for children are under one Deputy Commissioner in the State Department, while child welfare programs in local departments are under another Deputy Commissioner and the local commissioners. The new Division for Youth reports directly to the Governor. Although all such programs are concerned with

the protection of children, they are not organized to permit maximum coordination of effort.

The Cost of Administering Public Welfare in New York State Is the Highest on a Case-Month Basis in the United States

All programs but one, AD, cost more to administer one case for one month in New York than in any other state (Alaska costs for HR are slightly higher). This high cost is not due to high State Department costs, but to high local department administrative costs. Furthermore, most of the cost of administration is spent determining eligibility, and very little is spent for social or rehabilitative services.

The Present Administrative Framework for Public Welfare in New York Has Resulted in a Piecemeal Approach to Simplification of Systems, Procedures and Statistical Reporting

Existing systems, procedures and statistical reporting result from local requirements built on top of state requirements, which are built on top of federal requirements. Local requirements and preferences often have more weight in determining forms, systems, equipment and reports than do the requirements of an integrated system for the State. Decentralized administrative responsibility, with maximum local option, has resulted in extremely detailed regulations and bulletins from the State Department to cover all contingencies.

The State Has Not Availed Itself of Modern Electronic Data Processing Systems for Handling Mass Routine Transactions

Local administration of public welfare has precluded any significant consolidation in order to permit the use of advanced systems. Systems and equipment to be used are determined almost solely by local departments and are not integrated. The use of manual and obsolete systems unquestionably is a cause of high administrative costs in New York.

MAJOR RECOMMENDATIONS

Many of the public welfare problems summarized above have been pointed out before on numerous occasions. A review of the several previous studies reveals a wide knowledge of many of the problems, as well as considerable agreement on some of the possible solutions. However, despite repeated cataloging of the problems and solutions, the coordinated leadership needed for remedial action has apparently been lacking. This situation exists, even though many of the recommendations offered are being taken by other welfare jurisdictions in the United States and foreign countries and have proved their value. It is therefore believed that strong leadership from the State's Chief Executive is the only means of securing corrective and coordinated action. The summary of recommendations follows.

The Department's Basic Objectives Should Be Reoriented

The State Department is basically oriented toward determining eligibility and making payments. In addition, it takes a limited view of its leadership role in developing and testing remedial measures to rehabilitate welfare recipients. It is recommended that the State Department lessen its activities on local control, and give major attention to developing improved administration at the local level and providing leadership toward preventing dependency or rehabilitating persons who become dependent, as the Social Welfare Law so charges.

The Basic Policies and Procedures of the State Department Should Be Simplified and Clarified

At present, the bulletins of the State Department are oriented toward controlling local welfare operations, and combine philosophy of welfare, operating procedures, statistical reporting requirements, policies, and rules and regulations. Because of this complexity, they are of little use to local administration. It is recommended that the requirements of the State Department be published separately as rules and regulations. Further, the requirements and role of the Federal Government should be clearly stated. All other manuals

should be simplified and directly related to specific groups. For example, a caseworker's manual, an accounting and budgeting manual, a supervisor's manual, a personnel administration and training manual, a local commissioner's manual, etc., are needed and are highly recommended.

The Resources Unit in the State Department of Social Welfare Should Be Strengthened

Provision should be made for a central registry and location service for locating deserting fathers. Such a service would be better able to utilize all available state organizations for tracking down deserting fathers as a service to the local departments.

The Department of Social Welfare Should Institute Adequate Research Projects to Develop Techniques for Use by Intake Staffs in Early Identification of the Potentially Chronic Case

Some public welfare jurisdictions outside of New York have already done some rewarding work in this area. Rehabilitation is facilitated by early identification, preferably at intake. The advantages of assigning cases to caseworkers who specialize in particular problems cannot be fully realized unless case requirements are identified at the time of intake.

The Department of Social Welfare Should Undertake a Penetrative Study into the Characteristics of ADC Recipients, the Causes for Their Dependency, Factors Which Impede Their Rehabilitation and the Factors Which Motivate Them Toward Self-Support

The growing problem of the ADC case load, particularly upstate, makes greater knowledge essential. At present, little is known of the backgrounds of ADC recipients. It is clear that the program no longer involves primarily the "worthy mother," but the broken home or home that never existed. Emphasis should be given to restudying the present philosophy of almost automatically keeping the mother at home. Special attention also should be given to the impact of extremely poor housing conditions upon the case load and costs of this program.

Intensified Rehabilitation Efforts Should Be Supplied Some ADC Mothers by Providing Vocational Training, Adequate Day Care Facilities and Other Services in Order to Achieve Self-Support Where This Is Needed for Improved Family Life

It should be recognized that remaining in the home under conditions which frequently prevail contributes to further deterioration of some ADC mothers. Some mothers are capable of providing a wholesome family life if given the means of achieving self-support, and hence self-respect. Improved programs for vocational training and day care will be required if many are to become employable. Such an approach should be taken, of course, only when careful analysis indicates that family life will benefit from it.

Work Already Done Under the Direction of the State Department on Multi-Problem Families Should Be Continued on a Broadened and More Intensified Basis

The work done in Westchester and Niagara counties, and independently in Monroe County, gave favorable results, but there has been little implementation elsewhere. Similar projects in Texas and in Marin County, California, have achieved case load reductions in their ADC programs of 20 to 30 per cent, respectively. A 20 per cent reduction in the 1959 family program case loads would have reduced assistance payments alone by $12.7 million for the Federal Government, $10.2 million for the State Government and $9.5 million for New York local governments, or $32.4 million in total.

The Detailed Study of the Duties and Responsibilities of Welfare Staff Workers Authorized by the Legislature Should Be Expedited in Order to Improve Personnel Functions

The clerical content of caseworkers' duties should be reduced. Special categories of caseworkers for complex cases should be created, with higher requirements and compensation.

Opportunities for using "friendly visitors" with less education, in lieu of college trained caseworkers, should be fully explored. Provision should be made for transferring caseworkers from private agencies to public agencies at equivalent levels of responsibility. These changes are necessary if enough capable, trained caseworkers are to be procured and retained.

Individual Case Records and Reports Should Be Simplified and Integrated into a State-Wide System of Statistical Reporting for Evaluating Programs and Costs

Form recording should be used to the maximum extent possible. Forms used in case records should show case movement at a glance, as well as total action taken and case diagnosis. Case records should be stripped of duplicative material, and supervisors should be charged with responsibility for seeing that this is done. Forms prepared at intake and by the caseworker should be integrated into a proposed electronic data processing system and reworked to include essential data for analyses of programs and costs. A study should be made to develop valid statistical standards for these analyses.

Adequate Vocational Training Programs and Facilities for the Current and Potential Low-Income Population Should Be Provided by the Education Department

The absence of work training and of the development of skills in demand is a major contributor to dependency on public assistance. A study should be made of the vocational training needs of the different regions of the State, to determine how well these needs are being met and what corrective action is required. Provisions should be made for vocational training to be made available to those requiring it, either through utilization and expansion of current programs in public and private agencies or, if necessary, through establishment and operation by the State of regional vocational training schools in which needy persons, as well as others, may be equipped for self support, as provided for in the Social Welfare Law. Further, the Education Department should be charged with providing improved vocational counseling for those in need of initial training or retraining.

Modern Electronic Computer and Data Processing Systems Should Be Installed on a State-Wide Basis, in Order to Improve Systems, Procedures and Statistical Reporting and to Reduce Costs

Such a program should provide a complete information system, beginning with the original application in the local department and ending with the ultimate uses of such data at the state and federal levels. Regional data processing centers, perhaps three, should be established to serve the local departments. It is estimated that financial savings would range from $500,000 to $1,000,000 annually, with additional important benefits of improved accuracy, increased availability of data and greater flexibility.

Supporting Administrative Services Should Be Strengthened and Improved in a Number of Areas

A study should be made of the turnover rates and shortages of staff at all levels, and methods should be developed by which these problems may be reduced.

Responsibility for procedures and systems should be consolidated within a single bureau in the State Department, and this bureau should initiate a major study of forms used for all purposes in conjunction with the proposed study of integrated data processing, in order to reduce the number of separate reports required.

Statistical reports should be made more meaningful in terms of program quality, and responsibility for their analysis and interpretation should be assigned to the Deputy Commissioner for Administration and Finance.

HANDS OFF RELIEF, UNCLE

Extension of remarks of Hon. Clarence E. Kilburn, of New York, in the House of Representatives, Tuesday, February 27, 1962

Mr. KILBURN. Mr. Speaker, I attach herewith an editorial from the New York Daily News regarding a speech by New York State Senator Henry A. Wise who is from my district. He is chairman of the welfare committee of the New York Senate, knows his subject thoroughly, and is a recognized authority on the many abuses that have grown up in welfare. I hope the Members of the House will read this brief editorial:

"HANDS OFF RELIEF, UNCLE

"Speaking of Uncle Sam, State Senator Henry A. Wise, Republican, Watertown, made a remarkable speech in the senate a few days ago on relief and the reasons why it is so widely and increasingly abused.

"Senator Wise has studied the subject for at least 10 years. His conclusion is that the chief villain in the relief-abuse drama is the Federal Government.

"The Government puts up billions a year to help the States pay their relief costs. Since Federal aid always means more or less Federal control, the Department of Health, Education, and Welfare insists on pretty much dictating the ways in which the States shall spend relief funds.

"Result: 'Myriad procedural details and mountains of paperwork' keep local welfare workers, no matter how able, from handling each case as they know it should be handled. Uniformity is enforced from Washington, on pain of the State's losing its share of the Federal relief funds.

"What can the ordinary taxpayer do about all this? He can at least (1) pressure his State legislators to fight Washington's continual butting-in on State management of relief, and (2) pressure his Senators and Representatives to fight the HEW's endless grabbing for more power, more money, and more people on its already swollen payrolls.

"Ordinary taxpayers in million lots had better do those things, persistently if they want these relief abuses ever to stop, even in part."

STATES VIEW OF WELFARE: STATE SENATOR HENRY A. WISE, OF NEW YORK

Extension of remarks of Hon. Thomas B. Curtis, of Missouri, in the House of Representatives, Tuesday, February 20, 1962

Mr. CURTIS of Missouri. Mr. Speaker, in this great Federal Union in which we operate, it is important that those of us in the National Legislature give heed to the words and feelings of our legislative counterparts on the State level. I recently had the opportunity of reading a speech by the Honorable Henry A. Wise, senator from the 43d Senate District of the State of New York and chairman of the New York State Senate Committee on the Public Relief and Welfare. Senator Wise forwarded me a copy of his speech with the following comment:

"I enclose copy of part of the debate on public assistance in the New York State Senate today. This may interest you as it attempts to point out how the Ribicoff proposals will merely complicate the problem, not solve anything. I am sorry that the Ways and Means hearings were held so soon and so fast."

I should like to share this speech with my colleagues in the National Legislature for I believe it gives a sound view of Federal welfare programs from the point of view of those who must live with them in the States. I commend Senator Wise for bringing this matter so clearly and forcefully into focus:

"THE GLORIFICATION OF INDIGENCE

"(Transcript of remarks by Senator Henry A. Wise, Watertown, in course of debate in New York State Senate, February 13, 1962, on public assistance)

"Mr. President, I arise because of what I have learned about public welfare, or to be specific, the public assistance phase of it, in 10 years as chairman of this senate's standing committee on public welfare and as chairman of the State coordination commission's welfare investigation last year. That commission, headed by Senator Erwin, completed its investigation and made its unanimous report last March 15.

"When I started in this I knew it all and was sure that welfare administrators and social workers were a bunch of paper-pushing cloud riders. After a dozen years I've learned something of the maze of procedure, of why welfare is in low public esteem and why the people responsible for carrying on its day-to-day operation are helpless, under stultifying rules and regulations, to do much to make responsible citizens out of more of their clients.

"Also, I learned that welfare is the dumping ground—the repository—of human problems which are not glamorous or rewarding enough to be taken under the wing of some other State department.

"I learned that in New York State over a half million persons are receiving public assistance costing a half billion dollars annually and going up about $30 million a year largely because the myriad procedural details and mountains of paperwork now in vogue to obtain uniformity are no substitute for realistic rehabilitation. These roadblocks are the result of bureaucratic policies in Washington, a quid pro quo for Federal aid.

"I learned that the present-day problems of our metropolitan communities are so vast and complex that even able local commissioners, like James Dumpson, of New York City, simply do not have the tools or authority to cope with them adequately under outmoded ground rules and lack of liaison with related municipal functions including housing, schools, health, and transportation.

"I do not speak as a partisan because both parties either have been unrealistic or have ducked the tough decisions. Nor did I speak as an upcountry legislator oriented to some nostalgic wish for the mythical rural life of years gone by as celebrated in song and story.

"I do speak to you as one of the handful of legislators who has seen welfare and what it does to, as well as for, people from observing them in their homes—people unto the second and third generation in rural slums as well as in the solid welfare communities in the heart of our big cities. Caseworkers have taken me to see people, who, when asked what should be done to help them get on their feet, replied, and I quote: 'All I want is to live my life on public assistance.'

"I have read a horrifying and absorbing book in novel form, entitled 'The Inhabitants,' which portrays the lives, or rather existence, of able-bodied, chronic, not unusual welfare cases as seen through the eyes of their caseworker. The author, Julius Horwitz, arranged a 'conference' for some members of our welfare investigation subcommittee with the 'heroine' at her apartment.

"DISCRIMINATION VERSUS DISCERNMENT

"A complication is one which we all prefer to leave unmentioned. We prate against discrimination based on prejudice while subtly—and not so subtly—using it to gain the bloc votes of ethnic and religious groups. We confuse this with discernment—discernment of the human qualities possessed by an individual, whether man, woman, child, irrespective of the color of his skin or his mode of worship. Discernment is understanding a person's frailties, foibles, and strengths. That is fundamental to rehabilitation.

"As our direct and succinct minority leader, Senator Zaretzki, said in an address delivered at a large public gathering only last January 31:

"'All men are created equal under the law, but no man is born equal. Every person is born different and is different. Some are crippled. Some have mental defects.'

"These unpleasant facts have to be weighed if welfare is to be more than a check dispenser, a subsistence program—and it cannot be much more under present-time consuming and burdensome, administrative policies in force to protect the State from loss of Federal funds.

"HOORAY FOR UNIFORMITY

"Public welfare has become overstandardized, overformulated and overregulated. It is, however, a person-to-person problem, an individual matter for the soldiers in the field, that is the social workers, to whom must be given the training, discretion, and responsibility to act on the basis of their individual judgments, subject to the approval of the case supervisor. No army won a war by deploying on the field carrying bulky volumes of army regulations and consulting them before every move. But uniformity is the watchword thanks to the career brains of the Federal Department of Health, Education, and Welfare. Administrations may come and administrations may go but inflexibility in the attitude of a certain breed of bureaucrat goes on forever.

"Governor Ribicoff is the first HEW Secretary since the Federal public assistance setup has been confusing the welfare picture to tell the career people of his agency that this is not 1935. However, his proposals of February 1 do not touch good old uniformity and inflexibility much. It is proposed that the Federal Government get deeper into and interfere more with basic State and local functions. HEW apparently just heard about rehabilitation, but one would think they had invented it because now they are going to tell the States how to do it. That means more control. If New York is the most socially advanced of these United States, as it proudly confesses it is, then it doesn't need any guidance from the very people whose policies have thwarted effective rehabilitation for years.

"In the words of one State administrator who was in Washington recently to get the word on the new Federal proposals: 'They are just adding 21 patches to a crazy quilt.' The Federal assistance program should be abandoned to the States, or at least overhauled from stem to gudgeon. Anyhow, Mr. Ribicoff has disabused the imprisoned minds of his aids on one other thing—there is no crime in allowing the good ladies supported by aid to dependent children to work—I mean earn money—if they can and will.

"THE IDOLATRY OF PAUPERISM

"Let's stop kidding ourselves and worrying about what lofty editors and fuzzy-minded bleeding hearts say. Though in the minority, perhaps, there are lots of able-bodied, career welfare recipients. That's because of the nature of men and of welfare as it is. Unfortunately, we have with us—and always will—folks who are so apathetic, indifferent, and downright lazy that a full stomach and a TV set keeps them sitting on their beam ends as a lifetime project. Every caseworker knows it. That's how I know it. Sure they are needy. But how worthy? Will they respond to intensive rehabilitation techniques?

"There are plenty of able-bodied and smart-like-a-fox people who could do something useful. Public assistance, we are told, is a right. If so, that is the only right I know of that doesn't carry some minimal responsibility. In smaller cities and the suburbs it is possible to get part-time jobs scrubbing walls, sweeping floors, and so on in business establishments, or doing housework—not just playing house. Yes, these are grubby, hard jobs and would-be employers cannot find reliable takers even at the legal hourly wage. In some places, the more enterprising have contracted out to householders to mow and clean lawns and plow snow. Sometimes the relief check doesn't cover the liquor bill unless such extreme measures are taken. Granted it is much harder to find something useful to keep occupied at in the big cities, but even there the head of the house could put more into making a clean and decent abode.

"The chronic deadbeats are good at finding excuses even when work is available and they will keep on finding them as long as the caseworker is refused the discretion to put just a little squeeze on—just enough to get the "client" moving. The caseworker is pretty helpless unless he can prove with evidence practically beyond a reasonable doubt that relief funds are being misspent. The so-called fair hearing required under Federal procedure is a stacked deck in favor of the recipient of welfare aid. With administrators and caseworkers groaning under piles of paperwork there is little time to devise and apply means to make some aid-to-dependent-children mothers pay sufficient attention to their children, to raise them decently, discipline them, or at least make an effort to keep them from becoming Knights of the Rumble. Some evidence of social responsibility must be developed in this type of recipient—and it would be, if Washington would give latitude in these details at least to States like New York which had sound social welfare programs before they were ever noticed on the Potomac.

"Why these unrealistic and harmful requirements in detail are so tenaciously clung to by HEW is hard to understand. Maybe their jobs depend on filling up their time. Maybe it is because they simply will not realize that public assistance in the sixties is not the emergency subsistence program of the thirties when the money had to be paid out, but fast. Some of the rules that have been promulgated have no congressional authorization whatever. These administrative edicts require interpretations and the interpretations must be interpreted—and it takes a Philadelphia lawyer to get out of the maze at all. This will go on until the States or some of them will marshal their political weight to put a stop to a situation that would be comic if it were not so demoralizing to welfare administrators, workers, and recipients.

"We are talking here mainly about the five federally aided categories, i.e. old age, aid to dependent children, blind, disabled, and medical aid to the aged. The other public assistance category in this State, home relief, receives no Federal funds and is theoretically solely within State control. I say theoretically because Federal policy does affect home relief and also child (foster and institutional) care. It would be a practical impossibility to run two administrative systems, one crazy quilt for the Federal categories and another simpler one for home relief, so it's all under the crazy quilt.

"LOVE THY NEIGHBOR?

"How does the factory worker, the cop, the farmer, the office girl, the saleslady, the junior executive feel about this? How do young and middle-aged people struggling in the four to eight thousand bracket to support a family react. They think politicians, who don't seem to do much about it except apologize, are ostriches, heads in sand, captivated by pundits and theorists, without concern for the taxpayer, afraid of a sacred cow. Growing exasperation and impatience is a cause of rash action by local authorities such as have occurred in the past year. The public will not accept complacently a system that puts so much emphasis on need and so little on responsibility.

"UNCLE AND HIS CHILDREN

"History says Uncle Sam is the child of the States but, by some process, nonbiological, the situation in Federal-State welfare relations has been reversed. The growing and difficult role of New York State as the very junior partner in this relationship led Governor Dewey, in 1951, to appoint a legislative commission, known as the Kelley Commission, to find an answer. In its reports in 1952, 1953, and 1954, this commission traced very clearly how the Federal Security Agency, predecessor of HEW, had usurped authority that Congress had specifically refused to grant. It showed how States, unless they wanted to forfeit Federal funds, were in a bind with no recourse to determine the legality of this Government agency's requirements. But there was no followthrough to amount to anything and there still is no way to get a court decision before the administrative ruling goes into effect.

"The 1961 report on public welfare of the Coordination Commission (Leg. Doc. No. 84) contains an analysis of the problem, which is concurred in by the board of social welfare in a detailed statement entitled 'Federal-State-Local Relations' dated December 1961. The coordination commission said:

"'Long and serious thought should be given by leaders of State government to this question. Broadly speaking that question is: Are the people of the State as a whole benefiting from taking Federal dollars under the conditions imposed?' (p. 43, Leg. Doc. 84 of 1961).

"As appealing as the new proposals announced in Washington, February 1, may seem at first glance, they will simply extend all these administrative headaches into a broader field as far as New York is concerned. The 'partnership' with the Potomac has seriously impaired New York's once sound welfare program—we sold out for a mess of pottage—and I mean mess. This appraisal of Federal welfare aid is shared by at least one of the three main religious faiths—the Roman Catholic Church. They know the score in this field and the harm Federal policies are doing to the people as well as social workers. In this respect the Roman Catholic dioceses in New York State do a lot more protesting than do we Protestants.

"RECENT PROGRESS WITHIN THE NARROW AREA LEFT US

"The main problem as seen by the coordination commission in its report can be resolved only by Washington. However, the commission did make significant recommendations in the remaining area. These will take time to show results. Few legislative enactments are required. Some of the sectors where progress already can be seen are set forth below.

"1. Solution of problem of recruiting social welfare workers apparently has been found by the public welfare personnel classification commission (L. 1960, C. 834), a temporary body which made its report on January 16, 1962. Former Assemblyman James Fitzpatrick served—and I mean served—as chairman. His recommendations are binding on the board of social welfare and its administrative arm, the department, without further legislative action.

"2. As recommended by the coordination commission, the legislature last year enacted a measure establishing a central registration bureau in the department to aid in finding deserting parents. This complex law requires some amendments this year, which already are before us. Under the direction of the very able counsel for the department of social welfare with the help of Senator Barrett's joint legislative committee on interstate cooperation, results may be expected in bringing to time the one-night-stand type of parent. Other States already are eyeing our statute as a model.

"3. With permissive legislation last year we encouraged local welfare departments to set up citizens advisory committees. The idea is that, if more citizens become aware of the labyrinthian headaches, the public might be of more help in finding the answers. State Charities Aid Association is particularly interested in this public educational approach.

"4. Administrative recommendations made by the coordination commission last March included: More intensive inservice personnel training, special attention to fraud cases, reduction of office workload, particularly by wider use of electronic computers, and recodification and simplification of board and departmental rules and regulations, which now, in an effort to keep up with emanations from the Potomac, fill several large bookshelves. Because the department has statutory power to do all these things, the coordination commission did not recommend legislation. However, the perceptive majority leader of this body, Senator Mahoney, saw that the department did not have sufficient specialists to implement those administrative recommendations, so his able staff drafted three bills carrying modest appropriations for these purposes—and with his usual generosity he gave me equal billing, which I (such a modest lad) do not deserve.

"ANSWERS TO THE FEDERAL RIDDLES

"The best answer would be 'Render unto Caesar that which is Caesar's and unto God that which is God's,' or, Uncle Sam you take your money and leave us States alone. That won't happen because the less affluent States, unlike New York, get from the U.S. Treasury several times what their citizens pay in Federal taxes. Cry as they do about States rights, they don't want to cry loud enough to lose Uncle Sam's dollars. Another way would be to eliminate categories of assistance, such as old age, aid to dependent children, etc. Categories create big administrative headaches. Why not simply treat everyone according to his need? That wouldn't work because, with the Government participating, categories are necessary to define the kind and extent of such participation.

"A practical and reasonable suggestion was made in the minority report of a committee appointed to advise the Secretary of HEW under the preceding national administration. This minority report was developed by counsel to the California Association of Boards of Supervisors and he was supported by an expert from New York State. The recommendation in two parts was that (a) the Federal Government support in full and administer direct the old age assistance category, this being more of a social security type program; and (b) the Federal Government get out of the other three Federal-State assistance categories; i.e., aid to dependent children, aid to blind and aid to disabled, and leave this to the States. This plan would result in the States, getting roughly the same financial benefits from Washington as they did before, without divided responsibility and haggling. Well, the HEW careerists gave that plan the 'Resquiescat in Peace' treatment, but fast. They wanted to make sure their frozen intellects stayed frozen in the old patterns. Empires were never built by giving up something.

"The Federal Government has injected itself into a sector which is basically the responsibility of private groups, the local governments and States. As a reason for this they say that States, some States, are not discharging their responsibilities to the people in the field of public assistance. Who is to be the judge of that? If, however, that is the reason and the sole reason for 'partnership' between the National Government and the States in this field, then the former should weigh what each State is doing on its own. If, like New York, a State maintains a comprehensive social welfare program, then Washington should recognize that fact and restrict regulation and interference with such a State to a minimum. At the same time, such a State should not be penalized for its enterprise by receiving any less Federal financial aid than it otherwise would.

"AMEN

"Meantime the monster feeds on itself and about all the public can do to get relief from its frustration is cuss us politicians and enjoy movies, Broadway shows, and other media that get big laughs out of spoofing welfare.

"The man said that the Declaration of Independence was a promise of life, liberty, and the pursuit of happiness. But do you recollect anything that says Uncle Sam should run interference on every play? Did anyone guarantee that happiness would be caught every time a pass is thrown? Your hardworking, heardheaded fathers and grandfathers who struggled to make this country great never thought so, and neither did King David when he wrote in the 75th Psalm, 5th verse:

"'I said unto the fools, deal not so madly; And to the ungodly, set not up your horn.'"

The CHAIRMAN. How long have you been chairman of the Committee on Public Relief and Assistance?

Mr. WISE. Since 1950. I got it because nobody else would have it. But after I got into it——

The CHAIRMAN. You served then for 12 years?

Mr. WISE. As chairman of that committee, and 2 years before that in the legislature.

The CHAIRMAN. I think you are recognized as an authority on this subject. Have you filed this resolution 176 with the committee?

Mr. WISE. That was sent by the clerk of New York State Assembly pursuant to the resolution, to every member of the committee, to the speaker of the House, to the president pro tempore of the senate.

The CHAIRMAN. Will you furnish the committee with a copy so that we can insert it in the record?

Mr. WISE. Yes, we will.

The CHAIRMAN. I want to say, Senator Wise, that when the committee begins the markup of the bill, the chairman will see that your suggestions are presented by the staff to the committee.

Mr. WISE. Thank you, sir.

The CHAIRMAN. And we would like to have a copy of the resolution to be put into the record.

Mr. WISE. This is not the engrossed copy. The first two lines show the bipartisan angle of it but, of course, it does not appear in the engrossed copies. But from here on it shows the act as adopted.

The CHAIRMAN. The Chairman is compelled to leave and he asks the Senator from Louisiana, Senator Long, to preside.

Senator LONG (presiding). These documents will be printed in the record as part of the witness' statement.

(The resolution referred to follows:)

THE ASSEMBLY,
STATE OF NEW YORK,
Albany, March 17, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, U.S. Senate Committee on Finance,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: I have been directed by the speaker of the assembly to forward the enclosed resolution of the New York State Assembly to you.

Very truly yours,

ANSLEY B. BORKOWSKI,
Clerk of the Assembly.

(Resolution No. 176 by Committee on Rules)

STATE OF NEW YORK

IN ASSEMBLY

Albany, March 6, 1962.

Concurrent Resolution memorializing the Congress to amend the Social Security Act by reasserting its authority over public assistance programs and by limiting the powers delegated to, or assumed by, an administrative agency to promulgate policy and procedure binding upon the States

Whereas in the State of New York large segments of the public have manifested over the years increasing concern with the administration, effect, and cost of public assistance programs; and

Whereas the State board of social welfare, as the nonpartisan governing body charged with making policy and supervising the administration of public welfare in this State, on February 20, 1962, recommended definitive action in recognition of specific defects in public welfare policy and procedure as follows:

"STATEMENT BY THE BOARD OF SOCIAL WELFARE

"This board has been concerned over the years with the many problems that have stemmed from Federal-State relationships in the public welfare field, especially with the steadily increasing domination by Federal authorities and the consequent loss of State and local autonomy.

"Back in 1951, the Governor of New York State appointed the (Kelly) Commission To Study Federally Aided Welfare Programs and examine the problems of Federal-State relationships and the more immediate threat of withholding Federal funds because of certain variances in assistance standards and practices in local public welfare departments. More recently, the New York State Temporary State Commission on Coordination of State Activities identified the danger of the current situation in this growing complex of Federal-State-local welfare machinery.

"These and other studies by New York State indicated that there was no disagreement on the fundamental objectives of all modern public welfare—to help people who have no other resources but public aid, and to provide that assistance as promptly, as effectively, and as economically as possible, in accordance with the best self-help practices. What is involved is the bureaucratic network of Federal regulations, reporting, auditing, bulletins, State letters, interpretations, conformity reviews, and a snowstorm of other administrative paper requirements.

"Once again this board finds it necessary to express concern, its very real alarm, over another threat to extend Federal dominance in public welfare—the latest welfare proposals of the Federal Department of Health, Education, and Welfare. Here, again, this board and the staff of the State department of social welfare do not quarrel with objectives—providing for needy people who must be helped, rehabilitating individuals who can profit thereby, and using every known modern technique for breaking the chain of dependency in sorely deprived families. Our anxiety arises from the specific ways and means proposed to reach these objectives.

"These new proposals, if adopted by the Congress, would give the Secretary of Health, Education, and Welfare in Washington full power to dictate in detail to all the States, and, therefore, to all the thousands of local communities in the Nation that administer public welfare, just how it is to be managed—almost down to the last piece of paper.

"The discretion vested in the Secretary is without limitations.

"The philosophy implied and inherent is in flat contradiction to the historic concern of New York State and its localities for home rule, and ignores the basic right and responsibility of the State and its localities to decide how they will conduct their public business.

"We believe that a stand must be made now, by this State and, hopefully, every other State, to stop and to reverse the trend of increasing Federal domination, of a growing complexity that is getting completely out of hand, and of the constant threats to withhold Federal funds because of alleged nonconformity with Federal regulations.

"To accomplish this urgently needed change, this board proposes that:

"1. Because many of these problems stem from federally required State plans, the Social Security Act should be revised to require that, not a State's plan, but its State laws, should be used as the basis for determining whether a State is in conformity with Federal law.

"Such a revision would also shift the responsibility for accepting or refusing Federal welfare funds from administrators to legislators. The amount of funds that are now available to a State such as New York, over $200 million annually, is so great that the decision to accept or refuse such funds should be made by those who have the duty to decide the major fiscal policies of the State. After all, the effect of such fiscal decisions goes far beyond the interest or jurisdiction of any single State agency.

"2. The Federal administrator's powers to review a State's program for conformity should be limited to reviewing a State's welfare laws. This would restrain Federal administrative personnel from continuously stretching Federal requirements and threatening a State agency with withdrawal of Federal funds unless its voluminous State plan is amended again and again to conform to the latest Federal interpretation of its own regulations.

"3. Determinations stemming from this review procedure should be appealable to an appropriate Federal court, which would render a decision after a hearing in which the facts indicated whether a State did meet the requirements of the Federal law or whether its claims for Federal funds were made in good faith or that it withheld the Federal share of recovery funds from the Federal Government * * *": Now, therefore, be it

Resolved (if the Senate concur), That the Congress of the United States be and it hereby is memorialized to amend the Social Security Act as follows:

(i) That titles, i, iv, x, and xiv be amended to require that a State's laws, instead of a State's "plan," conform to the requirements of those titles to qualify the State for Federal funds thereunder; and

(ii) That titles i. iv. x. xiv, and related provisions of the Social Security Act be amended to make clear that the powers and duties of the Department of Health, Education, and Welfare be limited to:

1. Determining whether a State's laws conform to the requirements of the Federal legislation;
2. Determining whether in the administration of the State's laws there be substantial compliance with the Federal legislation;
3. Determining whether a State's claims for Federal funds are properly computed and are based on actual expenditures made in good faith, and whether a State has correctly computed and reported the Federal share of amounts recovered from recipients, their estates, and relatives;
4. Stimulating and assisting States to provide skilled social services for the prevention of dependency and for rehabilitation;
5. Stimulating and subsidizing research into the causes of dependency and into methods of effective rehabilitation; and
6. On request, to give advice and guidance to States for the better administration of the federally aided programs; and

(iii) That titles i, iv, x, and xiv and other related provisions of the Social Security Act be amended to provide that the Department of Health, Education, and Welfare shall not deny or withhold Federal funds made available to the States under any of the federally aided assistance programs except with the approval of an impartial administrative board (comprised, for instance, of three or five persons appointed by the President with the advice and consent of the Senate, and assured of facilities and services adequate to the discharge of its functions), issued after appropriate notice and opportunity to be heard shall have been afforded the State affected; and to provide further that the State affected shall have the right to appeal the determination of such board to an appropriate Federal court; and

(iv) That the bill (H.R. 10032 by Mr. Mills) pending in the 87th Congress, 2d session, be amended to provide:

(a) For the elimination therefrom of the authority proposed to be delegated to the Secretary of Health, Education, and Welfare and that all programs and procedures therein proposed together with detailed standards for the administration thereof be specified in said bill or by other act of Congress; and

(b) That wherever said bill requires conformity or other action by the States or any agency thereof as a condition precedent to payment to the States of Federal funds, such State action shall be pursuant to State statute and not by administrative act taken otherwise than specifically pursuant to such statute; and

(v) That temporary aid to dependent children, an extension of the ADC category adopted at the first session of the 87th Congress, be discontinued for the reason that ADC is designed for special services for women with children whose fathers are absent from the home to meet a family problem and should not embrace relief to supplement unemployment insurance; also for the reason that families, the fathers of which are living in the home, heretofore have been, and hereafter can be adequately provided for my home relief, or general assistance, a program subject solely to the control of the State and the counties and municipalities thereof; and for the further reason that if the temporary ADC program becomes permanent it will have the ultimate effect of transferring control of public assistance in all its forms from the States to the Department of Health, Education, and Welfare, an administrative agency; and be it further

Resolved (if the Senate concur), That copies of this resolution be sent to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the U.S. Senate Committee on Finance, and to each Member of the Congress of the United States duly elected from the State of New York and that such Members are urged to apply themselves to achieving the purposes of this resolution.

By order of the assembly.

ANSLEY B. BORKOWSKI, *Clerk.*

In senate March 7, 1962, concurred in, without amendment.

By order of the senate.

JOHN J. SULLIVAN, *Secretary.*

Senator LONG. The next witness will be Mr. E. B. Whiten, director of the National Rehabilitation Association.

STATEMENT OF A. D. PUTH, ASSISTANT DIRECTOR, NATIONAL REHABILITATION ASSOCIATION

Mr. PUTH. My name is A. D. Puth. I am the assistant director of the National Rehabilitation Association. Mr. Whitten was unable to appear here.

Senator LONG. You are appearing for Mr. Whitten?

Mr. PUTH. That is right; representing the association.

Senator LONG. In order to keep the committee within the scheduled time of its hearings, I am going to ask the witnesses, in line with the request that was made of them, to limit themselves to 10 minutes in their oral presentation. We will print the full statement as the witness' presentation. I will ask the witnesses to summarize their statements and to try to keep it within the 10 minutes. We have to do that now and then in the Senate.

Mr. PUTH. I will do that.

Senator LONG. We do that even in the Senate. We agree that we will limit both sides to 10 minutes apiece, and then we will vote.

Your entire statement will be printed.

Mr. PUTH. The National Rehabilitation Association is a voluntary nonprofit association with nearly 17,000 individual and organizational members and with chapters in 43 of the States. About one-half of the association's members are people who have a professional interest in rehabilitation, including administrators, physicians, counselors, psychologists, nurses, social workers, and therapists. The other half are

public-spirited citizens in many walks of life who attempt to advance the rehabilitation of handicapped people by supporting the association in its efforts.

Established in 1925, NRA was the sponsor of the 1943 Vocational Rehabilitation Act Amendments, which broadened the program to include physical restoration services and made mentally ill and mentally retarded people eligible for services, and the 1954 amendments which set up programs of research, training of rehabilitation personnel, and the legal basis for a greatly expanded State-Federal program of rehabilitation. The interest of the association is in the rehabilitation of all physically and mentally impaired persons without regard to age or category of disability.

The membership of the National Rehabilitation Association not only cuts across many professions, but includes individuals employed by or related in some other way to both public and voluntary rehabilitation agencies. In this statement, however, we shall be principally concerned with the relationship between State vocational rehabilitation agencies and public welfare agencies in carrying out their responsibilities under their respective laws and regulations.

Each State, as well as the District of Columbia, Puerto Rico, the Virgin Islands, and Guam, conducts programs of vocational rehabilitation to prepare handicapped individuals for employment. Vocational rehabilitation services include medical and psychological diagnosis, medical treatment and surgery, counseling and guidance, vocational training, and placement.

Approximately 4,500 professional and administrative personnel are employed in the rehabilitation agencies. Practically all of them are college graduates, and the M.A. degree is rapidly becoming the standard for caseworkers in the program. A total of 92,500 disabled persons were prepared for and placed in successful employment in 1961 through this program. These rehabilitated men and women will earn, during their first year of employment, at an estimated rate of $180 million as compared with $70 million before rehabilitation. Seventy-five percent of these individuals were unemployed when they were accepted for rehabilitation services; the remainder were in employment that was unsuitable or part time. Individuals rehabilitated in 1961 will contribute about 137 million man-hours of work to the Nation's productive effort. A most significant fact is that about 18,000 of these rehabilitated persons were drawing public assistance at acceptance or during the time they received rehabilitation services. More will be said about this at a later point. Over two-thirds of these were wholly off public assistance when their cases were closed. Services under this program are limited to individuals for whom there is a reasonable expectation of employment, except where additional programs are conducted with State funds only.

The Office of Vocational Rehabilitation of the Department of Health, Education, and Welfare, in addition to making grants to support State programs and providing technical assistance and leadership to the vocational rehabilitation program, conducts a program of research and demonstration and a program for the training of rehabilitation personnel. Approximately $20 million per annum is being spent on research and training programs.

Federal funds appropriated by the Congress are allotted to the States by a formula based upon population and per capita income. Total Federal appropriations for 1963 will be about $100 million. The Federal share of vocational rehabilitation expenditures ranges from 50 percent in the States with highest per capita income to 70 percent in States with lowest per capita income. The average Federal share is 60 percent.

It has been mentioned previously that 18,000 recipients of public assistance were rehabilitated in 1961. This substantial accomplishment indicates that there is already in existence a cooperative relationship between public welfare and rehabilitation agencies, directed toward the rehabilitation of public assistance applicants and recipients, although its effectiveness varies from State to State.

Lack of adequate staff and funds on the part of the rehabilitation agencies and lack of personnel trained in rehabilitative techniques on the part of the public welfare agencies have influenced vitally the effectiveness of the efforts that have been made.

Some of the cooperative efforts between rehabilitation agencies and welfare agencies are significant enough to call to the attention of this committee. We shall mention two: one conducted in Hillsborough County, Fla., the other in Fulton County, Ga. The former, referred to as "Operation Hope," is reported in a joint publication of the Florida State Department of Public Welfare and the Florida State Department of Education, Division of Vocational Rehabilitation. A cooperative plan was developed to enable the two departments to focus and concentrate their combined efforts toward the rehabilitation of incapacitated fathers whose families had applied for or were receiving aid to dependent children through the State department of public welfare. Skilled professional personnel from both departments were assigned to the project. The services of many other public and voluntary agencies were utilized. Four hundred and eleven fathers and their families were selected for the study. Of this number, 103, or 25 percent, were successfully rehabilitated by the vocational rehabilitation agency, with the help of the other agencies, and there were many, of course, other valuable results.

In reporting on the project, the two agencies concluded that their basic goals had been acomplished. In the beginning, it has been estimated that about 10 percent of the incapacitated fathers, whose families were receiving assistance under the ADC programs, could be rehabilitated. Instead, they were able successfully to rehabilitate about 25 percent; and this was done at a cost which was considerably less than the cost of maintaining the same families on public assistance for 1 year. The economic and social values of such an undertaking are demonstrated in many other ways.

Another significant project was conducted by the Georgia Vocational Rehabilitation Division and the Fulton County, Ga., Department of Public Welfare. This study is reported in "Slow But Sure," the 1960 annual report of the Fulton County Department of Public Welfare. This project was also concerned with disabled ADC parents. There were 1,677 handicapped fathers or mothers served in this project.

At the conclusion of the 5-year experiment, 327 individuals had been rehabilitated, while 417, for whom service had begun in the later years of the project, were still receiving rehabilitation services. Of the 327 rehabilitated, the ADC grant had been stopped in 249 cases. In the other 51, some ADC grant was continuing to supplement the family income.

In its report, the Fulton County Department of Public Health stated that—

> In the opinion of its sponsors and cooperating agencies it has proven its value to such an extent that it is now planned to take it out of the project status by providing for a routine continuation of the services now available on behalf of disabled parents and other members of families included in the aid to dependent children grant. The results secured during the 4-year period ending December 31, 1960, by the use of rehabilitative services including physical restoration, retraining, and job placement through a coordinated team approach of representatives of different agencies involved are clearly demonstrated.

The report stated that the type of cases referred and handled in the project was in most respects the hard-core multiproblem category.

Both of these projects were expensive in staff time, but they paid off amply, both economically and socially.

Probably the most intensive effort to rehabilitate individuals on public assistance rolls on a statewide basis has been made in the State of California during the last 10 years. In this State, the vocational rehabilitation agency gives service priorities to public assistance cases. Substantial numbers have been removed from the assistance rolls.

One of the most important aspects of this undertaking, however, has been in identifying the conditions under which public welfare and vocational rehabilitation agencies can work together effectively and those conditions that preclude a successful joint effort.

Those who have worked in programs designed to rehabilitate public assistance clients, whether in regular programs or in demonstration projects, are in general agreement with respect to such conditions.

(1) There must be an early identification of the rehabilitation problem. The earlier a disability problem is identified the greater the chances of success in preventing dependency patterns from developing and in bringing to bear modern techniques of restoration and reemployment. It has been found that early identification of the rehabilitation needs and potential of public assistance clients requires a staff in the public assistance agency with a rehabilitation philosophy, and a working knowledge of rehabilitation methods and techniques.

Without such personnel, and it is found in very few places, the alternative is for personnel of the rehabilitation agency to actually examine the case records in the public assistance offices and screen out those that may benefit from rehabilitation services, and this is impossible on a large scale with the limited resources of the vocational rehabilitation agencies.

(2) There must be a continuity of relationship with the handicapped individual on the part of trained staff in both agencies. While the rehabilitation agency is engaged in the provision of vocational rehabilitation services, there are usually many supplementary services

which the public assistance personnel should be providing for the individual and his family.

(3) Complete social-medical-psychological-vocational evaluation is required. To a considerable degree, this should be a prelude to referral to a vocational rehabilitation agency, since it is necessary in order to understand the nature and scope of the individual's limitations and his rehabilitation potential. Although such information is secured routinely by rehabilitation agencies, once they have accepted responsibility for serving an individual, it is seldom found in the case records of public welfare agencies.

(4) The vocational rehabilitation agency and its staff must be flexible enough to be willing to accept difficult cases in which they may encounter a higher probability of failure than in their usual caseloads. Individuals on public assistance rolls, particularly those that have been there for considerable lengths of time, almost always have their physical disabilities compounded by emotional problems.

(5) Adequate financial resources must be available to provide the necessary rehabilitation and supplementary services, once the needs of the individual are identified. This not only means that the rehabilitation agency must have the funds necessary to help the individual attain complete rehabilitation, but that the public welfare agencies must be staffed and financed to provide the supplementary subsistence and family services, which may prevent the collapse of the rehabilitation effort, once the needs of the individual are identified and the program undertaken.

We firmly believe that the passage of H.R. 10606 can result in a more effective relationship between rehabilitation agencies and public welfare agencies in a joint effort to see that vocational rehabilitation services are made available to all public assistance applicants and recipients who can profit from them. We believe it will help in the following ways:

(1) In the view of rehabilitation agencies, at least, the greatest drawback to successful cooperative effort on the part of the public welfare and vocational rehabilitation agencies is a lack of appropriately trained public assistance personnel. With the passage of this legislation, there should begin a long-range program for upgrading public welfare personnel, particularly as it relates to the provision of rehabilitative services.

(2) Each public welfare agency would be required to have its State plan provide for a certain minimum of rehabilitative services to be made available to its clients, the minimums to be determined by the Secretary. We assume these minimum standards must be modest in the beginning. Surely, however, it can be anticipated that the States' public assistance agencies will have increasing numbers of professional workers trained in rehabilitation philosophy and methods who can give leadership in the development of rehabilitative services.

(3) It becomes possible under this act for public assistance funds to be used to purchase rehabilitative services for clients of the public welfare agencies. While we do not anticipate any rush on the part of public welfare agencies to pay the cost of vocational rehabilitation services for their clients, it may be possible in some instances for them to help in breaking the logjam which now prevents adequate financing of vocational rehabilitation programs in many of the States.

What we have said up to this point indicates an increasingly effective relationship developing between public welfare agencies and rehabilitation agencies throughout the country aimed at the vocational rehabilitation of public assistance applicants and beneficiaries. It has been demonstrated abundantly that the successful effort requires the wholehearted cooperation of both the public welfare agency and the rehabilitation agency. The two must work together with each having confidence in the motives of the other.

A study of the public welfare amendments as introduced in the House (H.R. 10132) led us to the conclusion that the inclusive nature of the services which could be provided by State public welfare agencies with Federal funds under this bill would result in misunderstanding and confusion in the relations between the public welfare agencies and other State agencies rendering rehabilitative services under other Federal grant-in-aid programs. This would have been particularly true with respect to relationships with the vocational rehabilitation agencies, administering the Vocational Rehabilitation Act. Accordingly, we suggested certain amendments to clarify the intent of the legislation.

As a result of our suggestions the language found on page 6, lines 1–11, and at other appropriate places in the bill, was included to draw a clear line of demarcation between the responsibilities of public welfare agencies and rehabilitation agencies in providing rehabilitative services. The effect of the amendment would be that applicants for and recipients of public welfare services, thought to have vocational rehabilitation potential and to be feasible for vocational rehabilitation services as defined under the Vocational Rehabilitation Act, would be referred to vocational rehabilitation agencies for the provision of such services.

The language of the bill makes it permissive that State public welfare agencies may reimburse the State agencies for expenditures on such cases, but this is not mandatory. The language inserted here was drafted in the Department of Health, Education, and Welfare in consultation with the staff of the House Ways and Means Committee and the National Rehabilitation Association. We consider it sufficient in order to accomplish the objectives we had in mind. We sincerely hope that this committee will retain this language.

Mr. Chairman, I would like to say a few words about the proposed 75-percent Federal share of rehabilitative service costs under this bill. As you know, this is an increase from 50 percent, the present Federal percent of all administrative costs.

Senator LONG. Let me just say that I have read your statement on that subject, and I agree with you. I am not sure that the committee is going to agree, but I agree. I will urge that position.

Mr. PUTH. All right, sir. Thank you very much.

We will gladly support an increased Federal share of the costs of such services. We believe, however, that rehabilitation services provided by other agencies should have an equally high Federal share.

We suggest, therefore, that this committee confer with the Senate Committee on Labor and Public Welfare, which, incidentally, will be considering rehabilitation legislation in a few days, to see if an agreement can be worked out that will result in the higher Federal share being applicable to rehabilitation services in both agencies. It seems

to us that this would prevent some problems that are sure to arise, if one Federal fund is available through two channels at different ratios to reimburse the costs of services some of which are identical.

Let me state what many others have stated, that we think this legislation offers great promise. To use the slogan of the Fulton County, Ga., Public Welfare Department's annual report, progress should be "slow but sure"; at least, we shall feel that legal barriers which now hinder the development of rehabilitative programs in public welfare have been removed, and that we are headed in the right direction.

Finally, Mr. Chairman, we want to join others in urging the committee to increase the appropriation authority for the Crippled Children's Services from the present $25 million to $50 million, the amount H.R. 10606 provides for child-welfare services. This program, operating in all the States, is badly in need of additional financial support to enable it to broaden its approach in meeting the problems of crippled children.

Senator LONG. Let me raise just a few points that occur to me in connection with your statement.

Mr. PUTH. Yes, sir.

Senator LONG. One, could you provide for the benefit of this committee—I would like you to direct it to my attention when you provide it—perhaps 15 or 20 narrative reports on rehabilitation cases so that we might have a better understanding of what this program is?

I have in mind 5 or 10 narrative case histories of people whom you regard as having good prospects for rehabilitation, who have been successfully rehabilitated; and then, perhaps, some on both sides, some who had either extremely good possibilities or had extremely poor possibilities.

Mr. PUTH. With the emphasis on both those who would need both welfare and rehabilitation?

Senator LONG. Yes. It seems to me we would better understand this problem if we could actually look over some narrative histories of what the problem was when the person came to you, what you succeed in doing and how you met that person's individual problem, because my impression is that these rehabilitation cases are personal matters, they have to depend upon the indivdual himself, do they not?

Mr. PUTH. That is correct. We can provide that for you, sir; and we will.

Senator LONG. Now, the minimum wage is a real problem here. The thought occurs to me that there are many people receiving public assistance who really cannot justify a minimum wage as far as their services are concerned.

It may be true, but I would just be curious to know—in other words, it seems to me that perhaps in some cases a sort of splitting the difference approach might be best.

Mr. PUTH. You mean in terms of their ultimate productive capacities?

Senator LONG. It may be that a person cannot earn a minimum wage, they are not worth it, but they might be worth 75 cents or 60 cents an hour and, perhaps, they should receive a lesser amount of welfare assistance, and do whatever work they could to help themselves.

What is your reaction to that possibility?

Mr. PUTH. Sir, I cannot speak in terms of the employment practices of the public welfare programs, but I think I can speak definitively and authoritatively from the standpoint of the State division of vocational rehabilitation and their practices.

If the person has rehabilitation potential, and if he can go back and do some form of remunerative work, no limitation on providing him services is given because he may be able to work only part time or be able to have wages that would be less than standard.

Now, a great deal of care is taken with respect to not exploiting people, because there are people who, by using the extra ounce and effort of rehabilitation effort, we can bring further to productive capacity than if we were to be just lax in our services to them. But many, many severely disabled people are rehabilitated by the Office of Vocational Rehabilitation and its 88 State affiliates who, quite often, are employed in their home, working on a part-time basis, who are quite often placed in community workshops or community Goodwill Industries or similar sheltered workshop situations where they can work.

So that there is no restriction in terms of services provided by the State rehabilitation agencies with respect to whether or not an individual will always be the highest producer, highest salary earner in a given occupation, trade, or skill. That is not a factor at all, sir.

Senator LONG. Do you feel that part of the answer to this problem might be to allow these people to earn a certain amount and to continue in the welfare system of assistance in order to, in effect, subsidize them rather than having them entirely on welfare?

Mr. PUTH. Yes, sir. I believe a great deal of social and mental damage has been done to these people by just keeping them on public assistance. It is a one-shot deal, and it does not encourage independence, and is a costly practice and, quite often, they find themselves where in order to rehabilitate persons we will both have to give them long-range public assistance supportive measures and, at the same time, concurrently giving them the therapeutic techniques of rehabilitation services which may extend over a period of 2, 3, 4, or even 5 years.

Senator LONG. Well, thank you very much.

Mr. PUTH. Thank you very kindly, sir, for allowing us to testify.

Senator LONG. We are very happy to have you here.

Our next witness will be Mr. Welles A. Gray, Council of State Chambers of Commerce.

STATEMENT OF WELLES A. GRAY, REPRESENTING THE COUNCIL OF STATE CHAMBERS OF COMMERCE

Mr. GRAY. Mr. Chairman, I heard what you said about——

Senator LONG. Mr. Gray, you do not need to summarize your statement. I think you will be within 10 minutes in any event.

Mr. GRAY. I think my statement could actually be read in 10 minutes, but I will keep it below that, if possible.

Senator LONG. I am sure you could stay within your 10 minutes anyway, Mr. Gray, so I suggest you just go ahead and present it the way it is.

Mr. GRAY. My name is Welles A. Gray. I am director of the Department of Governmental Affairs of the Empire State Chamber of Commerce, the headquarters of which is located in Albany, N.Y. I appear here today on behalf of the Empire State Chamber and 23 other State and regional chambers of commerce which are members of the Council of State Chambers of Commerce. The chambers for whom I speak are listed at the end of this statement.

First, permit me to thank your committee for the opportunity to appear at this important hearing on behalf of this broadly representative group. We commend the administration and the Congress for their efforts to revitalize and modernize our social security laws in their application to public assistance, and to strengthen and improve their administration.

Various provisions of this bill are directed at rehabilitating relief recipients to enable them to be part of our productive economy. The Council of State Chambers endorses such objectives.

We support also the provisions which would tend to relax and modify some of the restrictive requirements tied in with Federal aid and give the States greater freedom in operating their social welfare and public assistance programs. Under our Federal system of government the States and the National Government are partners in a joint enterprise. Legislation which helps to maintain the integrity of the States and strengthen their ability to meet their responsibilities for rendering necessary government service—whether this be social welfare or something else—is consistent with the plan of government set up by our Constitution. Similarly we oppose measures which tend to weaken the States and put the Federal Government in a position of dominance. In light of these considerations we have examined the bill before you and are submitting our comments.

Among the provisions which would strengthen the position of the States and give them greater latitude in administering their public assistance programs, and which would strengthen the programs of rehabilitating relief recipients are:

Liberalization by section 106 of the treatment of earnings of parents and children on ADC rolls to encourage work by relief recipients.

Making permanent by section 131(b) the temporary provision which permits ADC payments to be paid for children removed by court order into foster care and the broadening of the foster care provision in section 135 to permit Federal aid for institutional child care.

Provisions in the bill providing for improved training and higher qualifications of personnel administering public assistance programs (sec. 123).

We endorse all of these as being salutary changes in the social security law. We also support the provision permitting States to deny public assistance where persons refuse retraining without good cause, and we support in principle the objectives of section 101 to strengthen the provisions for services for education and vocational training in connection with the public assistance programs. However, we question the increase in Federal aid from 50 to 75 percent of the cost of such activities, which will tend to increase Federal domination of such programs.

In addition to these provisions which we believe to be constructive and which we support, the bill contains other provisions as to which we raise serious questions. Basically we are opposed to the expanded Federal control that threads its way through many sections of the bill. Our chief concern with H.R. 10606 is the evident belief inherent in this measure that the solution of the problem rests more with Federal financial aid and more Federal control.

We address ourselves in particular to four specific points:

First, the increase in Federal matching formula for aged, blind, and disabled (sec. 132). We cannot help but ask why this increase has been proposed. When the administration initially proposed the changes in the social security law, there was no request that there be any increase in the Federal matching share of any of the aid payments. Nonetheless, the bill now contains such a provision. Since the increase was not requested by the administration (an obvious indication of little or no evidence of need for such increase), we frankly question why it should be made. The cost comes to $160 million, a sizable sum even today.

Second, we oppose the continuation of the provisions for ADC payments to unemployed parents (sec. 131(a)). Whatever its justification may have been as a temporary emergency measure, its continuance puts the Federal Government firmly into the broad area of general public relief, as other witnesses this morning have testified. This field is a basic responsibility of the States and one which they unquestionably are capable of continuing to perform. By January of this year only 15 States were participating in this temporary ADC program. In other words, more than two-thirds of the States obviously prefer to handle this matter themselves. However, if Federal funds are going to be used for this purpose, then we believe that section 105(a) should be enacted which will permit Federal matching funds to be used for work relief programs under ADC, such use not now being allowed.

Closely related to this is the proposal (sec. 109) to extend ADC payments to both parents in disability and unemployment cases. We believe that this, too, is a matter more properly handled by the States under general public relief.

Lastly, we oppose the plan in section 141 to combine the program of aid for the aged, the blind, and the disabled into one overall program through the device of an increase in medical aid payments for the blind and disabled. This is done by extending the present $15 medical cost provision for the aged to cover the blind and disabled, provided the programs are combined. While this is characterized in the Ways and Means Committee summary as an "optional" change, it is optional only by foregoing increased Federal aid moneys for medical care for the blind and disabled.

The effect of this is to push the States into merging their separate programs for the aged, blind, and disabled into one program. For many reasons most States have found it advisable to maintain these as separate operations. We believe that the choice of whether to have a combined program or separate operations should be left to the States without being affected by Federal aid payments.

These changes I have referred to all move in the direction of expanded Federal domination of our social welfare programs. Eventually, the ability of the States to adapt their programs of welfare and public assistance to the varying needs of their citizens will be greatly diminished and they will lose more and more of their separate identities.

I would conclude by reemphasizing a point which seems to be frequently lost sight of in considering the relationship between the Federal Government and the States. There is widespread belief that the Federal Government can afford what State and local governments cannot afford because the money seems to come from sources unrelated to the individual taxpayers of the State and local governments. After all, these are the same people who pay taxes to the Federal Government, and the Federal tax base is only that of the 50 States combined.

Instead of the premise that the solution to our social problems is for the Federal Government to spend more money, we urge rather that there be limited Federal participation, with strengthening of the State governments, so that the operation of these welfare programs which directly affect the lives of so many people, is kept close at home where there can be greater flexibility in treating individual needs.

A list of the organizations endorsing this statement follows:

Alabama State Chamber of Commerce
Arkansas State Chamber of Commerce
Colorado State Chamber of Commerce
Connecticut State Chamber of Commerce
Delaware State Chamber of Commerce
Florida State Chamber of Commerce
Georgia State Chamber of Commerce
Indiana State Chamber of Commerce
Kansas State Chamber of Commerce
Kentucky State Chamber of Commerce
Maine State Chamber of Commerce
Michigan State Chamber of Commerce
Missouri State Chamber of Commerce
Montana Chamber of Commerce
New Jersey State Chamber of Commerce
Empire State Chamber of Commerce (New York)
Ohio Chamber of Commerce
Pennsylvania State Chamber of Commerce
South Carolina State Chamber of Commerce
West Texas Chamber of Commerce
Salt Lake City, Utah, Chamber of Commerce
Virginia State Chamber of Commerce
West Virginia Chamber of Commerce
Wisconsin State Chamber of Commerce

Senator LONG. Thank you.

Mr. GRAY. Senator, I would like to add on behalf of the Empire Chamber of Commerce that we support the proposal of the New York State Social Welfare Board with respect to changing the social security law to refer to State law rather than plan. We supported that resolution when it was pending in our State legislature last winter and, as far as the Empire State Chamber is concerned, I want you to know that has our full backing.

Senator LONG. Mr. Gray, there is one thing I have difficulty in understanding about your position, and that is why the chambers of commerce, and you are speaking for a great number of them, with the attitude they take on the degree of care that should be exercised with respect to the spending of welfare money here, continue to support the all-out spending on foreign aid, the spending of foreign aid money, much of which is extremely wasteful.

I am on both of these committees, I am on the Foreign Relations Committee as well as Finance, and I must say that some of those items—there are all sorts of things we are spending money for in

foreign nations that you cannot get an adequate appropriation for here.

For example, there is going to be an effort made in the Congress to try to prevent foreign aid money from being spent to maintain highways in 60 or 80 foreign countries. You cannot get money from the Federal Government to maintain highways in a State, and I am not advocating it.

Why does the chamber go along with the high figures on foreign aid and support all of that, in view of the attitude it takes on matters like this?

Mr. GRAY. Senator, I think there is a little confusion here. The Council of State Chambers of Commerce, neither as an organization nor its individual constituents, have ever given the all-out support to the foreign-aid program that, perhaps, has been given by some organizations speaking in the name of chambers of commerce.

Now, the U.S. chamber may have, for all I know, supported the foreign-aid program. But the council, which is a distinctly separate organization, has submitted annual recommendations for very substantial reductions in foreign aid.

I can get you a record of these recommendations from council headquarters if you want it, sir.

Senator LONG. I know that every time we are asked to vote another $5 billion in foreign aid, we are told that the U.S. Chamber of Commerce wants us to do it, and it does confuse me when I see us spending money, great portions of which are just being grafted, frankly, in many of these foreign countries.

We have a program in Latin America to help those people build roads, and they are supposed to match our expenditures. Let us say we put up two-thirds and they put up one-third. Then you find that the one-third they are matching with is our foreign-aid money. They take it out of our appropriations to match another one. That type of thing, it seems to me, is one area where some very effective economy could be exercised, and I would hope that the type of thinking you have evidenced here would be evidenced in the U.S. Chamber of Commerce when they get around to telling us about the foreign-aid thing.

If they would give us as much support in reducing and trimming some of these foreign-aid expenditures, I think we would make further headway in balancing the budget.

Thank you very much for your appearance.

Mr. GRAY. Thank you very much, Senator.

Senator LONG. Mrs. Savilla Millis Simons.

Will you proceed?

STATEMENT OF SAVILLA MILLIS SIMONS, GENERAL DIRECTOR NATIONAL TRAVELERS AID ASSOCIATION

Mrs. SIMONS. I am Savilla Millis Simons, the general director of the National Travelers Aid Association, and I also serve as the chairman of a subcommittee on residence laws in the national social welfare assembly.

I will not read the written statement, which I would like to submit for the record.

Senator LONG. It will be printed in the record just as though you had read it.

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Mrs. SIMONS. But, with your permission, I would like to make a few oral comments.

Senator LONG. All right.

Mrs. SIMONS. Travelers Aid serves nonresidents and people on the move, and so we face practically every day—well, every day—the effects of the residence requirements, and for this reason in 1958 the National Travelers Aid Association, in its national convention, adopted a resolution opposing all residence requirements and, Mr. Chairman, if it is appropriate, I should like to submit for the record a copy of this resolution.

Senator LONG. Yes; that will be printed in the record.

(The document referred to follows:)

NATIONAL TRAVELERS AID ASSOCIATION

Resolutions adopted at the National Travelers Aid Association Biennial Convention, April 22, 1958

RESOLUTION NO. 1

Be it resolved, That the National Travelers Aid Association and its members and their delegates acting for local travelers aid societies, expressly oppose all statutes in the various States and the District of Columbia, requiring a prescribed length of residence as a condition of obtaining public assistance and services and hereby approve, ratify, and confirm the statement of principles on residence laws adopted on March 23, 1956, by the board of directors of the National Travelers Aid Association, which was as follows:

"1. That, as a matter of fundamental human right, an individual may choose the place best suited to his needs as his place of residence;

"2. That there derives from this the right of the individual to move freely from place to place without hindrance or penalty;

"3. That a person who has exercised the right of free movement should be on an equal footing with all others; that human needs such as food, clothing, shelter, and medical care should be met as such, regardless of whether the person in need is a long-established resident of the community, a newcomer to the community or in transit to some other place; specifically also

"4. That the right of free movement is contravened by arbitrary length of residence requirements affecting eligibility, in the community where the need arises, for basic maintenance assistance, medical care, hospitalization for mental illness, or other necessary services financed by public funds;

"5. That, consequently, the right of free movement can be preserved only through removal of length of residence requirements;

"6. That National Travelers Aid Association is dedicated to helping people with problems arising out of movement, and has a responsibility to take leadership in securing the removal of any impediments to free movement."

Mrs. SIMONS. Just 2 weeks ago we had a biennial national convention which adopted another resolution expressing its hope that this committee would take some steps to begin to deal with this very baffling problem because we have become increasingly convinced that public welfare provisions should include these people.

Senator LONG. I am sure you realize what the problem is for a State. We in Louisiana provides a level of old-age assistance which is twice as high as our neighboring State of Mississippi, and the same thing could be true of Oklahoma and Colorado and, perhaps, California.

We feel that it is not quite fair for the adjoining States to push their caseloads off onto us because we have more liberal eligibility requirements, higher payments.

Now, how do you propose to meet that problem? Do you contend that there is only a small percentage of people who actually do move across State boundaries, in view of that situation?

Mrs. SIMONS. Well, we appreciate that inevitably the States with high assistance standards are very much concerned and fear that if they lower their residence requirements many people may come in.

Actual evidence does not show that this fear is very well founded.

For example, both New York State and California have very high standards of assistance. New York State has had no residence requirements; California has the maximum requirements permitted. But California has a very much higher rate of inmigration. Obviously people want to go to California for other reasons.

Now, New York is also surrounded by States that make much lower payments than New York does, and yet in 1957 when a special study was made, and New York had had no residence requirements, the study showed that less than 2 percent of the people receiving assistance had been in the State less than 1 year, 1.6 percent of the caseload had been there less than 1 year, and 1.8 percent of the total relief costs were for these people.

Now, the State of Connecticut just this last year eliminated all residence requirements. Connecticut is a very industrial State, of course.

When it took this action last year it set up a reporting system in order to find out why people came into the State and whether they came in to get on relief.

Now, they have recently issued their first report and it shows that most of these people came in to get jobs because they knew it was an industrial State. They did not know anything about residence requirements.

A good many of them had jobs when they first came, and then something happened to the job, they lost it, and so they applied for assistance.

The second largest group came there because they had relatives. Now, some of these were the older people who were hoping that their relatives could help them get jobs.

The experience of Connecticut so far as shown in this report does not show that people came in deliberately to get on relief.

Actually, you know, most people do not know anything about these provisions. These are the complicated tables showing the different requirements by program and by State. You have to be an expert to really know anything about these.

Senator LONG. What document is that to which you make reference?

Mrs. SIMONS. This is one published by the National Travelers Aid Association.

Senator LONG. I suggest that it be printed in the record.

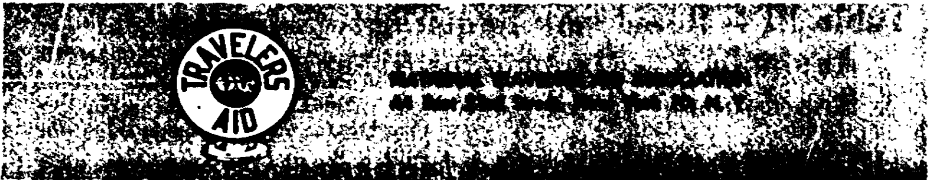
Mrs. SIMONS. It is a handbook on residence requirements.

(The document referred to follows:)

ONE A MANNER OF LAW

A HANDBOOK ON RESIDENCE REQUIREMENTS IN PUBLIC ASSISTANCE

"Ye shall have one manner of law, as well for the stranger as for one of your own country; for I am the Lord, thy God."
Leviticus 24:22



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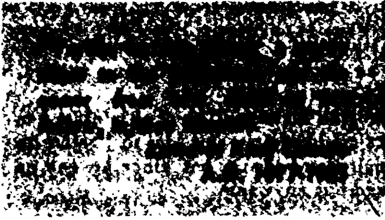

TWO CASE ILLUSTRATIONS

A young woman sits in a railroad terminal. The light that filters through the high window overhead is murky. She seems filled with despair.

She looks at the ticket office. Where should she go? Where does she belong? Thirteen months ago she married a man from a far off state and left the small town where she had lived with her family all her life. Her husband's job took them to a city in a nearby state where they had neither friends nor relatives. Her husband worked at this new job for 8 months until his construction job was completed and he was laid off. By this time she was 4 months pregnant. The husband, frightened, disappeared.

The young wife, alone and ill among strangers, took a job as a waitress. But at last she could work no longer. She sold her few possessions and returned to her home town.

As comforting as it was to be near her family her small savings were soon exhausted. Her family had no means to support her so she applied at the welfare office for food and clothing. Then, too, she needed medical attention.

She heard for the first time about something she had not known existed — residence requirements.

She learned:

1. That when she married she automatically became a legal resident of her husband's community.
2. That even when her husband, then her fiance, was working in her home town he had already lost his *original* status as a resident because of "intent" which means that since he *intended* to move away to another state to find work, he gave up his residence rights. So that, even as she married him, she was losing her own residence rights and was assuming, with him, a "stateless" condition.
3. That when they moved to the city in the nearby state they would have needed to live there 12 months to acquire residence.
4. That she had, in fact, no legal residence at all so far as meeting requirements for receiving any kind of public welfare assistance.

"Wives lose their legal residence upon marriage and assume that of their husbands. Should the serviceman be from another state, the wife may find herself without access to needed benefits or resources if she continues or returns to live in her premarital place of residence."

From statement by the American Red Cross in WHAT THEY SAY ABOUT RESIDENCE LAWS – 1959

Down the street at the bus station a gaunt middle-aged man coughs as he waits for the change in buses. He is on his way to a city where he heard there was work to be had. His coughing is severe.

A Travelers Aid worker arranges for a medical examination and a chest x-ray paid for by agency funds. Active tuberculosis is found and the doctor says he should be hospitalized.

Then *he* heard for the first time about residence requirements.

He learned:

1. That because he had managed to stay self-supporting by moving constantly from one locale to another as employment opportunities shifted, he no longer had legal settlement in any community.
2. That even infectious and sick as he was state facilities were closed to him. The Public Welfare Department could arrange for him to "return to settlement" in order to get the required treatment, but since he had no settlement they could not legally send him anywhere.

After resting in a "flop house" for a few days he was able to get a job as short order cook in a diner.

Do you ever eat there?

Could he be hospitalized in *your* community?

"Residence and local settlement laws and regulations frequently work a hardship on the tuberculosis patient. Millions of our citizens change their state residence every year. These laws and regulations may delay or even exclude hospitalization or treatment. This delay in hospitalization may extend opportunities for infection to more persons.

"The foregoing facts and principles are recognized as barriers and obstacles to the satisfactory administration of a tuberculosis control program."

From statement by The National Tuberculosis Association in WHAT THEY SAY ABOUT RESIDENCE LAWS – 1959

DEFINITION

Residence requirements for public assistance are provisions in the welfare statutes which state that an applicant in need and otherwise eligible must have resided in a specific political subdivision a certain length of time in order to complete his eligibility for needed assistance.

Usually residence requirements governing legal settlement are on a statewide basis but some states have additional settlement restrictions from town to town or county to county.

WHOM THEY AFFECT

Under the assistance provisions of the Social Security Act four categories of needy people are provided for: the needy aged; the needy blind; dependent children and totally and permanently disabled persons.

The states, or their political subdivisions, administer these programs the cost of which is shared by the Federal Government on a matching basis. Each category has its own eligibility requirements and each state has the prerogative of establishing its own residence restrictions within the prescribed federal maximum. The Social Security Act provides that no state may impose a requirement of more than five years residence out of the last nine preceding an application, in the categories of Old Age Assistance. Aid for the Blind and Aid for the Disabled; and not more than one year preceding, date of application in the Aid to Dependent Children program.

In addition to the four groups of people who meet the eligibility requirements of the assistance programs partly financed by the Federal Social Security Act, there are others in the population who may from time to time need help because of temporary unemployment or illness. These are people under 65 years of age, neither blind, nor totally and permanently disabled, nor children under 18 years of age. They are presumed employable. Help for them, when their own resources fail, is left to the administration and financing of individual states, and often by the states, to local counties or townships. Some states make no provision for general public assistance, sometimes called "home relief." Other states set their residence requirements at some point between 6 months and 5 years. All too often, the local community, especially if it is economically depressed, finds its local budget inadequate to meet assistance demands so citizens in need, both resident and non-resident suffer.

"As Americans, we recognize and encourage mobility as essential to our country's economy. A small proportion of our mobile population will undoubtedly need help. Should not our humanitarian goals measure up to those we have for economic development?"

Statement by Jay L. Roney, former Director, U.S. Bureau of Public Assistance.

With the scramble of complications in residence requirements, state by state, and within states, and even within a single city where different town statutes exist, thousands of unsuspecting people find their basic needs ruthlessly ignored.

"Also thou shalt not oppress a stranger: for ye know the heart of a stranger, seeing ye were strangers in the land of Egypt." *Exodus 23:9*

"And if a stranger sojourn with thee in your land, you shall not vex him. But the stranger that dwelleth with you shall be unto you as one born among you, and thou shalt love him as thyself; for ye were strangers in the land of Egypt."
Leviticus 19:33-34

WHERE IT ALL STARTED

The idea of someone unable, for any reason, to meet his own basic needs being the responsibility of a certain place, or parish, from which he came, is a concept of Elizabethan England. The feudal way of living had been breaking up and King Henry VIII, by closing the monasteries, had cut off the possibility of religiously motivated charity. In a still embryonic governmental organization the effort to establish a geographic and political responsibility for aid to the destitute was a reasonable enough attempt to bring some kind of stability into a chaotic situation.

The body of the English Common Law, including the provision of legal settlement, came to America with the pilgrims. In one form or another residence requirements have stayed with us, but in England, where they originated, they have been dropped as obsolete. They no longer had meaning and were prejudicial to the common interest.

They were obsolete when they started in America. They are prejudicial to the common good here, too.

"Inherited from a feudal society and incorporated into the Elizabethan Poor Laws, they have subsequently in this country been perpetuated in the health and welfare legislation of state after state. They are anachronistic in an economy which assumes a mobile labor force. They are punitive in a society committed and dedicated to equal protections and opportunities for all its citizens. They are illogical where for nearly a quarter century there has existed a federally financed Social Security program designed to provide a floor of assistances and services beneath all people wherever they may be living. Very appropriately, for our time and distance, residence laws have been called a 'road block' to human welfare."

From statement by the Child Welfare League of America in WHAT THEY SAY ABOUT RESIDENCE LAWS – 1959

SOME ESTABLISHED FACTS

- People move from home to home for better opportunities: largely for better jobs but also to be near or with relatives, for health reasons and many others. *They do not move for "relief."*
- More than one third of all Americans between the ages of 20-24 years move their homes each year.
- One in 3 of these move to different counties.
- Five and a half million people change their homes to a new state each year.
- In labor there are 23,000,000 separations from jobs each year.
- Not more than 2 or 3% of the adult population have spent an entire life in one house and perhaps not more than 10-15% live their entire lives in the same county.
- With all this mobility there are only isolated instances of someone deliberately taking advantage of public welfare provisions. The law provides for individual investigation of every application and need must be established. Furthermore the limitations imposed by residence restrictions are not commonly known.

- In New York State, where there were no residence requirements for assistance, only about 1.9% of the total relief cost was found to have been for people who had lived in the state less than a year. One third of this cost was for hospital care alone. There is no reason to presume that this varies widely in other parts of the country.
- Even though the greatest shift of population has been to the west and southwest people move constantly in all directions, west, east, north and south, from country to cities, from one city to another. The only clear pattern is the movement from areas that have become economically depressed. All states now have at least 10% of their population from other states.
- A study of non-resident applicants for relief in Chicago, April 1957, reports on state of origin. One hundred and fifty-three applicants were studied. Less than half were Negro and only one-fourth (38) were from the deep south states of Florida, Georgia, Louisiana, Mississippi and South Carolina. But more than one-fourth (41) came from Michigan (the second highest number), California, Ohio, Tennessee and New York.

  Of the same 153 applicants, 74 had been employed in Chicago prior to application. A third had been there seven months or more before applying. Thirty-six states were represented as places of origin.
- Children traveling in family groups are potential victims of deprivation because of arbitrary restrictions denying public welfare assistance. This year just across the Potomac from Washington an infant froze to death because his parents, newcomers to the community, had no money for fuel and could not qualify for assistance.
- Staff time required to try to establish where an applicant for relief may "belong" is costly and wasteful. It is your tax money spent negatively and unproductively. At one time in a big eastern city a staff of 76 social workers with salaries amounting to more than $250,000 a year, were almost exclusively occupied with checking legal settlement of applicants.
- In one year the army of agricultural migratory workers in New York State earned about $25,000,000 in wages and spent some $21,000,000 within the state before they left.

  The total cost from public assistance funds for providing hospital, medical care and burial for these migratory workers amounted to $92,000 plus $6,000 for various other emergency services. The migrants helped produce for the fruit and vegetable growers some $42,500,000 worth of canned and frozen produce.

AN UNANSWERED QUESTION

- What happens to people who are not residents but who cannot find jobs to support their families or pay for medical care when required? It is not known for sure. There is evidence of severe deprivation, of actual hunger and exposure, of lingering bad health, of juvenile delinquency and adult crime, of bitter social crippling.

  Voluntary agencies with their limited funds make valiant efforts but no voluntary agency could possibly take over responsibility for the basic needs of people.

Tables summarizing state residence requirements are included at the back of this Handbook so that one may see at a glance the complexity of the present situation. It should be noted that these tables give facts as of early 1961. As changes occur you can get information about them from your State Welfare Department.

A study of Table I in conjunction with the accompanying map of Net Migration by States shows how little residence requirements and "easier relief" have to do with whether people move into a particular state or not.

Tables II and III show how easy it is to lose residence. Only four states provide for a person to maintain a legal residence until it can be gained elsewhere. (Although the law of one state – Utah – is limited to unemployables.)

ULTIMATE SOLUTIONS

Authorities agree that the solution is to abolish residence requirements in all welfare statutes, and there are several ways of going about this.

Interstate Compacts in Welfare

One device which has been approved by the Governors' Conference is a compact or agreement between and among states to give assistance, when needed, to residents of another signatory state or states. Such compacts related to mental health, delinquency and other services have been meeting with some success, but as yet the states have shown little interest in adopting interstate compacts in welfare. But even if all 50 states signed compacts the problems resulting from residence restrictions would not be solved. The growing numbers of citizens who have no legal settlement in any state would still be penalized, and in addition, the administrative problems would be costly and cumbersome. However, even so, such compacts in welfare should be encouraged.

Federal and State Legislative Solutions

Public assistance and other public welfare programs fall within the primary jurisdiction of the states and their political subdivisions. Therefore, it is in the first instance state laws that determine questions of eligibility and it is these state laws that must be amended if residence restrictions are to be removed. On the other hand when the Federal Government shares in the financing* of these programs — as it does through the four public assistance titles of the Social Security Act and its child welfare provisions under Title V, it has the constitutional and ethical right to stipulate the conditions under which such financial aid will be given. Since it is the intent of a Federal grant-in-aid program to use the states in developing a nationwide policy, it is clearly logical and in the national interest to preclude the states from imposing arbitrary eligibility restrictions, including those based on length of residence.

For all these reasons an effective campaign to eliminate residence requirements requires simultaneous action at both the state and federal levels. Every effort needs to be made:

1. To reduce or preferably eliminate all residence requirements in state legislation and administrative regulation.
2. To amend the provisions of the Social Security Act to make it a condition of Federal aid that the state eliminate residence restrictions in considering eligibility of individuals for any federally-aided program. If such a Federal provision were adopted it would still, of course, be necessary for the states to amend their laws accordingly in order to qualify for Federal aid.

There is work to be done, thus, in both the Federal Congress and the state legislatures. It is important for people to recognize that residence restrictions are incompatible with the growing economy that requires a mobile labor supply and so are anomalous today. They should let their legislators know of their concern about this situation. There has been for some time increasing interest in the problems caused by residence requirements and there will be still more interest in the coming years as the country struggles with pockets of chronic unemployment, automation, with streams of migratory labor and with a population that moves ever more constantly. We must work to bring our welfare provisions in line with the economic necessities of the twentieth century.

* The range of Federal contributions to public assistance programs currently ranges from 39.6 to 80.3%.

TABLE I[1]

SUMMARY OF STATE RESIDENCE REQUIREMENTS FOR ASSISTANCE PROGRAMS

STATE	OLD AGE ASSISTANCE	AID TO THE BLIND	AID TO DEPENDENT CHILDREN	AID TO THE DISABLED	GENERAL ASSISTANCE
ALABAMA	1 year immediately preceding application.	1 year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	6 months for emergency assistance.
ALASKA	5 of 9 years immediately preceding application without reference to the year preceding application.	5 of 9 years immediately preceding application without reference to the year preceding application.	No residence requirement.	--	1 year.
ARIZONA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	--	5 of last 9 years, the last year continuous.
ARKANSAS	3 out of last 5 years, with last year immediately preceding application.	* 3 out of last 5 years, with last year immediately preceding application.	1 year immediately preceding application.	3 out of last 5 years, with last year immediately preceding application.	No provision in Arkansas law.
CALIFORNIA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	3 years.
COLORADO	5 of 9 years immediately preceding application without reference to the year preceding application.	* 5 of 9 years immediately preceding application without reference to the year preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	3 years. Emergency assistance granted by county departments.
CONNECTICUT	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.
DELAWARE	* 1 year immediately preceding application.	* 1 year immediately preceding application.	* 1 year immediately preceding application.	* 1 year immediately preceding application.	1 year.

[1] Tables I, II, and III have been compiled from tables contained in The Public Welfare Directory 1961, published by the American Public Welfare Association, pages 399 through 408. They have been revised to include changes so far as they were known as of June 1961.

*Write your state department of public welfare for the current situation.

DISTRICT OF COLUMBIA	1 year immediately preceding application.	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
FLORIDA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	No settlement law. No general assistance program.
GEORGIA	1 year immediately preceding application.	1 year immediately preceding application.	No residence requirement.	1 year immediately preceding application.	No law. Each county sets residence requirements.
HAWAII	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.
IDAHO	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year.
ILLINOIS	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year. Provision for "hardship cases."
INDIANA	3 out of 9 years.	3 of last 9 years.	1 year immediately preceding application.	--	3 years state, 1 year township.
IOWA	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	• 1 year immediately preceding application.	1 year continuously in any county.
KANSAS	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	• 1 year immediately preceding application.	• 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	5 of last 9 years, last year continuous.
KENTUCKY	3 of 7 years immediately preceding application and 1 continuous year immediately preceding application.	3 of 7 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	3 of 7 years immediately preceding application and 1 continuous year immediately preceding application.	No legal provision. Determination by county judges.

TABLE I—(Continued)

STATE	OLD AGE ASSISTANCE	AID TO THE BLIND	AID TO DEPENDENT CHILDREN	AID TO THE DISABLED	GENERAL ASSISTANCE
LOUISIANA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	6 years, last 2 years continuous.
MAINE	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	5 years. Special provision as required.
MARYLAND	1 year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
MASSACHUSETTS	* 3 of last 9 years with 1 year immediately preceding application.	* 3 of last 9 years with 1 year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	5 years. Special emergency provision possible.
MICHIGAN	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	* 1 year immediately preceding application.	1 year in county. Special emergency provision possible.
MINNESOTA	* 1 year immediately preceding application.	* 1 year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	1 year.
MISSISSIPPI	1 year immediately preceding application.	No residence requirement.	* 1 year immediately preceding application.	1 year immediately preceding application.	6 months.
MISSOURI	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
MONTANA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	1 year.
NEBRASKA	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year.

NEVADA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 2 of 9 years preceding application, with last year continuous.	1 year immediately preceding application.	--	3 years state, 6 months county.
NEW HAMPSHIRE	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 1 year immediately preceding application.	* 1 year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	5 years. Special emergency provision possible.
NEW JERSEY	* 1 year immediately preceding application.	* 1 year immediately preceding application.	No residence requirement.	* 1 year immediately preceding application.	2 years. Special emergency provision possible.
NEW MEXICO	1 year immediately preceding application.	* 1 year immediately preceding application.	* 1 year immediately preceding application.	1 year immediately preceding application.	1 year.
NEW YORK	** Presence.	** Presence.	** Presence.	** Presence.	** Presence.
NORTH CAROLINA	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	No residence requirement.	1 year.
NORTH DAKOTA	* 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
OHIO	3 of last 9 years with 1 year immediately preceding application.	* 3 of last 9 years with 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
OKLAHOMA	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year.
OREGON	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	* 5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	3 years. Special emergency provision possible.

TABLE I—(Continued)

STATE	OLD AGE ASSISTANCE	AID TO THE BLIND	AID TO DEPENDENT CHILDREN	AID TO THE DISABLED	GENERAL ASSISTANCE
PENNSYLVANIA	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year.
RHODE ISLAND	Presence and intent.	Presence and intent.	Presence and intent.	Presence and intent.	1 year with qualifications.
SOUTH CAROLINA	1 year immediately preceding application.	• 1 year immediately preceding application.	1 year immediately preceding application.	No residence requirement.	3 years.
SOUTH DAKOTA	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year.
TENNESSEE	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	Local differences; usually 1 year residence required.
TEXAS	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year immediately preceding application.	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	1 year administered on local basis.
UTAH	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
VERMONT	2 out of last 6 years, with last year immediately preceding application.	2 out of last 6 years, with last year immediately preceding application.	• 1 year immediately preceding application.	2 out of last 6 years, with last year immediately preceding application.	3 years.
VIRGINIA	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year if self-supporting to start. Otherwise 3 years.
WASHINGTON	5 of 9 years immediately preceding application and 1 continuous year immediately preceding application.	• 5 out of 10 years immediately preceding application without reference to the year preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	3 of 4 years immediately preceding application. Non-residents assisted not more than 90 days.
WEST VIRGINIA	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.
WISCONSIN	• 1 year immediately preceding application.	• 1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year if self-sustaining.
WYOMING	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year immediately preceding application.	1 year.

TABLE I-(Continued)

TERRITORIES	OLD AGE ASSISTANCE	AID TO THE BLIND	AID TO DEPENDENT CHILDREN	AID TO THE DISABLED	GENERAL ASSISTANCE
VIRGIN ISLANDS	Presence and intent.	Presence and intent.	Presence and intent.	Presence and intent.	Local jurisdiction and presence at time of application.
PUERTO RICO	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.	No residence requirement.

* State laws are complicated. The foregoing information is in general terms; many special provisions will be found. This is especially true regarding medical, hospital, and psychiatric services.

** The 1961 legislative session set up certain requirements for eligibility for persons applying for assistance who have been in the state less than six months.

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NET MIGRATION BY STATES

1950 TO 1960 AS PERCENT OF 1950 POPULATION

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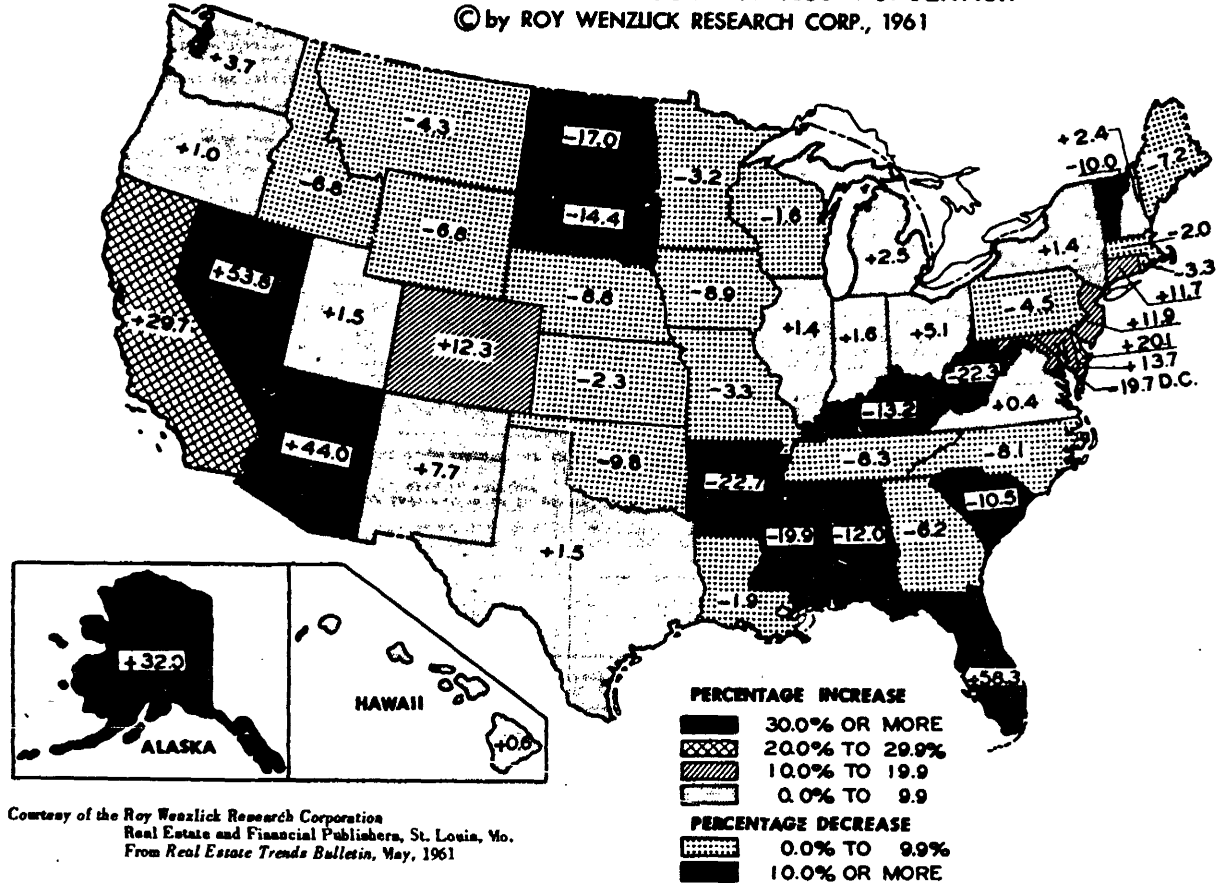

Courtesy of the Roy Wenzlick Research Corporation
Real Estate and Financial Publishers, St. Louis, Mo.
From *Real Estate Trends Bulletin*, May, 1961

TABLE II

RESIDENCE REQUIREMENTS FOR GENERAL ASSISTANCE

Time Required to Gain Residence

6 MONTHS	1 YEAR	2 YEARS	3 YEARS	5 YEARS	6 YEARS	PRESENCE	NO LEGAL PROVISION
Alabama Mississippi	Alaska Delaware District of Columbia Georgia Idaho Illinois Iowa Maryland Michigan (in county) Minnesota Missouri Montana Nebraska New Mexico North Carolina North Dakota Ohio Oklahoma Pennsylvania Rhode Island South Dakota Tennessee Texas Utah Virginia (self-sustaining 1 continuous year) West Virginia Wisconsin (self-sustaining) Wyoming	New Jersey	California Colorado Indiana (1 year in township) Nevada (6 months in county) Oregon South Carolina Vermont Washington (2 of 4 years preceding application)	Arizona (5 of last 9 years, the last year continuous) Kansas (5 of last 9 years, the last year continuous) Maine Massachusetts New Hampshire	Louisiana (2 last years continuous)	New York Virgin Islands	Arkansas Connecticut Florida Hawaii Kentucky Puerto Rico

TABLE III

RESIDENCE REQUIREMENTS FOR GENERAL ASSISTANCE

Duration of Absence to Lose Residence

6 MONTHS	1 YEAR	3 YEARS	5 YEARS	"INTENT"	WHEN GAINED ELSEWHERE	NO LEGAL PROVISION	NOT SPECIFIED
Alabama	Alaska	Vermont	Maine	Missouri	Arizona (or up to 5 years)	Arkansas	Nevada
Mississippi	California		Massachusetts	Montana	North Carolina	Connecticut	Rhode Island
	Colorado		New Hampshire	Oklahoma	Utah (for employables on removal)	Delaware	Tennessee
	District of Columbia			Pennsylvania	Virginia	Georgia	Washington
	Florida			Texas		Hawaii	
	Idaho			West Virginia		Kentucky	
	Illinois					Puerto Rico	
	Indiana					South Carolina	
	Iowa					Virgin Islands	
	Kansas						
	Louisiana						
	Maryland						
	Michigan						
	Minnesota						
	Nebraska (or new settlement)						
	New Jersey						
	New Mexico						
	New York						
	North Dakota						
	Ohio (or new settlement)						
	Oregon						
	South Dakota						
	Wisconsin						
	Wyoming						

APPENDIX I

SOURCES OF INFORMATION

I. Federal and State Legislation

Congressional Record. Most city libraries carry this verbatim daily account of all activities in the Federal Congress. Subscriptions at $1.50 a month can be purchased from the Superintendent of Documents, United States Government Printing Office, Washington 25, D.C.

Copies of bills introduced in the House can be secured from the *House Document Room*, House of Representatives, Washington, D.C. Bills introduced in the Senate can be similarly secured from the *Senate Document Room*, U.S. Senate, Washington, D.C.

States do not maintain official verbatim transcripts as found in the Congressional Record but all keep some record. Information can be obtained from the Secretary of the State Senate and the clerk of its lower house.

The Secretary of the State can usually furnish a list of state legislators.

Reporting services on welfare activities are available from Washington. National Association of Social Workers, Washington Branch Office, 1346 Connecticut Ave., N.W., Room 217, Dupont Circle, Washington 6, D.C., sends out a *Washington Memo*, and American Public Welfare Association, 815 17th Street, N.W., Washington, D.C., publishes a *Letter to Members*.

The Social Legislation Information Service, 1346 Connecticut Ave., N.W., Washington 6, D.C., publishes a weekly analysis of developments in health, education, welfare and related fields.

Many states have state-wide citizen groups that send out reports on social legislation. Your public library or the executive of your Community Welfare Council can tell you what is available.

II. Materials on Residence Requirements

Chicago Department of Welfare Study of Non-Resident Applications Received in April 1957, Cook County Department of Welfare, Chicago, Ill.

New York State Social Welfare Department Report. Various reports and studies made in New York State during the last five years are available from State Charities Aid Association, 105 East 22nd St., New York 10, N.Y.

Report of Residence Requirements in Public Assistance and Poor Relief Laws Study Committee 1961. State Department of Public Welfare, 141 S. Meridian St., Indianapolis 25, Ind.

Children in Migrant Families. A report by the Children's Bureau, Social Security Administration, U.S. Department of Health, Education and Welfare to the Committee on Appropriations, U.S. Senate, December 1961. Available from the U.S. Government Printing Office, Washington 25, D.C.

Statement on Residence Laws as They Affect Eligibility for Public Assistance. Published by the Public Assistance Division of the Family and Child Welfare Division of the Richmond, Va. Area Community Council, 1959.

Residence Roundup 1959 and 1961. Published by National Social Welfare Assembly, 345 East 46th St., New York 17, N.Y. Report on the current situation prepared by the National Travelers Aid Association.

What They Say About Residence Laws – 1959. Published by National Social Welfare Assembly, 345 East 46th St., New York 17, N.Y. A list of official policy statements by national organizations.

Our Obsolescent Residence Laws – 1960. A speech by Savilla Millis Simons, General Director, National Travelers Aid Association, 44 East 23rd St., New York 10, N.Y. Presented at the 49th California State Conference on Health and Welfare.

Social Problems Arising from Population Mobility – 1961. A speech by Savilla Millis Simons, General Director, National Travelers Aid Association, 44 East 23rd St., New York 10, N.Y. Presented at the Tennessee State Conference of Social Work.

The Movement of Population and Public Welfare in New York State, published 1958 by New York State Department of Social Welfare, 112 State St., Albany, N.Y.

Residence Laws Deprive People of Essential Dignity – 1960. A speech by Dr. Clarence Senior, Consultant on Migration, American Society of Planning Officials, presented at National Conference on Social Welfare in Atlantic City. Copies may be obtained at the National Travelers Aid Association.

New Approaches to the Problem of Residence Laws by Antonio A. Sorieri, Deputy Commissioner, New York State Department of Social Welfare. Presented at the National Travelers Aid Association Regional Conference held in Atlanta, Ga. in 1959.

U.S. Census Reports, U.S. Department of Commerce, Bureau of the Census, Washington, D.C.

American Public Welfare Directory, published yearly by American Public Welfare Association, 1313 East 60th St., Chicago 37, Ill., Loula Dunn, Editor.

How to Influence Social Policy by Elizabeth Wickenden. Available from National Association of Social Workers, 95 Madison Ave., New York, N.Y.

The Position of Farm Workers in Federal and State Legislation 1959-1960, by Robin Meyers for the National Advisory Commission on Farm Labor, 112 East 19th St., New York 3, N.Y.

The Population of the United States by Donald J. Bogue, Free Press, Glencoe, Ill., 1959.

APPENDIX II

LIST OF NATIONAL ORGANIZATIONS WITH POLICY STATEMENTS OPPOSING RESIDENCE RESTRICTIONS

American Council for Nationalities Service

American Federation of Labor-Congress of Industrial Organizations

AFL-CIO Community Service Activities

American Foundation for the Blind

American Legion

American Public Welfare Association

American Red Cross

Association of American Indian Affairs

Bureau of Public Assistance, U.S. Dept. of Health, Education and Welfare, Social Security Administration

Children's Bureau, U.S. Dept. of Health, Education and Welfare, Social Security Administration

Child Welfare League of America

Council of Jewish Federations and Welfare Funds

Family Location Service

Family Service Association of America

Governors' Conference

International Social Service

National Association for Mental Health

National Association of Social Workers

National Child Labor Committee

National Council of the Churches of Christ in the U.S.A.

National Council of Jewish Women

National Council on Alcoholism

National Federation of Settlements and Neighborhood Centers

National Travelers Aid Association

National Tuberculosis Association

President's Committee on Migratory Labor

Salvation Army

United Hias Service

United Seamen's Service

Young Women's Christian Association

Senator LONG. If you will pass it up here, let me take a look at it.

Mrs. SIMONS. These tables are also available from the American Public Welfare Association. But all the evidence seems to be that, in general, people move for economic reasons because they want to improve their economic situation or to be with relatives, or sometimes it is because of climate.

Senator LONG. Quite a few of the States require 1-year residence immediately preceding application. Do you find that to be an unreasonable requirement?

Mrs. SIMONS. No. We support the proposal made by the Secretary in the original bill covering these amendments which limited duration of residence to 1 year.

Now, this is in accordance with the recommendation made by the Governors' conference, and seemed as though it would be a great help because it would eliminate some of this confusion.

We also support the second proposal that was made, which was to assist the States to eliminate residence requirements through providing some additional Federal matching.

It seems quite obvious that this is a national problem that calls for both Federal and State legislation and that it is difficult for the States to take action unilaterally.

Senator LONG. What is your impression of the law with regard to a person who moves from a State; can the State continue welfare payments to a person who moves away?

Mrs. SIMONS. They can temporarily. I would like to call your attention to cases that I mention in my written material, and on page 3 there is the case of a family where this was done.

This is a family with two small children in which the father was disabled. They were receiving aid to dependent children. It is under the heading "Family Shunted Back and Forth." They were receiving aid to dependent children in a Northern State.

On a medical recommendation the family moved to the South, with the department of welfare of the home State continuing the ADC grant for 12 months until the family could gain residence in the new State.

At the point that the first State discontinued assistance, the welfare department of the second State declared the family ineligible because, in their opinion, the man could do light work.

When he was unable to find employment, a local public official offered the family $25 to leave the State and return to the first State. In the meantime, the family had lost residence there and upon return the authorities gave them $5 for a tank of gas and told them to move on.

They went on to a third State where they had previously lived many years earlier, and the Travelers Aid Society was able to provide assistance and medical care and vocational rehabilitation, and the family eventually did become self-supporting.

This is the kind of thing that a voluntary agency like Travelers Aid cannot always do because of the great limitation on private funds.

We really have an awful gap between the public provisions and the voluntary agencies because they assume that assistance for basic maintenance will come under the Social Security Act from public assistance, and so are not prepared to give this kind of assistance.

Travelers Aid does give financial assistance as part of its service, but its funds are very limited, and it cannot do so indefinitely.

Senator LONG. That is the kind of problem that some people do not seem to understand.

I have received mail from people who take the attitude that there should be no public welfare program, that all aid to the needy and unfortunate should be provided on a private charity basis. Yet the testimony we receive from private organiaztions who try to help indigent and unfortunate people is that they cannot begin to take care of the cases that come to them now; they just do not have adequate funds for them now.

Is it your impression that the other agencies which do similar work have the same problem; that it, inadequate funds?

Mrs. SIMONS. Well, after the adoption of the Social Security Act it was recognized that the responsibility for basic income maintenance for needy people who were unable to support themselves was being assumed by public welfare, in general, and that the voluntary agencies then could supplement through giving more intensive services and limiting the financial assistance to the emergency kind of thing.

Now, most family agencies do not give financial assistance as Travelers Aid does. We have to do so because we are dealing so frequently with nonresidents.

Other cases show the kinds of things that happen that prevent any kind of preventive or rehabilitative services.

There is the case here of a man with advanced tuberculosis who was stateless; he had residence no place, so he could get no hospitalization, and so he took a job as o cook in a diner, thus becoming a public welfare threat.

There is the case of a 16-year-old boy who, after his grandparents' death had no family, no home, and he came to the North in the hope of getting a job and going to school.

He could not read or write. He was very anxious to study. He was not able to get the job, and Travelers Air carried him for quite a long time and made every effort to do something for him, but eventually public welfare paid his transportation back to where he had come from, and there was absolutely nothing there for him.

So here was a 16-year-old boy now who easily could drift into crime, and both the public agency and the private agency really failed him at that point.

So, in order to carry out the emphasis, the constructive approach of this bill on the prevention of dependency and rehabilitation, we feel it very important that something be done to initiate some kind of steps that will end this discrimination against certain American citizens who have happened to move, usually for the very American reason of improving their economic conditions, and really meeting the need for a mobile labor supply.

Senator LONG. Thank you very much, Mrs. Simons.

(The statement of Mrs. Simons follows:)

STATEMENT SUBMITTED TO SENATE FINANCE COMMITTEE ON PUBLIC WELFARE AMENDMENTS OF 1962, H.R. 10606, BY SAVILLA MILLIS SIMONS, GENERAL DIRECTOR, NATIONAL TRAVELERS AID ASSOCIATION

National Travelers Aid Association is a federation of local travelers aid societies throughout the country giving assistance and counseling services to nonresidents and people on the move and working in close relationship with public

welfare departments. Because both its operations and its clients are greatly affected by public welfare provisions, the association, out of its long experience, is impelled to register its urgent plea that steps be taken to remedy the absurd and tragic effects of the present crazy quilt of diverse residence requirements for public assistance. Failure to do so will seriously interfere with carrying out the highly desirable, constructive approach of the proposed public welfare amendments with their emphasis on the prevention of dependency and rehabilitation.

RESIDENCE RESTRICTIONS INTERFERE WITH PREVENTION AND REHABILITATION

The carrying out of these emphases requires that needed assistance and services be available on the basis of need at the time and place of need. To achieve these objectives it is necessary to deal with the problems caused by residence restrictions, because they now constitute a serious obstacle to rehabilitation and prevention.

Every day as a result of these restrictions problems are aggravated, needed medical care delayed, and people encouraged in hopeless wandering from handout to handout, thus increasing the numbers of dependent, unproductive, and, in some cases, antisocial individuals and families.

The present provisions of the Social Security Act have resulted in a confusing, chaotic diversity of provisions among programs and States, costly and time consuming in administration, and resulting in—

1. Large numbers of American citizens who are not eligible for needed assistance anyplace, because they have lost residence in one place without gaining it in another and so are stateless.
2. Others sent back to place of residence even when their return is undesirable from the point of view of the individual and the community.

Since the purpose of the Social Security Act was to assure that people in this country have the essentials of life, the voluntary social welfare agencies, including the planning and financing agencies, have assumed the availability of public welfare benefits and so, as a rule, do not provide financial assistance for basic maintenance. Travelers Aid includes financial assistance when necessary as part of its casework service, but as a voluntary agency its funds are limited. Consequently there is a critical gap in our welfare provisions which result in American families and individuals being left actually destitute if they do not have residence.

Because of growing mobility and ease of transportation in this country, this situation is increasingly affecting Americans adversely, because they are no longer tied to one geographical community as in an earlier period before industrialization.

TUBERCULOSIS UNTREATED

An illustration of the compounding of a bad situation is the case of a gaunt, middle-aged man, coughing severely, on his way to a city where he heard there was work. The Travelers Aid worker in a bus station arranged for a medical examination and a chest X-ray which showed active tuberculosis. The doctor recommended hospitalization but the man learned—

1. That because he had managed to stay self-supporting by moving constantly from one place to another as employment opportunities shifted, he no longer had legal settlement in any community.
2. That even though he was infectious and sick, public facilities were closed to him. The public welfare department could arrange for him to "return to settlement," if he had any, in order to get treatment, but since he had no settlement they could not legally send him anywhere.

After resting in a "flophouse" for a few days he was able to get a job as a short order cook in a diner, thus exposing others in the community to tuberculosis.

The National Tuberculosis Association states: "Residence and local settlement laws and regulations frequently work a hardship on the tuberculosis patient. These laws and regulations may delay or even exclude hospitalization or treatment. This delay in hospitalization may extend opportunities for infection to more persons."

ONLY HOPELESSNESS FOR A 16-YEAR-OLD

Residence restrictions often make it impossible to take advantage of community opportunities for rehabilitation or training for a useful life. For example Ed, a 16-year-old boy in a Southern State whose parents were dead, had been

reared by his grandparents and when they died he took to the road. He had no relatives or home in his home State. He worked in the North as a fruitpicker and at the end of the season went to a large city to find work and to go to school.

He was bright; he had no work skills and could not read or write, but was very eager to get an education. He found a few casual jobs but they didn't last and he couldn't get along, and so he came to Travelers Aid. Investigation showed that there were no resources for him at all in the home State, the State of residence, and that obviously the best thing for the boy was to stay where he was and attempt to establish himself.

For several weeks the Travelers Aid Society assisted him and made every possible effort to make a longer term plan for the boy and to help him find work. Unfortunately his lack of skills prevented his getting a job and he was not eligible for public assistance since he did not have residence. Travelers Aid could not finance his expenses on a continuing basis. In desperation, Ed finally decided that he would go back to the State where he had grown up. His fare was paid by the public welfare department but no social plan was made for him in the home State and he did not even have a place to live there.

Because Ed was a legal resident the cost of his transportation to return him could be paid. He wanted, however, to go to school and learn to read and write and learn an occupation. An opportunity to do so did not exist in his home community and it was denied him in the new community because of his lack of residence. The boy, in addition to needing food, shelter, and teaching, is in danger of becoming delinquent and equally needs supervision and counseling. He had established a good relationship with the Travelers Aid worker, the first person who had ever helped him. After his return to his home State he phoned frantically to Travelers Aid in the northern city to ask for advice and help.

Here was a missed opportunity to give preventive service to an individual who is in danger of becoming a drag on the community for life.

FAMILY SHUNTED BACK AND FORTH

The way residence restrictions may affect the life of a family is illustrated by the following case:

A family with two small children in which the father was disabled had been receiving aid to dependent children in a Northern State. On medical recommendation the family moved to the South with the department of welfare of the home State continuing the ADC grant for 12 months until the family could gain eligibility for ADC in the new State. At the point that the first State discontinued assistance the welfare department of the second State declared the family ineligible because in their opinion the man could do light work. When he was unable to find employment a local public official offered the family $25 to leave the State and return to the first State. In the meantime, the family had lost residence there and upon return the authorities gave them $5 for a tank of gas and told them to move on. They went on to a third State where they had previously lived many years earlier. The Travelers Aid Society there provided financial assistance, medical care, and vocational rehabilitation to this family which eventually became self-supporting.

Surely a program financed in large part by Federal funds and with the constructive objectives of rehabilitation and prevention of dependency through training and services should not encourage such situations so contrary to the intent of the Act.

POOR PUBLIC POLICY

Since our economy is increasingly dependent on a mobile labor supply, good public policy calls for removing obstacles to the free movement of labor from depressed areas to those of greater opportunity. However, under the present legislation the unemployed with sufficient initiative to move to new locations in search of work are penalized if they experience delays in securing work and are not able to finance themselves. They are discriminated against in comparison with those who remain at home and do not make such efforts to get employment.

WIDESPREAD CONCERN ABOUT PROBLEM

As early as 1899 the National Conference of Charities and Corrections recommended a uniform State settlement law. Since then there has been mounting concern about the seriousness of the problem. Many outstanding influential organizations have called for action, such as the American Legion, the AFL–

CIO, the American Public Welfare Association, the Salvation Army, the National Council of the Churches of Christ, the United Community Funds and Councils, the Family Service Association, the American National Red Cross, the Council of Jewish Federations and Welfare Funds, the Child Welfare League. Thirty-one national agencies joined together in a special subcommittee on residence laws in the National Social Welfare Assembly.

PEOPLE DO NOT MOVE FOR RELIEF

Residence requirements for public assistance have been continued in the false hope that they will keep dependent, undesirable people out of the State. Actually, except in rare cases, people do not move in order to get on relief. They usually do not even know what the complicated provisions of our State laws are until they get in trouble. The fact is that public welfare residence laws neither attract nor deter people from moving to a specific State.

People move usually for economic reasons and the demands of labor and industry. A recent publication of the Chase Manhattan Bank in an article on "Mobile Americans" said people "move for advancement." High residence requirements in States like Florida, California, and Colorado, have not discouraged people coming into these States which have had a particularly high immigration for other reasons.

Dr. Ellen Winston, commissioner, North Carolina State Board of Public Welfare, testified before the House Ways and Means Committee:

"The fact remains that a very small proportion of assistance applicants are recent arrivals, and restrictive laws are not as great a protection against assuming responsibility for those in need as they might seem."

Large numbers of workers come into New York State each year to work, both in industry and in agriculture, and yet, even though New York has high assistance standards and had no residence requirements, in 1957 less than 2 percent of the total relief costs was for people who had lived in the State less than a year. One-third of this cost was for hospital care alone. At the same time seasonal workers contributed in wages and expenditures more money than they took out of the State.

FEDERAL ACTION NECESSARY TO AID ACTION BY STATES

It is clear that the States cannot be expected to act unilaterally in reducing residence restrictions, which constitute a national problem that must be dealt with through both Federal and State legislation. Consequently, the National Travelers Aid Association and other national agencies associated with it in the National Social Welfare Assembly welcomed very much the two proposals made by the administration. They are in accord with the major recommendation made by the Governor's conference in 1959 for Federal legislation to prohibit the imposition of a residence requirement of more than 1 year. The second proposal (sec. 137, H.R. 10032) is very desirable in that it would assist the States in eliminating all residence restrictions by providing a small compensatory increment in Federal matching. Thus, we could begin to move toward removing the gap in provisions which causes so much hardship to some of our mobile people.

We are extremely disappointed that the House of Representatives did not include these two extremely constructive, much-needed provisions in H.R. 10606. We believe that their deletion makes a serious gap in the series of provisions designed to make "a comprehensive change" emphasizing prevention and rehabilitation.

We urge the Senate Finance Committee to restore these two provisions as an essential step in strengthening the Federal-State public welfare system, so as to meet the needs of people, wherever they may be in this country, and without discriminating against American citizens who have moved, usually for the characteristically American reason of wishing to improve their economic opportunities. It would be tragic if these amendments do not initiate steps to assure that a program financed in large part by Federal funds sets a national pattern for dealing with the social and human problems growing out of mobility appropriate to a united nation dependent on a highly mobile economy.

Senator LONG. Mr. Joseph H. Reid of the Child Welfare League of America.

Will you proceed, Mr. Reid.

STATEMENT OF JOSEPH H. REID, EXECUTIVE DIRECTOR, CHILD WELFARE LEAGUE OF AMERICA

Mr. REID. My statement will take, I think, under 10 minutes.
Senator LONG. Yes.
Mr. REID. I am representing the Child Welfare League of America at 44 East 23d Street, New York City.
The league is a national voluntary accrediting organization in the field of child welfare.
In representing the league and its board of directors, we are not representing the views of all of our members. We have discussed this bill with some 7,000 people in the last few months.
The first thing I wanted to speak to was the statement that was made this morning by Representative Baldwin in which he is requesting an amendment to the bill before you.
We respectfully oppose this amendment because we believe it is unsound and it would alter the sound pattern of public welfare in the United States.
As you know, Representative Baldwin is proposing that aid to dependent children funds be permitted to go to juvenile courts where those courts are placing children in foster care.
We are an organization that makes surveys and studies throughout the country and, in our opinion, foster-care programs should be administered by administrative agencies of government and not by the courts.
We have seen, generally speaking—it is not true in all instances—the care which children received is not as good as when that care is given through public welfare departments or through private agencies.
We, in no sense, would want to limit the responsibility of the courts, and would suggest that keeping the bill in its present form would in no sense limit the responsibility of courts.
Wherever there has to be a limitation of parental rights or determination of legal custody of a child or the naming of a guardian, that should be done by the courts. However, that authority should not be confused with the actual administration of the services that the child needs. A proper separation between judicial and administrative functions is as essential in child welfare as it is in other areas. The majority of courts recognize this proper division of responsibility.
In California, in fact, only a handful of counties follow the methods advocated by Representative Baldwin, in which the courts actually administer child welfare.
In a majority of the counties, the courts do transfer that responsibility.
We do believe, if I may add one extra thing here, that this whole question could be resolved by an administrative clarification of the present law.
In California there is objection to a ruling of HEW that the child must actually be committed by the court to the public welfare department.
Were that rule changed to permit the judge to commit the child to his probation officer, but to delegate the actual responsibility for the care of the child to the public welfare department, the majority of judges in that State would concur with present law, and I respect-

fully suggest that an amendment is not necessary in order to bring this about, but rather that there be administrative clarification by the Department.

The second matter that I wish to speak to briefly, and I want to repeat that we associated ourselves with the testimony of the National Social Welfare Assembly, so we are not going to duplicate——

Senator LONG. Let me see if I understand it.

Mr. REID. Yes, sir.

Senator LONG. Are you opposed to any courts, any of the probation officers of juvenile courts, administering these foster-care funds or do you favor that it be made permissive, that the State may or may not use this procedure?

Mr. REID. No, sir. We oppose changing the law in the way that permits courts to administer ADC funds because we think what it results in is the setting up of duplicate systems of foster care.

In those communities—and it is not just California; Michigan has a fairly widespread system of this type, and also Texas does—in those communities where you have foster-care programs administered by courts you have, in practically all instances, a duplicate system under the public welfare department.

We believe it will be far sounder not to permit the courts to receive ADC funds and to encourage this development.

In those communities where courts do have the program, supported by local funds, obviously it is not the concern of the Congress. But we think that passing an amendment at this point might serve either to perpetuate or to further establish the duplicate system of foster care to the detriment of the children.

In the original bill as presented by the administration provision was made to permit the purchase of services from private agencies by public welfare departments, and although our organization supports the purchase of service where it is service that cannot be provided by the public welfare department, where they do not possess it, we believe if the Senate does reconsider this action, as has been requested by several groups who have appeared before you, in other words, if you reinstate a provision for the purchase of service, that it is extremely important in order to preserve proper private agencies and proper public agencies that there be several specific restrictions.

One is that any purchase of service be on a case-by-case basis rather than an open-end contract with a private agency.

Second, that in purchasing service that 100 percent of that care should be paid for and not partial care, so we do not get into a situation where community chest funds or church funds are going to subsidize the program of the public agency.

Third, that a limitation be placed upon the amount of service that can be purchased from any one private agency, so as to avoid any implication that the Government is prepared to finance a large proportion of private agency services. We believe that the predominant source of private agency financing should be private and not governmental, and without such a restriction we fear the development of a large quasi-public agency that, though it be private in name, is 100 percent public in its financing.

The last is that in purchasing services that they only be purchased from agencies that have properly qualified trained personnel.

We think it is extremely important to keep the division of responsibility between private and public, to encourage cooperation, and certainly not have one destroy the other. An open-end provision for purchase, we fear, would result in an imbalanced development.

The next item that I would like to speak to is section 107(a), that part of it that would permit the States to take "any other action authorized under State law in behalf of the child," except the denial of assistance to the child.

We believe it would be very unwise for this language to remain in the bill.

Although I concur with some of the statements which have been made earlier that to the degree that Congress can, there should be clarification by Congress of what the restriction should be, or the law should be, in respect to Federal-State relationships. With this type of open-ended permission for the States to pass any law they wish, we think there is ample experience which shows that there has been serious abuse by States in some instances by cutting off large numbers of people from relief rolls quite inconsistent with Federal law.

In fact, as you know, Secretary Flemming, during his administration, took action that was later supported by Congress to attempt to get uniformity in the administration of public assistance.

But we do believe there is danger in simply giving a blank check to the States, and since as much as 80 percent of the funds going into these programs are Federal, that preserving a contractual relationship based on firm understandings, whether the details of that contractual relationship be determined by Congress or by administrative fiat, as has been mentioned, is secondary, I think, to the principle of the Federal Government being permitted, in giving the money, to designate the conditions under which it should be spent.

The next to the last item I want to mention is the child welfare grants, and we heartily endorse the provisions that would extend child welfare services to every county in the Nation.

As it stands today, approximately only one-half of the counties in the United States have public child welfare programs. We think it extremely important that Congress take action to see to it that regardless of where a child is he is eligible to receive service.

The last thing I want to speak of, sir, is the disparity between financial assistance that is given to children and to others, the aged and the disabled.

Whereas, we are in no sense commenting negatively about the level of assistance for the aged, we do believe that this bill, which would further increase the disparity between children and their parents, and between the ADC program and the aged, blind, and disabled, cannot be justified.

There is evidence that a child requires every bit as much food and clothing and shelter as an aged person, and if the formula proposed in this bill were passed, we would have a discrepancy of 2½ times as much money available to an aged person as to a child.

In saying this I want to repeat that we in no sense are stating that an aged person does not need this amount of money, but rather that Congress in looking at the categorical aid is perpetuating a dis-

crimination that is very deadly if it does not take into account the needs of children and their parents as well as these other categories.

Thank you.

(The prepared statement of Mr. Reid follows:)

STATEMENT OF JOSEPH H. REID, EXECUTIVE DIRECTOR, CHILD WELFARE LEAGUE OF AMERICA

Mr. Chairman and members of the committee, my name is Joseph H. Reid. I am the executive director of the Child Welfare League of America at 44 East 23d Street, New York City. Established in 1920, the league is the national voluntary accrediting organization in the field of child welfare. It has a membership of 246 agencies throughout the United States. Its prime functions are reserach, consultation services to local agencies and communities, standard setting, and child welfare publications.

I am authorized by the board of directors of the league to appear before you today in support of legislation to extend and improve the public assistance and child welfare service programs of the Social Security Act. My statement does not necessarily represent the views of all of our member agencies since we have not had an opportunity to poll them on all of the specific content of the bill before you. In general, however, the statement will be consistent with the views of the majority of our members.

We have associated ourselves with the testimony previously presented by the National Social Welfare Assembly and therefore will not repeat our support for the major intent of this legislation. We will confine our testimony to several aspects of the bill with which we have additional concern.

BALDWIN AMENDMENT

In the hearings on this legislation before the Committee on Ways and Means of the House of Representatives, an amendment was proposed by Representative Baldwin of California. We understand that this amendment will come before you for your consideration. In his amendment, Representative Baldwin is proposing that section 2 of Public Law 87-31 be so changed as to permit aid-to-dependent-children's funds to be used for the payment of foster care of certain children who are placed in foster care and supervised by county probation officers of juvenile courts.

It is our opinion, based upon many studies and surveys of child welfare operations throughout the Nation, that foster care programs should be administered by administrative agencies of government, and not by courts. Courts, and particularly juvenile courts, have a major concern and share responsibility for joint planning and action essential to insure that every county has essential basic services for children. Public welfare departments, as administrative agencies, must depend upon the courts to act in all matters requiring adjudication. The court is the only authority that may limit or terminate parental rights, give legal custody of a child to a designated individual or agency, name a guardian for a child, grant an adoption decree, or make a commitment of a child. However, that authority should not be confused with the actual administration of the services that the child needs. A proper separation between judicial and administrative functions is as essential in child welfare as it is in other areas. The majority of courts recognizes this proper division of responsibility. In California, in fact, only a handful of counties follows the methods advocated by Representative Baldwin. The large majority of counties places the responsibility for the actual administration of the foster care for a given child with a public or private agency. In our experience, in general, the level of foster care provided through courts is substandard. Personnel do not usually have the training or experience required to administer a sound foster care program. They do not have the benefit of the wide range of child welfare services that are necessary to support a proper foster care program. Nor are they, in all instances, subject to civil service standards or other Federal and State requirements that seek to provide a high level of foster care.

Another evil that would be perpetuated by encouraging court-administered programs through this amendment is the establishing of duplicate systems of foster care in the States and counties. It is wasteful and inefficient to have two publicly supported foster care programs competing for personnel and for foster homes.

In no sense do we wish to negate or limit the courts' responsibility for matters requiring adjudication. The fact that an administrative agency of government, rather than a judicial agency, should, in our opinion, be responsible for the determination of eligibility for public assistance, the placement of the child, and planning for the child and his family, in no sense limits the proper authority of the court for children who are court wards in respect to any matter requiring adjudication, including the limiting or terminating of parental rights and the return of the child to his own home.

PURCHASE OF SERVICE

In the original bill presented by the administration, provision was made to permit the purchase of services by public welfare departments from private agencies. The present bill excludes such a provision. In its testimony before the Ways and Means Committee of the House of Representatives, the league objected to the original administration proposal because we believed that, had it passed as drafted, abuses could have resulted. In our view there is value, however, in a limited purchase of services from private agencies, particularly those services that have not developed under public auspices, but exist under private agencies. If this committee sees fit to reintroduce such a concept into this legislation, we would urge the following provisions:

1. That purchase of service be on a case-by-case basis, and not through contract.
2. That services purchased be paid for on a 100 percent basis of cost, carefully determined through cost accounting.
3. That a limitation be placed upon the amount of service that can be purchased from any one private agency, so as to avoid any implication that Government is prepared to finance a large proportion of private agency services. We believe it important for the health of the Nation that private agencies receive the preponderant source of their financing through private sources—community chests, united funds, churches, and other private groups. We do not believe it sound to develop large quasi-public agencies who, though private in their administration, receive the bulk of their funds from public sources.
4. That services be purchased only from agencies having properly qualified, trained personnel.

SECTION 107A

We strongly urge the deletion of section 107A of the bill as passed by the House. This section would permit the States to take "any other action authorized under State law on behalf of the child" except the denial of assistance to the child. There has been ample experience to demonstrate the necessity for minimum Federal requirements of assistance. This section would permit States to transfer families to a general assistance program with lower money grants to the family. It would also permit them to exclude the parents from receiving financial aid, thus in essence forcing the parent to eat out of the child's bowl, materially lowering the already dangerous subsistence level in some States. In recent years the Nation has had ample experience with such situations. Certain States removed thousands of children from relief rolls under the guise that their homes were not suitable. It was necessary for Secretary Flemming to rule that such actions were a violation of Federal minimum requirements. This section would partially negate the Flemming ruling which was later endorsed by this Congress, and might well create again the shameful conditions under which packages of feed were sent to starving American children by foreign nations.

We believe there are ample protections in existing Federal, State, and local law, to permit counties to protect children who are in unsuitable homes without the necessity of this sweeping alteration of the Federal-State contractual relationships that have proven successful in the administration of public welfare for the past 30 years.

CHILD WELFARE GRANTS

We heartily endorse the provisions that would extend child welfare services to every county in the Nation, and the important provisions for the stimulation of day care programs.

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DISPARITY BETWEEN FINANCIAL ASSISTANCE TO CHILDREN AND TO OTHER CATEGORIES

We deplore a provision of this bill that would further increase the disparity between payments for the care of children and payments for the aged, blind, and disabled. Evidence is clear that a growing child requires as much food, clothing, and shelter as does an aged, blind, or disabled person. The formula proposed would recognize a maximum level of aid for the needy aged and disabled which is 2½ times higher than that authorized for needy children and their parents. Such discrimination can only serve to weaken family life.

Senator LONG. What sort of studies do you have to demonstrate that a small child does require as much for support as an aging person?

Mr. REID. A 10-year-old child?

Senator LONG. Do you have any studies on that subject?

Mr. REID. Yes, sir; we do. The studies, however, come from the States.

In practically every State, the State departments usually handling nutrition or the universities, are asked by the State department of public welfare to make careful studies of how much, what is the minimum amount of food, clothing, et cetera, that a child needs in order to stay alive, and in practically every study which has been made—for example, a 14-year-old requires more money to support him than does a person of my age; and with a 2½ times discrepancy between these two things, it is really deadly.

Senator LONG. Well, the thought occurs to me that for small children there are many families who are willing on a voluntary basis to make available all their hand-me-down clothes, and one thing and another. I mean, if a neighbor has a baby in the family, why, the parent, if his child is beyond the age of using a baby crib, hands it over to the neighbor or loans it to him. The thought occurs to me that there are a number of situations where so much of the expense is defrayed by people who are willing to contribute something—friends, relatives, neighbors.

Mr. REID. I would agree with you certainly that there should not be an exact—I am not suggesting that there be an exact dollar for an aged person and a dollar for the child that is equal. But these should be determined by need.

For example, the mother who has three children who are in the age category of 10, 11, and 12, that mother does not need less food to eat than a disabled or aging person, and yet the level of her assistance is much lower than these other categories; there is a large discrepancy between them—granted that children can, of course, wear hand-me-downs or there may be other people to aid them, this is also true of the other categories.

Senator LONG. I would suggest that if you have some studies on that subject you might direct one or two of the better ones to this committee so that we can have a look at it.

Mr. REID. I will do so immediately on my return to New York.

Senator LONG. It might be helpful in obtaining the results you seek. Thank you very much, sir.

Mr. REID. Thank you, sir.

(The following was later received for the record:)

INFORMATION PROVIDED BY JOSEPH REID, CHILD WELFARE LEAGUE OF AMERICA

The U.S. Department of Agriculture has made estimates of the cost of food on a level called the low cost plan. This information (see the chart below) is based on the assumption of all persons being members of a four-person family.

Food—Low cost—U.S. Department of Agriculture, January 1962

Aged man (75 years and over living in a four-member family)	$26.25
Aged woman	20.65
35-year-old woman	22.80
Boy 13 to 15 years	30.10
Girl 13 to 15 years	27.50
Child:	
10 to 12 years	26.25
7 to 9 years	22.35
4 to 6 years	18.90

Each State establishes its own cost standards for budgetary requirements on a subsistence level for all categories of public assistance. These figures are based on data developed by each State agency as representing the costs for basic living requirements in that State. In 1958 the median cost figure for a mother aged 35, a boy 14, a girl 9, and a girl 4, living in rented quarters, was $173.10 for all States. The high was $241 and the low was $61.50.

Senator LONG. On yesterday's schedule of witnesses there was to be Cernoria Johnson of the National Urban League. I believe she understood she was to testify today.

If you would care to testify now, Miss Johnson, you will be heard. Do you have a prepared statement?

STATEMENT OF CERNORIA D. JOHNSON, WASHINGTON REPRESENTATIVE, NATIONAL URBAN LEAGUE

Miss JOHNSON. I do sir, and with your indulgence, Mr. Chairman, let me say that I am Cernoria Johnson, Washington representative of the National Urban League, located in New York City, and in the interests of conserving time I would just like to register my statement and make one or two observations.

Senator LONG. Your statement will be printed in full in the record. We will hear you.

Miss JOHNSON. Thank you, sir.

Overwhelmingly this week we have heard various agencies and organizations speak out in the interests of eliminating section 107(a). Therefore, anything we have to say will not be new except we think we come from a little different vantage point.

The positive approach is to recommend that section 108 of H.R. 10606 be considered sufficient at this point and a working basis if there needs to be strengthening in the matter of the forms that assistance payments will take with the safeguards inherent in 108.

But the National Urban League suggests the elimination of section 107(a), based upon the fact that if 108, and similar legislation which has been used prior to this, to safeguard the individual rights of persons has not forestalled conditions such as the experiences in the Newburgh incident, and the Louisiana ADC case, and now the Birmingham, Ala., case, where Negroes are denied surplus commodities because of their search for equal opportunity. If our present legislation has not guaranteed this, certainly relaxing the rules in terms of States handling of funds by the section just stated by Mr. Reid will not help.

I wish to point out when I say this that the dangers inherent in this section 107(a) stem not from the good intent of the legislators and the State officials who, many of them, seek to improve the welfare of all citizens, but we feel that the dangers are in the hands of the

few who would inflict punishment on the helpless, and it is for that reason that we urge that the Senate Finance Committee and those officers empowered to do so strike from this bill section 107(a).

In fact, we feel it serves only to weaken the bill, and urge that instead we utilize section 108 as a measure for safeguarding individual rights and to provide ways of meeting the special situations in the matter of protected payments.

The strength of section 108 may be found in its approach, and I quote, "to helping the recipients achieve as soon as possible the capacity for adequate management of funds."

Other discussion and other statements regarding support of certain protective and rehabilitative aspects of this total bill are included, but we are mostly concerned about section 107(a), sir.

Senator LONG. Let me say to you about section 107, I believe that does refer to the problem that exists in Louisiana. I did not create that problem. I found myself somewhat in the middle of it when it was created because there you had a situation where the State government, by an act of its legislature and State authorities, was in conflict with the position of the Federal Government. I believe they were in disagreement over 1,700 cases out of 70,000 dependent children cases.

Now, the great problem there was, to so many of us whether 70,000 children were to be eliminated from assistance because of a disagreement over 1,700 cases.

I think the disagreement involves a much smaller number of cases today than it did at that time.

There has been indication on the part of those of us in Congress of a desire to be reasonable in working this matter out, and I am pleased to say that there is some indication that the State legislature is going to try to meet the Federal Government half way in resolving this matter in a way that both sides could agree to be reasonable and fair under the circumstances.

I am sure you realize there is something of a problem there.

Miss JOHNSON. Well, my organization believes firmly in the Federal-State partnership. It is not for lessening the influence and the power of either group. But we do feel—I just came from a meeting where we were talking about the same thing—we do feel that the Federal Government has to—until some more improvements are made in the area of human relations—to have an increasing responsibility for building in what I would like to call minimum requirements for safeguarding the individual rights of others. It is a partnership matter—and the States rights question is not the real issue—when once we spend these funds we should enter into the kind of partnership arrangement that will assure that every citizen, regardless of who he is, if he qualifies, gets equal treatment.

(The prepared statement follows:)

STATEMENT BY CERNORIA D. JOHNSON, WASHINGTON REPRESENTATIVE, NATIONAL URBAN LEAGUE, ON PUBLIC WELFARE AMENDMENT OF 1962, H.R. 10606, SUBMITTED TO U.S. SENATE FINANCE COMMITTEE

Mr. Chairman and members of the committee, I am Cernoria D. Johnson and I serve as Washington representative for the National Urban League.

The National Urban League, with its central office in New York City, is a network of affiliated voluntary social service agencies operating in 62 major industrial cities of the Nation, serving more than 60 percent of the total urban Negro population. These league affiliates are manned by 500 professionally

trained social workers, who possess a variety of experience in community service. Enhancing and supplementing the work of the employed staff are some 6,000 community leaders, Negro and white, who without compensation bring to the work of the league a virtually limitless reservoir of strengths, skills and talent. This far-flung interracial force of volunteers is dedicated to the Urban League goal of equal opportunity.

Evidence of the league's concern for the public welfare issues covered in H.R. 10006 may be found in a half-century record of service as it has sought to help solve the Nation's racial problems. Today we join other private voluntary agencies in heartily endorsing the new emphasis on prevention and rehabilitation as expressed by the Secretary of Health, Education, and Welfare in many aspects of the Public Welfare Amendments of 1962, H.R. 10006.

The Congress of the United States, and other Federal bodies, are to be commended for their forthright and determined attack upon the mounting complexities of public welfare. Among these overwhelming problems, the Urban League recognizes the need for public assistance by some fellow Americans. One major approach in meeting this increasing need is through sound and equitable legislation. Such legislation can evolve from the supportive teamwork of private and governmental groups counseling together on welfare issues. An overview of this legislation reveals many strengths to be found in such instances as—

1. the extension of ADC to the needy children of unemployed parents, the scheduled increases in the authorization for child welfare services and the establishment of day care programs; and
2. the provision for 75-percent Federal financial participation in the cost of services to families through the guarantee of more assistance from public welfare workers in self-help pursuits with the clients

The Urban League believes that it can perform a valuable service to the committee by expressing its views regarding some aspects of the bill. Therefore it wishes to specifically call attention to section 107(a) which does not provide the necessary safeguards for families dependent upon public assistance From its inception, the Social Security Act has sought to safeguard individual rights and entitlements. The act encompasses regulations based upon reasonable nationwide goals and standards which have served throughout the years to maintain a constructive and stable program. The proposal for amendment suggested in section 107(a) would lessen some of the safeguards.

A new provision for restricted payments of aid to families with dependent children has been added with a clause which justifies our concern. This clause states:

"* * * the State agency may provide for such counseling and guidance services with respect to the use of such payments * * * in the best interest of such child, and may provide for advising such relatives that the continued failure to so use such payments will result in substitution therefor of protective payments * * * or in seeking appointment of a guardian or legal representative * * * or in other action authorized under State law which is deemed necessary to protect the interest of such child; and any such action taken by the State agency pursuant to such State law, other than denial of such payments with respect to such child while in the home of such relative, shall not serve as a basis for withholding funds from such State * * * and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

This portion of section 107(a) creates concern, and much misgiving, with the broad authority granted States, permitting them to not work with the problem through the method of a third party "protective payment" or "legal guardian" but permits "other action authorized under State law which is deemed necessary to protect the interest of such child" short of actually denying assistance.

Further, section 107(a) would produce practices that could serve to destroy self-respect without guaranteeing that cash payment would reach the child (or children) involved. It would give States an opportunity to exercise punitive measures against relief clients, particularly minority group members, who are incapable of defending themselves. In the instance of voucher payments, local welfare offices could be subjected to many pressures from vendors, landlords, and others. Moreover, it does not guarantee that payments will be made for benefits of the child since past experience has shown that merchandise can be traded for many things.

Section 108 of H.R. 10606 represents the sounder approach to the granting of assistance in the form of "money payment" to the responsible relative. Under this provision, for so-called "protective payments," the money might be paid to a third party "who is interested in or concerned with the welfare of such child and relative" providing a number of conditions were met, i.e.: (1) An individual determination in each case reviewed and approved at the State level, (2) full payment of budgetary need, (3) special work with the mother or other relative to help her achieve better management, (4) periodic review, and (5) an appeal procedure. Under the original proposal of the administration, this authority would have been limited to one-half of 1 percent of the caseload. This limitation was raised by the House to 5 percent.[1]

The Urban League suggests the elimination of section 107(a) based upon the permissiveness it may provide for more experiences such as the Newburgh incident; the Louisiana ADC case; and now the Birmingham, Ala., situation, where Negroes are denied surplus commodities because of their search for equal opportunity. The dangers inherent in this section stem not from the good intent of the legislators who seek to improve the welfare of all citizens, but is found in the hands of the few who would inflict punishment upon the helpless.

Therefore, we urge that the Senate Finance Committee, and those officers empowered to do so, strike from H.R. 10606, section 107(a). It serves only to weaken the bill. Instead, section 108 should be utilized to continue as a measure for safeguarding individual rights and provide for ways of meeting special situations in the matter of protective payments. The strength of section 108 may be found in its approach "to helping the recipient achieve as soon as possible the capacity for adequate management of funds."

Senator LONG. That concludes the public hearing on H.R. 10606, and the committee will stand in adjournment subject to the call of the Chair.

(By direction of the chairman, the following is made a part of the record:)

THE WOMEN'S CIVIC LEAGUE, INC.,
Baltimore, Md., February 9, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SIR: The Women's Civic League is deeply concerned about the unnecessary pyramiding of welfare programs and strongly urges you and your committee to do all in your power to stem the rising tide.

Mr. Ribicoff has confirmed the fact that the present welfare program is not doing the job it was set up to do and has proposed many changes in the program which are supposed to get people off the public assistance and back to useful, productive roles in society. All of these changes will require both additional services and large expenditures of money. However, none of the changes recommended can be effective unless the administration is willing to revise the basic social security premise, which states that the needy person has a "right" to this money; that he may spend it without any restrictions; that he need assume no responsibility.

To spend $193 million more without revising these basic tenets of welfarism is unrealistic. The prgoram will simply become more inefficient in more directions.

Before granting any increase in welfare funds, we earnestly suggest a complete overhaul of the existing program and of the procedure's requiring mountains of "paperwork" which consumes most of the social worker's time.

Yours truly,

MRS. FRANK Z. OLES,
President.
MRS. AUGUST E. ECKELS,
Welfare Chairman.

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[1] Statement made by Elizabeth Wickenden, technical consultant on public social policy for the assembly, at the request of its committee on social issues and policies in further explanation of the issues involved in the provisions of the bill for protective payments and other measures to "prevent abuses in aid to dependent children payments."

PACIFIC OAKS,
Pasadena, Calif., March 7, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: May we recommend your favorable consideration of the principle of Federal aid to day care for children who for one reason or another must be cared for outside their own homes? There is precedent for Federal concern for young children in the Lanham Act which established day care centers to enable women to work in defense industries during World War II. At the close of World War II everyone expected women to "go home" but they didn't. Reasons for this appear to be multiple—changes in family values have occurred, there is need for womanpower in the labor forces—whatever the reasons, in our democratic society, a woman's free choice about how she will deal with her life is valued.

Government reports on women in the labor force indicate clearly that a large number of mothers of children under six are now employed. What happens to their children is not as clear. A very small segment are in group day care programs and licensed foster home day care. Still others are left with relatives and some are "latch-key" children who are left on their own in mother's absence.

The social sciences have made abundantly clear that what happens to young children is of great significance not only to the development of individuals but also to the future of society. From the ever-growing knowledge about the range of circumstances which promote healthy early development, we know that a young child absorbs his attitudes and values from relationships to people who are important to him.

Providing a young child with the care of a person who is appropriately qualified in personality and preparation is often beyond the buying power of working women. Federal assistance to extend the availability of quality programs would be money well spent in the public interest—helping to conserve our most precious resources, our children.

Should you wish further information about day care or how quality can be assured in an expanded program, I should be pleased to send it to you.

Sincerely,

EVANGELINE BURGESS, *Director.*

SUPERIOR COURT OF CALIFORNIA,
IN AND FOR THE COUNTY OF RIVERSIDE,
Indio, Calif., March 8, 1962.

Hon. LISTER HILL,
Chairman, Labor and Public Welfare Committee,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: As a judge of the Superior Court of California, I sit on all types of cases and matters, including juvenile, dom stic relations, reciprocal support. I have been interested in the field of support for children in all of its aspects.

It must be confessed that I do not agree with the Federal policy and law which has created and is maintaining a festering sore in the field of so-called dependent children. The Federal policy and law has created a segment of our civilization which is steeped in immorality, having conduct inconsistent with the rules of decent society and which segment is purely parasitical. Under the guise of helping so-called needy children the law and policy is encouraging men and women to create a population of persons who give nothing to society and are a drag upon it.

However this may be, I do not believe section 152, page 67 of H.R. 10032 should remain in its present form. I submit that Congressman John Baldwin's amendment to that section should be enacted into law. Obviously the welfare departments of the State are not properly constituted to take care of the work thrust upon them. In our daily operations at grass root level we find it is the probation departments which do the work and are constituted to do it.

Respectfully,

HILTON H. MCCABE,
Judge of the Superior Court.

NATIONAL TUBERCULOSIS ASSOCIATION,
New York, N.Y., March 15, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: We have followed with great interest the introduction of comprehensive welfare legislation in the current Congress. It is our opinion that the elimination by the House Ways and Means Committee of the section dealing with reduction of residence requirements is most unfortunate.

Legal requirements designed to withhold medical treatment in public institutions from nonresidents of a community or State have long served as a deterrent to tuberculosis control. In many areas of the country nonresidents have been prevented from receiving treatment at the time most crucial for their recovery. The wastefulness of such a practice was pointed out in the resolution of the board of directors of the National Tuberculosis Association on January 21, 1961.

However, adequate treatment of a chronic, contagious disease is not merely a matter of medical attention. In addition to the shortsightedness of denying treatment until disease is advanced, policies of withholding welfare benefits have often retarded recovery of the sick. It has been the experience of many tuberculosis associations that even when tuberculosis patents are eligible for hospitalization they often refuse treatment because their families are left without means of support and are ineligible for welfare assistance. Nonresidents in many communities are forced to seek support from private agencies which are ill-equipped to offer adequate or constructive help. In the end, such neglect contributes to development of chronic invalidism and dependency, and in the case of tuberculosis, strikes at the basic aim of control, which is to break the chain of infection. From an economic viewpoint the philosophy of residence requirements is in disagreement with the tradition of freedom of movement which has been of such importance in our industrial development.

Throughout the literature, an association between tuberculosis and poverty has been demonstrated. In spite of great progress, tuberculosis remains the most costly communicable disease problem in the United States. In 1960, over 55,000 new active cases were reported. If eradication of this disease is ever to be achieved in this country, its control and treatment cannot be hampered by restrictions which in many areas have been unrealistic in their aim and costly failures when the final accounting is done.

We hope that your committee will not accept the omission from the legislation of that section which reduces maximum length of residence to 1 year for all welfare categories.

Sincerely yours,

JAMES E. PERKINS, M.D., *Managing Director.*

SAN DIEGO, CALIF., *March 13, 1962.*

Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

DEAR SIR: We in San Diego are deeply concerned over section 152 of H.R. 10032, the bill now before Congress, regarding dependent children who have been removed from their homes by order of the juvenile court and placed under the supervision of the probation officer.

We sincerely urge that you support the amendments introduced by Congressman Utt and Congressman Baldwin. These amendments would maintain the power of the court to act freely without Federal control, and would allow aid for these children. This would most assuredly ease the tax burden of the taxpayers of San Diego.

Respectfully yours,

Mrs. LEE CABELL JOHNSON.

California Probation, Parole & Correctional Association,
San Diego, Calif., March 16, 1962.

Hon. Harry Flood Byrd,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

Dear Senator Byrd: The purpose of this letter is to enlist your support to amend section 152 (a) and (b) of H.R. 10606. This bill (originally H.R. 10032) is discriminatory and denies Federal funds to certain dependent children. The attached amendment proposed by Congressman John F. Baldwin of California would have accomplished this but was not acceptable to the Department of Health, Education, and Welfare which is supposed to submit a reworded modification before the bill is considered by the Senate Finance Committee. We urge that you examine the modification carefully to be sure it accomplishes the needed correction.

This section provides that Federal aid to dependent children funds will be denied unless complete responsibility for the planning and supervision of the child is carried out by the agency administering the aid to needy children funding program. As interpreted by the Children's Bureau of the Department of Health, Education, and Welfare, and by the California Department of Social Welfare, this means the loss of Federal funds in the amount of $20.50 monthly for each dependent child eligible for aid to needy children funds who has, by order of the juvenile court, been placed under the supervision of the probation officer, either in his own home or, if that home is unfit, in a foster home. Such action is discriminatory in that it denies Federal funds to a dependent child unless the child is supervised by a single designated agency when the legal responsibility for such supervision is vested in another public agency. This Federal regulation in effect decrees that one county governmental agency shall assume the duties and responsibilities of another established department.

Judges of the juvenile court in major counties have expressed their opposition to such a ruling, and have indicated that they will not make orders placing such children under the jurisdiction of welfare departments, but will continue to order these children supervised by the probation officer, a court officer legally vested with the power and authority to carry out such supervision.

It is interesting to note in passing that most of the cases of this type have been referred to the juvenile court by welfare departments because they were unable within the limits of their own authority, to deal effectively with the problems presented.

There are many excellent probation services operating in the United States. If this Federal regulation were followed, the effect would be to require that these children be supervised by a staff completely untrained in court practices and legal requirements, and lacking the authority to take certain emergency actions necessary for the welfare of the child.

The effort of this section of the Federal law to usurp the vested authority and responsibility of probation services is resented.

It is requested that you support action to provide that:

1. In States where probation services are provided, independent of agencies administering welfare funds, the use of such probation services by the juvenile court in planning for and supervising dependent children shall not make such children ineligible for participation in Federal funds under the social security law.

2. Such probation services may cooperate with the agency administering welfare funds in any way which will be in the best interest of the child and the community.

3. The Department of Health, Education, and Welfare recognize that probation services are an integral part of the juvenile court system and discharge legal and supervisory duties which cannot be performed by an agency not directly responsible to the court.

Sincerely yours,

Charles T. G. Rogers,
Chief Probation Officer,
San Diego County, President.

PROPOSED AMENDMENT TO SECTION 152 ON PAGE 67 OF H.R. 10032 SUBMITTED BY CONGRESSMAN JOHN F. BALDWIN OF CALIFORNIA

"Section 152 should be revised to read as follows:

"Section 152(a) clause (2) of section 408(a) of the Social Security Act is amended to read "(2) for whose placement and care the State or local agency administering the State plan approved under section 402, or any other local public agency *either* supervised by the State agency administering or supervising the administration of such State plan *or authorized to place and supervise dependent children under the laws of the State*, is responsible.

(b) Clause (2) of section 408(f) of the Social Security Act is amended to read "(2) use by the State or local agency administering the State plan, to the maximum extent practicable, in placing such a child in a foster family home, of the services of employees, of the State public welfare agency referred to in section 522(a) (relating to allotments to States for child welfare services under part 3 of title V) or of any local agency participating in the administration of the plan referred to in such section, who performs functions in the administration of such plan, *or of the services of employees of any other local public agency authorized to place and supervise dependent children under the laws of the State.*"

(c) The last sentence of section 408 of such act is amended by inserting before the period at the end thereof "or has been approved, by the State public welfare agency, referred to in section 522(a), as meeting the standards established by such agency for foster family homes."

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF PUBLIC WELFARE,
Harrisburg, March 16, 1962.

Hon. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: Pennsylvania is very much concerned about some of the provisions in H.R. 10606, the proposed Public Welfare Amendments of 1962. These provisions have a direct and important bearing on the State's ability to administer public assistance effectively.

The original Public Welfare Amendments of 1962 was H.R. 10032, which was considered by the Ways and Means Committee and set aside in order to introduce a clean bill, H.R. 10606, incorporating all of their changes and recommendations.

H.R. 10032, in section 152, page 67 of the bill, contained a provision which is extremely important to Pennsylvania. This provision has not been included in H.R. 10606. The provision is needed to enable Pennsylvania to qualify as a State which may receive Federal reimbursement for continuation of aid-to-dependent-children grants to children placed in foster care because of unsuitable home conditions. As section 408(a) of the Social Security Act now reads, only those States in which the public assistance and public child welfare programs are administered by the same agency may receive Federal funds for ADC grants in foster home cases. In Pennsylvania, as you know, the public assistance program is administered by this agency, the department of public welfare, but the child welfare program is administered by county agencies, subject to supervision by the department. The wording inserted by section 152(a) of H.R. 10032 would have qualified Pennsylvania, and should be incorporated in H.R. 10606. We have communicated to the Department of Health, Education, and Welfare our request to have the section reinstated in H.R. 10606.

H.R. 10032, in section 100, page 86 of the bill, originally provided that the spouse of the relative with whom the dependent children are living could be included in the Federal-State grant, thereby enabling the State to receive Federal-State grant, thereby enabling the State to receive Federal reimbursement for the assistance granted on behalf of such spouse. H.R. 10606, however, limits inclusion of such a spouse only to those cases in which the children are living with the parents. This makes for the kind of complicated paperwork that Secretary Ribicoff urged the States to avoid. As section 109, page 41, of H.R. 10606 now reads, if dependent children are living with their mother and father, both parents are included in the Federal-State grant; but if children are living with an uncle and aunt, or with grandparents, or other relatives, only one of such relatives may be included in the Federal-State grant and the other must be

provided for by State-only payments. This does not seem justifiable. The time and effort staff would save in not having to make the distinctions mentioned above and performing the necessary paperwork are worth the small additional amount of Federal funds involved. We have asked the Department of Health, Education, and Welfare to reinstate original H.R. 10032 section 109 into H.R. 10606.

Both H.R. 10032 and H.R. 10606 contain a provision concerning community work and training programs (sec. 105 in both bills) which we favor in general. They contain sufficient safeguards and limitations for the operation of relief work programs in which Federal funds would be used. However, this proposed Federal legislation provides that the relief work may be performed for public agencies only. Pennsylvania has had a relief work program in operation in a number of counties for the past 22 years. While our relief work law would have to and should be amended to meet the Federal requirements, it does contain a provision, absent from H.R. 10606, which we think desirable; namely, that relief work may also be performed for nonprofit private community agencies under the identical safeguards and limitations that apply for public agencies. Since it has been a feature of Pennsylvania's relief work program for so many years that relief work may be performed for public and certain nonprofit private agencies, we believe it would create serious problems for us if we had to limit the scope of the program in the light of the Federal requirements. We believe H.R. 10606 should be amended so that we may continue to allow certain legitimate nonprofit private agencies to benefit from the relief work program.

Section 107 of H.R. 10606 contains a provision beginning on line 5, page 38, which we consider ill advised and even dangerous. This section states appropriately that, when payments to families with dependent children are not being used to the best interest of the child, the State agency may provide for counseling and guidance services, or may seek appointment of a guardian or legal representative of the relative in an effort to insure that the grant is spent for the benefit of the child. We approve these provisions. The section continues, however, with the provision that the State may take "other action authorized under State law which is deemed necessary to protect the interests of such child," and specifies that any such action, other than denial of assistance, shall be permissible. In effect, this means that States could issue voucher payment for rent or grocery orders for food instead of cash assistance. We believe this would definitely be a step backward in public welfare administration. The present administration in Pennsylvania, of course, would not use this Federal provision. I wanted to record our belief that the Federal Government also should not permit any State to use the humiliating device of grocery orders and voucher payments instead of cash assistance.

I hope you will do whatever may be within your power to secure such changes and additions to H.R. 10606, as outlined above, as would protect Pennsylvania's interests and enable us to continue administering public assistance with emphasis on rehabilitation, as we are already doing.

Sincerely yours,

MRS. RUTH GRIGG HORTING, *Secretary*.

AMERICAN COUNCIL OF THE BLIND,
Conyers, Ga., March 22, 1962.

Hon. HARRY F. BYRD,
Chairman, Finance Committee,
Senate Office Building, Washington, D.C.

MY DEAR SENATOR: We understand that H.R. 10606 is now pending before your committee. We have not as yet had an opportunity to evaluate this bill in its entirety. If its purpose and effect is to encourage recipients of State and Federal assistance to become self-supporting citizens (and this we understand is the aim of this bill) we certainly strongly endorse such a goal.

We would specifically ask your support for section 136 of this bill, which will permit the States of Missouri and Pennsylvania to continue their State financial programs of assistance to blind persons. These programs in these two States have been of immense value not only to the blind but to the citizenry as a whole.

Please give section 136 of this bill your utmost support.

Sincerely yours,

NED FREEMAN, *President*.

FAMILY SERVICE ASSOCIATION
OF BUCKS COUNTY, PA.,
Levittown, Pa., March 28, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance, U.S. Senate
Senate Office Building, Washington, D.C.

DEAR MR. BYRD: The Family Service Association of Bucks County is one of over 300 voluntary family counseling agencies in America with membership in the Family Service Association of America, and is dedicated to strengthening the positive value, in family life. We felt, therefore, that we should let you know our views concerning H.R. 10606, the Public Welfare Amendments of 1962, which is currently before your Senate Finance Committee.

It is imperative that the bill not be further weakened by elimination of any more of the original sections (as proposed in H.R. 10032) or the addition of any further restrictive sections. We protest the unfortunate addition of section 405 providing for restrictive payments with none of the safeguards applicable to the original proposal for protective payments. We recommend that you develop a combined proposal in which adequate safeguards could be included for both provisions.

We deplore the omission of the provisions relating to residence requirements originally proposed in H.R. 10032 and we request that these be reinstated. The Family Service Association of Bucks County is currently involved in a study of public assistance in Bucks County in preparation for the hearings to be held by Pennsylvania's State and Local Welfare Commission in Philadelphia on April 11 and 12. Knowledge gained from our study points to the absolute necessity of retaining all the original provisions which would liberalize eligibility for public assistance. We feel that it would be to the advantage of not only the potential welfare recipient but also to industry and the community as well if Pennsylvania could be encouraged to abolish its 1-year residence requirement. We are sure that Bucks County is not alone in the current problems that are created by the State's and counties' residence requirements—problems which have been multiplied in recent years by the population explosion. People are encouraged to move from one community to another to meet industry's manpower needs, yet those who have enough initiative to move to a new community are penalized if they are struck with incapacitating illness or some other very human problem before they have attained 1 year's residence in the new community. They find that not only are they legally ineligible for assistance from any public source but also that private, voluntary funds are insufficient to meet financial need of other than temporary and brief duration.

Our agency's own study indicated that while the community (State and local) is powerless under current outdated residence requirements to grant assistance to those lacking 1 year's residence, this does not mean that welfare costs are therefore lower than they would be without any residence requirements. On the contrary, denying assistance not only does not solve the immediate problem but tends to create additional problems not only for the assistance applicant but for the community. Particularly when children are involved the community is faced sooner or later with higher welfare costs than would have been the case if assistance could have been granted when trouble first started. Just as the medical world has demonstrated that it is cheaper to cure a physical illness if the patient goes to the doctor in the earliest stages of illness, so the field of social work has proved that the bill for the cure and prevention of social illness is lower if prompt treatment is available.

We commend to your attention the very fine testimony given on February 9, 1962, before the House Ways and Means Committee, by Mrs. Savilla Millis Simons, general director, National Travelers Aid Association in regard to the residence provisions of H.R. 10032. She stated "that residence requirements are utterly incompatible with the unparalleled mobility of the American economy today and its needs."

It is notable that H.R. 10606 has provided for an increase in payments to the needy aged, blind, and disabled. We insist that the same consideration be granted to families receiving aid from the aid to dependent children program. Depriving these families of adequate financial support not only does not solve any of their immediate problems but tends to make it more difficult for them to provide a satisfactory home environment for their children. Moreover it is not only the children who are harmed by inadequate grants, but the community as well, for it is deprived of many future mature, happy, and productive citizens.

We will be interested in hearing from you concerning your efforts to incorporate the above suggestions in H.R. 10606 in order that it may be as strong and effective a bill as was the original intent.

Sincerely,

ELLEN H. DEMPSTER
Mrs. Burton W. Dempster,
Chairman of Social Issues Committee.

SUMMARY OF TESTIMONY OF THE FAMILY SERVICE ASSOCIATION OF BUCKS COUNTY FOR THE APRIL 11 AND 12 HEARINGS ON PUBLIC WELFARE BEFORE THE STATE AND LOCAL WELFARE COMMISSION

The Family Service Association of Bucks County declares that we will not be achieving the full intent of the public assistance law in Pennsylvania until there is a basic change in the attitude of the public toward public welfare. Our present custodial philosophy needs to be changed to a curative and preventive one focused on long-range family solidity.

Current public welfare practices constitute a flagrant violation of the public assistance law for the following reasons: (1) casework staff is inadequate both in terms of quantity and quality; (2) assistance grants are below the minimum health and decency levels established by officially sanctioned studies; (3) the 1-year residence requirement is unrealistic in our modern mobile society.

We recommend:

(1) Substantial enlargement of the casework staff of the Bucks County Board of Assistance to provide a more realistic proportion of cases to workers. Since many families receiving assistance in Bucks County are "multiproblem families" every effort must be made to secure more fully trained and highly skilled caseworkers. We urge the continuation and expansion of the pilot projects in family rehabilitation and also the current in-service training provisions. We demand the elimination of the 1-year State residence requirement for casework staff.

(2) Regular and more realistic increases in assistance grants consistent with constant changes in the minimum health and decency standard of living. This would include increasing the amount of earned income families are permitted without reduction in the assistance grant. It is imperative that the various cost-of-living surveys which are officially requested periodically be actually utilized.

(3) Elimination of the requirements of citizenship for general assistance; the 1-year's State residence to receive aid from the board of assistance and the 1-year's county residence to receive aid from the county institution district. If this cannot be realized immediately we urgently request that the Commonwealth assume its stated responsibility for nonresidents.

(4) Coordination of State and local welfare services to avoid duplication in some services and gaps in others. We advise that there be a regional base for public welfare administration with direct service offices located in other than political subdivisions.

(5) Greater utilization by county boards of assistance of their local family agencies when appropriate in terms of the latter's services.

(6) A sufficient enough increase in taxes to finance a welfare program which is geared toward prevention of human distress and dedicated to investing in human welfare and happiness. Just as the medical world has demonstrated that it is cheaper to cure a physical illness if the patient goes to the doctor in the earliest stages of illness, so the field of social work has proved that the bill for the cure and prevention of social illness is lower if prompt and adequate treatment is available.

TESTIMONY OF THE FAMILY SERVICE ASSOCIATION OF BUCKS COUNTY FOR THE APRIL 11 AND 12 HEARINGS ON PUBLIC ASSISTANCE BEFORE THE STATE AND LOCAL WELFARE COMMISSION

The Family Service Association of Bucks County agrees with the statement adopted by the National Social Welfare Assembly on December 13, 1961, at its annual meeting: "* * * public welfare (is) a vital responsibility of a democracy which recognizes the dignity and rights of human beings." We feel, however, that America has not yet succeeded in adopting such an attitude of acceptance toward public welfare. Our American philosophy toward public welfare has been and continues to be a custodial one, rather than a curative and preventive one. It is time for the American public to be made fully aware of the

fact that its custodial philosophy has resulted in higher than necessary public welfare costs. We would argue with the conventional attitude that we should rigidly strive to get all families and individuals off of public assistance roles. It is naively short-sighted to claim that such a practice results in lower welfare costs. We have conviction about the essential rightness of certain mothers receiving aid from the aid to dependent children program, being encouraged to remain at home. It is time that the American public matured in its emotional attitude toward the problems of ADC families. Until we can be as accepting of the ADC recipient as we are of the aged, blind, and the disabled we shall not be achieving the original intent of the ADC legislation. We need vocal leadership and a supporting press to utilize the readily available facts which prove current public welfare policies if continued will certainly result in ever increasing public welfare costs to the taxpayer. Not only are current public assistance grants too low to provide even a minimum health and decency standard of living, but in the lack of emphasis on preventive services, current public welfare practices serve only to perpetuate endless and ever increasing generations of indigents dependent upon public tax money. Today's children have the right to expect that we gear our public welfare policies toward prevention and long range family solidity so that not only as future taxpayers they will be confronted with lower public welfare costs, but more importantly that they be assured a greater measure of human welfare and happiness as they attain a higher level of human maturity and productivity than is possible today.

The testimony of the Family Service Association of Bucks County is based upon our local experience in Bucks County and it relates in particular to questions 1, 2, 4, and 6 included in the invitation from the commission to testify at these hearings.

In response to questions 1 and 2: "To what extent and how are public welfare responsibilities currently being carried out in Pennsylvania? What about the quality of these services? In what other ways might these responsibilities be carried out?"—our testimony will handle the two questions together and will point to (1) inadequate casework staff in the Bucks County Board of Assistance; (2) insufficient financial support for the welfare recipient; (3) unrealistic eligibility requirements.

Inadequate casework staff in the Bucks County Board of Assistance.—According to the June 1, 1960–May 31, 1961, report of the Department of Public Welfare, Commonwealth of Pennsylvania, of all the counties in Pennsylvania, Bucks County has the lowest number of persons receiving public assistance. However, those Bucks Countians needing assistance are apt to be "multiproblem" families—those needing highly skilled professional casework services. Bucks County is faced with a serious casework staff shortage in its board of assistance and including its director, none have completed their professional casework training. The casework staff of the Bucks County Board of Assistance numbers only 8 (2 of whom are specialists assigned to definite projects); each worker carries a caseload of over 150 (35 to 50 cases is the maximum caseload for a caseworker who is to provide effective rehabilitation service, according to the public welfare report cited above). The experience of the family agency indicates that in order to preserve and strengthen essential family life more time must be spent in evaluation and diagnosis and in utilization of the various skilled professional casework and other resources in the community than is feasible for the caseworker in the Bucks County Board of Assistance with the present excessively high caseloads. Too small a casework staff in a county board of assistance makes it impossible to fulfill the legislative intent of the public assistance law "to relieve suffering and distress arising from handicaps and infirmities, to promote their rehabilitation, to help them if possible to become self-dependent." It is imperative that the casework staff of the Bucks County Board of Assistance be increased so a more realistic proportion of cases to workers may be achieved.

We commend highly the recent pilot projects in family rehabilitation conducted on a demonstration basis in four counties in the State and would recommend that the program be expanded and continued. We anticipate that the results of this program will indicate the necessity for careful definition and frequent reevaluation of staff qualifications on the basis of the varying quantity and differing complexity of casework problems throughout the State. We would encourage the expansion of current in-service training provisions for casework staff. We find absolutely no justification whatsoever for the current requirement that casework staff meet the 1-year State residence requirement.

Insufficient financial support for the welfare recipient.—The public assistance law of Pennsylvania provides that "assistance" is for "indigent persons who * * * need assistance to provide for themselves and their dependents a decent and healthful standard of living." The Woodbury Report indicates that for a family of four, $240 is required monthly to maintain a minimum standard of health and decency (in contrast to the $420 spent by a typical wage earner's family of four). In Bucks County the maximum monthly assistance allowance for a family of four is $160—in addition medical care is covered. The amount of assistance is not affected if the family has earned income of $10 monthly per person (children under 19 may earn $20 monthly each). Nevertheless it is impossible for families to realize the minimum health and decency figure of $240 monthly and they are faced with the hopeless struggle of stretching $160 to $220 (maximum possible with assistance and maximum allowable earned income) to cover their many needs. Families should be encouraged to earn at least enough so that their earnings when combined with assistance would provide the minimum health and decency figure. Present practices are demoralizing and represent a flagrant violation of the public assistance law. Shelter costs are higher in Bucks County than elsewhere in Pennsylvania and the shelter figure in the assistance budget has not been readjusted since prior to 1956. Although families are free to spend their assistance check as they wish, it would be sounder if more regular revisions could be made of the assistance budgets. It is unrealistic to expect a family to return to being self-supporting if when in need it cannot afford adequate shelter, food, and clothing.

We vigorously protest the fact that while adequate factual material concerning a decent and healthful standard of living is readily and regularly available through reports such as the Woodbury Report, no attempt is made to utilize the material in establishing the amounts of assistance grants.

Unrealistic eligibility requirements.—The Family Service Association of Bucks County agrees with the statement of the National Social Welfare Assembly adopted December 13, 1961, in regard to eligibility: "It is to the general public interest that public welfare benefits and services should be promptly available to all those who need them. Eligibility should be based on actual and individually determined need for such aid and/or services without arbitrary restrictions related to residence, categorical definitions, social status or formulas for the sharing of costs among the several levels of government." The requirement of citizenship for general assistance should be eliminated. "Social services should not be restricted to persons in economic need. This is especially important when prompt help will serve to prevent or minimize such long-term problems as family breakdown, chronic dependency or invalidism." We concur also with the testimony of Mrs. Savilla Millis Simons, general director, National Travelers Aid Association and chairman, Subcommittee on Residence Laws, National Social Welfare Assembly, given on February 9, 1962, before the House Ways and Means Committee in relationship to the Mills bill, H.R. 10032: "* * * that residence requirements are utterly incompatible with the unparalleled mobility of the American economy today and its needs. They are contrary to our democratic principles in that they discriminate against one group in our society. They conflict with the social philosophy of the Social Security Act that no person in the country should go without basic income to meet the essential needs of life. They make second-class citizens of Americans who follow our American tradition of seeking a better life for themselves and their families and then become stateless. These requirements are contrary to sound public policy, especially now when it is desirable for workers to move from depressed areas to those of greater economic opportunity. The unemployed with less initiative can remain in their home communities and receive assistance, while those with more initiative may be penalized for having moved across State boundaries in order to keep off relief." We submit furthermore that from the point of view of industry it is desirable to maintain and encourage mobility in our society. It is to the distinct advantage of industry that public welfare policy be sound and realistic.

In Pennsylvania there are currently no dependable financial resources for the majority of persons who do not meet the requirement of 1 year's residence within the State (nonresidents) and who wish to continue living in Pennsylvania. In Pennsylvania under the County Institution Act an indigent person lacking 1 year's residence is legally the responsibility of the State. However, since 1952 when a change in the public assistance law ended the responsibility of the department of assistance to nonresidents, there has been no assignment of the State's responsibility to another office of the State government. An indigent person lacking

1 year's residence may be assisted by the county in which he becomes indigent only if physical or mental infirmities make local institutionalization necessary. Across the State counties vary in the amount of extralegal responsibility they assume for nonresidents—only a few will aid for extended periods of time. Although in Bucks County the commissioners have on occasion contributed to the support of nonresidents, such assistance has been halted in the past year because the County Institution Act according to the interpretation of their solicitor does not include aid to nonresidents not in need of institutional care. It would be preferable to eliminate the 1 year's residence requirement; however, until such time as this can be accomplished we demand that the State implement its stated responsibility toward nonresidents.

Question 4 asks: What would be the most effective geographical or governmental base for local welfare administration, township and city, county, multicounty or regional? The variations in county institution district practices in regard to public welfare, referred to above, complicate the total public welfare program. Families get used to the public welfare practices in one community and then if they move to a new community and again are in need they frequently meet entirely different practices.

There is need for a nonpolitical organization of public welfare. It will probably always be advisable to have some aspects of the public welfare program operate from the State and others from the local level as is currently the case. However, there is great need for coordination, so that the total welfare program does not include duplication of effort in some aspects and gaps in others. We advise that there be a regional base for public welfare administration with special consideration to problems of transportation and communication. The Bucks County Board of Assistance is currently planning to move its only office from Doylestown in the center of the county to Levittown in the extreme southern end. This will be unreasonably inconvenient for someone for example from Rieglesville in the extreme north who finds that for reasons of employment he more naturally turns to Easton and other towns in Northhampton and Lehigh Counties. We would recommend that regardless of where administrative offices are placed, provision be made for direct service offices to be located in other than political subdivisions.

We cannot overstress the need for greater coordination of public welfare services in order to avoid the following example of the many unfortunate results of our uncoordinated services. According to the provisions of Act 34A of 1961 an adult welfare worker was recently assigned to the county institution district in Bucks County. Existing State standards in regard to salary and job qualifications which relate to other public welfare services were not taken into consideration. Furthermore, the executive director of the Bucks County Board of Assistance was neither informed nor consulted about the appointment until after final arrangements were made.

Question 6 asks: How can the most beneficial relationship between public welfare services and those rendered by voluntary agencies be assured? The Family Service Association of Bucks County, like the other 300 or more voluntary family counseling agencies throughout the United States who comprise the Family Service Association of America, has as its main purpose the building of strong family life and the prevention of family breakdown. In contrast to county boards of assistance, family agencies are staffed with fully trained and in many instances highly experienced and skilled caseworkers. Through their skilled methods of rehabilitation, family agencies are often able to prevent or reduce economic dependency. Without the existence of family agencies, welfare costs would demand substantially higher taxes. We feel that county boards of assistance would do well to examine their caseloads to see whether they have utilized as fully as possible the services available from the family agency serving their community. In doing so they must be clear as to the function of their family agency. Our agency does not feel that it is our job as a private, voluntary agency to assume any responsibilities that legally belong to any public or any other private voluntary agency.

The 30 members of the board of directors of the Family Service Association of Bucks County recognize that "in terms of money, the 1962-63 budget of the State Department of Welfare constitutes over 26 percent of all the general fund appropriations recommended by the Governor." However, we agree with the position statement of the National Social Welfare Assembly, that "in a democracy the social good and individual welfare depend upon each other."

We, therefore, feel that taxes should be increased sufficiently to finance a welfare program which will more clearly than at present carry out the legislative intent of the public assistance law of Pennsylvania. We predict that in so doing Pennsylvania will have made a wise investment in the future of its human welfare, an investment which will be bounteously fruitful in coming generations.

STATE OF RHODE ISLAND,
DEPARTMENT OF PUBLIC WELFARE,
Providence, March 26, 1962.

Hon. CLAIBORNE PELL,
Senate Office Building
Washington, D.C.

DEAR SENATOR PELL: The administration's bill H.R. 10606, to extend and improve public assistance and child welfare service programs is of considerable importance to the State of Rhode Island. The bill will help promote an emphasis on social services and rehabilitation in public assistance beyond the relief of need itself. It will enable much needed increases in personnel and also help to bring increased Federal funds to our State.

MATCHING ON ADMINISTRATIVE COSTS

Part A of the bill provides an increase in the Federal matching formula on administration from 50 percent to 75 percent. The purpose of the revision is to encourage the States to increase social worker staff for intensive help with problem cases. The Secretary of Health, Education, and Welfare will establish standards on which this matching will be based. We hope that the Secretary will broadly define the areas in which such personnel will be used. The 75 percent matching formula should be available in all instances where special caseloads not to exceed 60 per worker are established. This is important because there have been some suggestions that the 75 percent matching would be available only on certain types of case problems such as services to unmarried mothers or in situations where there is a danger of children becoming neglected. We believe that there should not be any rigid distinctions among the areas in which intensive services are to be rendered. Therefore, we strongly feel that in any situation where the caseloads are reduced from the present level of approximately 100 per worker to a standard of 60 per worker that the 75 percent administrative matching should apply.

MATCHING ON CASE COSTS

After hearings before the House Ways and Means Committee, there was an amendment to section 132, page 48, increasing the Federal contribution toward assistance costs to a formula based upon twenty-nine thirty-fifths of the first $35 of assistance for old age assistance, aid to the blind, and aid to the disabled. Previously the formula had been four-fifths of the first $31 as revised in 1961. We wish to call to your attention the urgency of a revision in the formula for aid to dependent children, the family program. The formula for this program has not been adjusted since 1958. The average payment per recipient in ADC is about $30 per month, whereas in the other programs, the payments are about twice as much. It is important to make the investment of adequate assistance as well as intensive service to effect the earliest strengthening and rehabilitation of families. It is difficult to understand the frequent revisions on Federal matching formulas for aged, disabled, and blind without similar revisions in the structure for children and families. An increase in the Federal ceilings on ADC will provide additional Federal income to Rhode Island and possibly result in increased allotments to the families on the program.

RESIDENCE

We are concerned that the proposed amendment on residence requirements as contained in H.R. 10032 was eliminated from H.R. 10606. Rhode Island was the first State to abolish residence in 1942. It has been demonstrated that since our country prospers because of the mobility of its people that residence requirements are an archaic principle. We realize that certain States have extreme objections to any mandatory reduction in the section of the Social Security Act

which permits a requirement of up to 5 out of 9 years in three programs and up to a maximum of 1 year on ADC.

The original bill, H.R. 10032, also contained section 137, page 148, which would give an incentive to States to eliminate residence requirements. It would allow a one-half of 1 percentage point increase in the Federal matching formula for those States which had eliminated residence. We cannot understand why this was eliminated from the second bill, and we strongly urge its restoration. Rhode Island, New York, Connecticut, and Hawaii are the States which have eliminated residence. It is reasonable to recognize these States with an increase in Federal matching because of their willingness to meet need as it occurs. In the use of Federal funds residence should not be the test as to whether need will be met. The restoration of this section on incentives would not only bring added revenue to Rhode Island, but would also help assure the continuation of our present plan on residence.

In general we support all of the other provisions of H.R. 10606. We shall be pleased to provide additional information if you feel it would be helpful. We hope that you will use your influence with the members of the Senate Finance Committee and on the floor to move this bill toward passage.

Very truly yours,

ALBERT P. RUSSO, *Director.*

BROOKLYN BUREAU OF SOCIAL SERVICE AND CHILDREN'S AID SOCIETY,
Brooklyn, N.Y., March 27, 1962.

Re H.R. 10606.

Senator HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: I am writing to express our interest in H.R. 10606, the bill incorporating the administration's recommendations for public welfare passed by the House of Representatives and presently before your committee.

First, I should like to emphasize our strong agreement with the principle behind the bill, that is, the need to bring to bear a range of specialized services to effect the economic and social rehabilitation of large numbers of people on public assistance. We are in agreement with Secretary Ribicoff that a concerted effort by skilled personnel is essential if this end is to be achieved. We also believe that it will make an important difference for the large number of children and their families receiving aid to dependent children grants.

However, we wish to call particularly to your attention a feature which was part of the original bill submitted by Secretary Ribicoff but which was deleted in the House Committee. We refer to the section which provided that services necessary for the rehabilitation of the family could be purchased from nonprofit agencies if the public agency determined that it could not economically and effectively provide them.

We are convinced that if this provision is omitted from the bill it will tend to defeat its avowed purpose. These are some of the points which lead us to this conclusion:

(1) We believe it important to maintain the traditional closeness and working partnership between public and voluntary welfare agencies. We see it particularly important to maintain and strengthen the interest and concern of the informed and alert citizen in the field of welfare services.

(2) In very immediate terms, the absolute lack of the type of service in public agencies envisaged in the bill in many parts of the country and its availability in voluntary nonprofit organizations within the same locality, means that local resources and skills will not be tapped despite the tremendous need.

(3) We believe that with the kind of cooperation possible between a public and voluntary agency, purchase of service arrangements means improved service. The flexibility, the background, and experience of the voluntary agencies are important assets which should not be denied this program. We might note in passing that the nature of the voluntary agency tends to make it more readily inclined to try new and experimental approaches to problems in the welfare field. Significantly, many of the basic premises incorporated in the administration bill were developed out of experimental approaches undertaken through partnership between public and voluntary agencies.

(4) We believe that often the purchase of service arrangement is likely to be less costly than the outright development of a new program by the public agency. Experience makes it clear that tax funds used by private and philanthropies has made it possible for city, State, and Federal governments to provide urgently needed services to children and families without the obstacles and delays that seem inherent in the creation of new public facilities. Use of already existing administrative structure often represents a prudent, economical, and useful expenditure of public funds.

We wish to make it clear that we do not disagree with the objective of the bill which makes the purchase of service from voluntary agencies in order when the public agency determines that such would be more economical and effective than the provision of these services on its own. We believe this is a sound principle but we are convinced that the institution of and need for this service in most areas of the country is likely to be such that it is not realistic to expect that the public agency alone will be in a position to meet it. We do not believe that there should be obstacles within the bill which prevent the use of currently available services so necessary to people on public assistance.

We urge that this section of the administration bill or its provision be retained by your committee.

Sincerely,

FREDERICK I. DANIELS,
Executive Director.

OFFICE OF THE CITY MANAGER,
San Juan Bautista, P.R., March 20, 1962.

Hon. WAYNE MORSE,
Senator, Committee on Labor and Public Welfare,
U.S. Congress, Washington, D.C.

DEAR SENATOR: As a friend of Puerto Rico, I greet you and request your help for a cause that is very near to my heart because it touches the lives of the most needy in our population.

The House Ways and Means Committee has recently reported on H.R. 10606, which supersedes the administration bill H.R. 10032, to extend and improve the public assistance and child welfare service programs of the Social Security Act. The administration bill, as originally presented, contained a provision for the removal of the limitation of the total public assistance payments to Puerto Rico, the Virgin Islands, and Guam, which was not recommended favorably by the committee. Instead, the committee recommended an increase of $300,000 in the ceiling for the public assistance program in Puerto Rico as well as increases for the Virgin Islands and Guam.

As this new bill will soon come to your consideration, I want to bring to your attention the situation of our public assistance program, in the hope that a reconsideration of the provision for the removal of the ceiling limitation could still be worked out. This would allow Puerto Rico to bring about effective changes in its public welfare program taking into account the changing social and economic conditions of the Commonwealth as well as a more realistic and constructive approach to welfare problems and needs.

As you know, the Commonwealth of Puerto Rico has been making tremendous efforts to improve the living conditions of its population. Besides the great proportion of its budget being devoted to the promotion of industrialization and other sources of employment, as well as to programs aimed at improvement of the health, education, and general welfare of its people, appropriations for public assistance in Puerto Rico have been raised from $3 million in 1943 to about $11 million at present. In this respect and despite our lower per capita income, Puerto Rico is financing proportionately a higher share of its public assistance program than the majority of the States. Yet this is not enough and there are extremely low average monthly payments of $11.49 for all needy categorical groups. This, together with high caseloads for a limited staff, makes impossible the achievement of the service and rehabilitative goals that this program should encompass.

Our experience shows that the ceiling limitation provided for by the present Social Security Act does not respond to the growing and urgent demands for an improved welfare program in Puerto Rico or to the continuously expanding efforts that are being put forth by the Commonwealth government in this direction. A more favorable matching formula for our public assistance program

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would respond more positively to the present social policy of the U.S. Government in its progressive leadership role to help other countries improve their living conditions.

In this moment in which we are working so hard to eliminate ignorance, disease, and poverty and free our people to use their potentialities to the utmost, we need your help.

I am enclosing for your information a copy of the statement that the Commonwealth secretary of health filed in the House Ways and Means Committee in respect to our public assistance program.

I will certainly appreciate your interest and help in this matter.

Sincerely yours,

FELISA RINCON DE GAUTIER, *Mayoress.*

DIVISION OF PUBLIC WELFARE STATEMENT ON H.R. 10032, THE PUBLIC WELFARE AMENDMENTS OF 1962

The proposals embodied in this bill aim at the improvement of public welfare programs throughout the Nation. It will enable the States to incorporate into their programs long-needed services and administrative procedures that will strengthen the rehabilitative and preventive aspects of public welfare.

The Commonwealth of Puerto Rico strongly endorses the provisions contained in part E, section 151 of the bill, which provide for the removal of money limitation on total public assistance payments to Puerto Rico, the Virgin Islands, and Guam. This measure, if approved, will constitute a strong incentive for the improvement of our welfare program.

When the social security assistance titles were extended to the Commonwealth of Puerto Rico in 1950, the intended matching formula for Federal participation was established at 50 percent. However, a statutory money limitation on the total public assistance payments has limited the realization of the dollar-per-dollar matching formula. Although increases in the ceiling have been authorized by Congress at different times, the Commonwealth's appropriation has remained above the Federal Government's share. Figures published by the U.S. Department of Health, Education, and Welfare for fiscal year ending June 30, 1961, show that the Commonwealth of Puerto Rico has been providing 53.8 percent of the total cost of its assistance program. The Commonwealth government's share during 1961 was 52.7 percent of its old-age assistance program, 53.8 percent of the aid to dependent children, the costliest of the assistance programs, and 52.9 percent of the aid to the blind and to the permanently and totally disabled.

The Commonwealth of Puerto Rico is making great efforts to improve the living conditions, the standard of living of its population. These efforts actually could be considered as designed to prevent dependency. A large proportion of the Commonwealth's fiscal resources have been directed to cope with the unemployment problem through the industrialization of the island and the improvement of its agricultural programs. Great efforts have also been directed to the development of an adequate school program, stressing both the academic and vocational training of children of school age, as well as providing opportunities for adult education. Accelerated program for housing, including slum clearance, road construction, and public health have been developed. In spite of the high costs of these programs, the Commonwealth's appropriation for public assistance has been raised from $3 million in 1943 to $8 million in 1956 and over $10 million at present. This is in addition to other welfare programs such as child welfare services, institutional care for children, special services to other handicapped families, and medical and hospital care for the medically needy. Around 54 percent of the total Commonwealth budget is being appropriated at present for health, education, and welfare services.

The industrialization program and the creation of additional employment opportunities have been extremely successful in Puerto Rico. Our per capita income has risen from $121 in 1935 to $641 in 1961. The gross national product has been increasing on a 9-percent average during the last 10 years. Our starting baseline was so low, however, that the extraordinary efforts of the last 20 years have not been sufficient to do away with such problems as unemployment and dependency. Thus, we still have from 9- to 13-percent unemployment in our labor force and the number of public assistance beneficiaries is very large.

The demographic characteristics of Puerto Rico help define the situation we face. According to the 1960 census, 50 percent of our population is constituted by children and youths under 18 years. Although persons 65 years of

age and over constitute only 5.4 percent of our population, projections made by our demographs indicate that this proportion will be doubled by 1970. This phenomenon is the result of the migration of young productive adults to the mainland. This high prevalence of the very young poses heavy burdens to the productive young and middle-aged adults.

ADMINISTRATION OF THE PUBLIC ASSISTANCE PROGRAM IN PUERTO RICO

Public welfare services in Puerto Rico are administered by the Division of Public Welfare of the Department of Health. Local governments participate in an advisory capacity. Public assistance and child welfare services, including the administration of public institutions for dependent and delinquent children are administered by the Division. Public welfare services at the local level are rendered through a single operational organization, the public welfare unit. It is administered and operated by the Division with the advice of the local authorities. In some municipalities public welfare and health services are housed together. In selected large urban areas which face special welfare problems, we have two or three local offices.

Local welfare offices are staffed with full-time child welfare and public assistance civil service appointees. All local offices are directed by social workers who must have at least a year's graduate training in social work. Public assistance workers have at least 2 years of university training plus 2 years' experience in related fields. Many are college graduates. Child welfare and intake workers must have at least a year's professional training in social work. Child welfare aids are required to be college graduates.

Municipalities are grouped into districts or regions for health and welfare supervisory purposes. Experienced social workers staff these five regional offices which serve also as a liaison with the main offices. The regional offices assume responsibility for the actual day by day supervision, both of the public assistance and child welfare programs at the municipal or local level; of course, there is a fully trained social work staff at the central offices with responsibility for the overall administration of the program, including training and consultation.

We feel that the public welfare program in the Commonwealth of Puerto Rico has developed along sound lines and that an additional support from the Federal Government as is proposed in part E, section 151 of H.R. 10032 will greatly further the orientation of the program's rehabilitative and preventive aspects.

As it has been suggested earlier the demographic picture and the unemployment situation account for very inadequate grants in the public assistance program. In November 1961, the Commonwealth government was making an average monthly payment of $11.42 to its public assistance recipients, which is supposed to cover a fraction of the recipients needs. The additional funds that would be made available through the approval of this bill would not enable us to significantly increase payments to beneficiaries.

However, improvement in the service aspects of the program could be attained. We would be able to reduce caseload assignments so as to make possible the rendering of individualized services directed to the rehabilitation of families. Present average caseloads are about 250 per worker and do not allow the offering of the type of social service that many of the beneficiaries need. Greater emphasis to training and other staff development programs could also result in a better quality of services and eventually in a reduction of the welfare caseload.

Because of its organizational structure, in which public assistance and child welfare programs are administered by a single State agency and services are rendered to people through the same local structure, we are in a very good position to stress the family approach in the provision of public welfare services. This facilitates coordination of public welfare with other community program, and provides a good opportunity for the development of community planning and organization so much needed to cope with many of the welfare problems our people face. The additional resources made available if this bill were approved would provide the additional staff and the improvement through training of our present staff.

Present staff limitations do not allow us to comply regularly with Federal requirements for prompt attention to applicants and regular annual recertification of cases. In spite of these serious staff limitations, a recent survey of the fraud situation in the Commonwealth public assistance program showed

an extremely low percentage of undue payments. During 1961 fraud cases reported to the courts amounted to 17.

Statistical data for the Commonwealth public assistance programs during the last 3 years show a gradual reduction in the rate of increase in the active caseload and in applications received. Figures for the last 6 months show an actual though slight reduction in the absolute number of active cases; in other words, more casese were closed than cases authorized.

Trends in the program are very similar to those in the States. A gradual decrease is being observed in the old-age-assistance program as more persons are covered by old-age and survivors insurance. The number of children in aid to dependent children program is increasing due mainly to desertion by parents; however, a reduction in the rate of the increase is being observed. In the aid to the blind and to the permanently and totally disabled, caseloads are pratcically stabilized. This seems to indicate that the economic improvement in the Commonwealth finally is reflecting itself in the public assistance program.

As said above, the additional funds that may be made available will be used mainly to strengthen and expand the preventive and rehabilitative services aspects of the program. The increase on the basis of present Commonwealth funds will not permit a significant increase in money payments to beneficiaries.

THE WEST VIRGINIA OPTOMETRIC ASSOCIATION, INC.,
Parkersburg, W. Va., March 29, 1962.

Senator ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: We have just received a report that Congressman Mills, of Arkansas, introduced H.R. 10606, referred to as the Public Welfare Amendments Act of 1962, on March 8, and it was reported favorably to the House as a "clean bill" on March 10, and that it was limited to four hours debate on the House floor. At the conclusion of the debate on March 15, the House passed the bill by a substantial majority; and it has now been referred to the Senate Finance Committee.

During the debate on the House floor and the House Ways and Means Committee, the American Medical Association tried to euchre Congress into barring optometrists from examining applicants for aid to the blind. They were unsuccessful in these efforts, therefore we have every reason to believe that they will again try their elimination processes by seeking to influence the Senate Finance Committee to have their amendment adopted. We do not believe that slinging mud at members of a competing profession is the answer to the problem, although optometrists could cast many stones at members of the medical profession, nor do we believe that Congress should be called upon in this fashion, to referee disputes and petty professional jealousies. On the contrary, we do feel that Congress must be concerned with the total welfare of the citizens of this country and must exert their best abilities to accomplish these goals.

Optometrists have been certifying blindness for more than 20 years for individuals who need it for their annual income tax, and for 10 years for public assistance recipients under the Social Security Act. In all these years there have been few if any complaints (none to my knowledge) whereas there is a great deal of praise for the services of optometrists.

There are only approximately 4,000 diplomated ophthalmologists in the United States and they are concentrated primarily in the metropolitan regions, within ready access of hospitals in which they perform the miraculous surgeries for which they are so well trained. In contrast, there are more than 20,000 licensed optometrists practicing in almost every hamlet and city of our country; but I refer particularly to their practices in smaller towns where they are convenient and readily accessible to all public assistance recipients including the blind, who without them might have to travel to great distances at considerable inconvenience to themselves and the Government to see an ophthalmologist.

With the exception of the diplomats in ophthalmology, the only formal training required of a physician to call himself a medical specialist skilled in diseases of the eye are some 50 hours on the eye which he receives during his student training. Contrast this with the more than 4,000 hours required of the optometrists, who must also pass a licensing board in every State of the Union and the District of Columbia before he can begin his practice.

Optometrists are truly dedicated people specializing in vision care. We urgently request that you use your influence to see that the arrogant attitudes of medicine do not prevail, but rather that patients of all kinds and classifications who seek professional service for their vision needs have the right to select from among any of those licensed by the State to provide it.

With kindest wishes and best personal regards, I am

Sincerely yours,

H. EUGENE MERRILL, *Executive Secretary.*

MARYLAND STATE CONFERENCE OF SOCIAL WELFARE,
Baltimore, Md., May 15, 1962.

Senator HARRY F. BYRD,
Chairman, Committee on Finance,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: The Maryland State Conference of Social Welfare, a statewide organization of 1,000 lay and professional members, wishes to lend its support to the Mills bill, H.R. 10606. We approve the principal aims of the bill, to aid our needy and troubled families with additional service and more generous funds. We believe that these steps will help a greater number of our dependent families to achieve independence.

TRAINING OF WELFARE PERSONNEL

We are particularly concerned with the great dearth of skilled staff who can offer the services our welfare clients need and which our health and welfare experts advise. We urge you to authorize an adequate appropriation for the training of personnel for our welfare departments. Giving funds without services is only half of the job.

PROTECTIVE PAYMENTS FOR DEPENDENT CHILDREN

We feel there are certain situations when voucher payments may be helpful in protecting the child's welfare, but the individual parent's right should also be protected with the safeguard originally spelled out in section 7 of the original H.R. 10032.

RESIDENCE

We believe that assistance should be based on individual need and should not be denied because of change of residence. We regret that the clause, "limitation on residence requirements to a maximum of 1 year" was stricken from H.R. 10606, and urge you to reinstate this provision in the Senate bill. Extension of Federal funds for children in foster care; continued help to the needy children of the unemployed; allowing a working child to retain a portion of his earnings over and above the assistance grant, all seem steps in the right direction, steps toward our goal of helping dependent families to achieve independence.

Sincerely yours,

ALBERT BERNEY,
President.
JEANETTE MYERS,
Chairman, Public Welfare Committee.

ASSOCIATED FAMILY & CHILD SERVICE AGENCY,
Winston-Salem, N.C., April 2, 1962.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: I am a member of the Academy of Certified Social Workers having my master in social work from the University of North Carolina at Chapel Hill in 1951. Since that date I have worked for approximately 8 years in public welfare in North Carolina and Georgia. I have now been employed approximately 3 years in a multiple-function private agency in North Carolina carrying responsibilities for family service work, adoption, day-care nurseries for children ages 2 to 5, Travelers Aid services, and homemaker service.

I have given you the above background to indicate that my professional experience has been in both large and small public welfare departments and in a private agency. Thus, I believe that this experience and training qualifies me to speak with knowledge about H.R. 10032, a bill affecting public welfare amendments of 1962, currently pending action in the Senate.

In my opinion, this bill needs further strengthening if it is to accomplish the purpose for which it is designed, namely, to provide not only more adequate financial assistance, but services to the recipients which will enable them to become rehabilitated for productive citizenship.

I am particularly concerned about the following three areas: As Federal legislation sets the tone and control necessary for the proper use of Federal funds in the various States, I believe it is imperative that better safeguards be placed around restrictive payments which this bill would permit. In its current form, the States would be free to pass laws permitting anything which they believe to be necessary to protect the interest of the child. This would allow some States to insert punitive restrictions which would prevent the rehabilitative efforts for which all of us familiar with the program believe necessary. Therefore, I urge that the Senate reconsider the section and place proper safeguards around these restricted payment provisions.

Secondly, as you are undoubtedly cognizant that our Nation is indeed a mobile society, this mobility is our strength. It allows us to seek opportunities across the breadth of our Nation and thereby to contribute to communities as new residents therein. Many of us take advantage of this mobility to improve our individual opportunities and it becomes advantageous to the community in which we settle. But with this mobility comes the danger also of becoming dependent in the community to which we migrate. Thus, residence laws are punitive to the person who becomes dependent. There are many people in our country that suffer from the lack of necessities of life and the necessary social services because they are not a resident where this dependency occurs. Therefore, it is my opinion that as a community accepts nonresidents financially independent, it has a concurrent responsibility for its nonresident dependents. Also, the major portion of these expenses are borne by the Federal Government and they should, therefore, be entitled to this wherever they may be. I, therefore, urge that all residence requirements be disposed of by legislative provisions of the bill.

Our Federal public welfare laws are designed to strengthen our society by preventing dependency and establishing a minimum level of health and decency. The disparity between the amount of assistance which the Federal Government will share in is highly improper. Under present law and the above bill the needy aged, blind, and disabled may receive much larger amounts of financial assistance than can the needy parent and child in the aid to dependent children grants. Logically speaking, why are the needs of parents and children less than the needs of other recipients? Are we not penalizing the citizens of tomorrow by restricting their opportunities to the necessities of life as well as encouraging both physical and emotional depravity? I urge that the growing disparity in maximum grants between the aid to dependent children and the other programs be reversed and that we make the money payments and services to needy families more realistic to their needs.

As stated before, I urged that the Senate reconsider the sections of this bill relating to the above three items and to strengthen them so that all our citizens may share equally in the benefits of a sound law designed to provide for the necessities of life and rehabilitate, when possible, all dependent citizenry.

Yours very truly,

R. WINFRED TYNDALL, *Executive Director.*

FAMILY SERVICE OF READING AND BERKS COUNTY, PA.,
Reading, Pa., April 6, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR BYRD: The board of directors of Family Service of Reading and Berks County recently voted to present their views to your committee, the Finance Committee of the U.S. Senate, and place their request that the committee introduce or reinstate legislation concerning residence requirements and public welfare which was omitted from H.R. 10606 now before your committee.

The members of this board believe that residence requirements for public assistance and public welfare services is incompatible with our present way of life in the United States. We have experienced in our dailyoperations the unreasonable human and administrative problems caused by residence requirements when misfortune causes people to need public welfare assistance. Rigid requirements of residence are contrary to the unparalleled mobility of the American economy and its needs. They are contrary to the American tradition of freedom of our citizens to seek advancement to a better life.

The philosophy of the present productive generations of our country is that "we are citizens of the United States," which gives the freedom which permits its citizens to seek opportunities for the betterment of life for families and for society. The inventiveness, ingenuity, and search for progress have created the instruments to make mobility easily possible for people wanting to find the desirable circumstances of living. Residence requirement penalize those with initiative and desire to improve and have independence. Residence requirements conflict with the social philosophy of the Social Security Act, that no person in this country should go without basic income to meet the essential needs to live. There will be increased moving of families with the developing public policy of the desirability for workers to move from depressed areas to those of greater economic opportunity.

We view this as a national problem which can only be solved through strong national policy based on Federal action and therefore urge that your Senate Committee add constructive proposals in this 1962 legislation to eliminate residence requirements for all public welfare assistance. We trust that your committee will base this consideration on the sound philosophy of the Social Security Act that eligibility for public welfare assistance be based on actual need for aid and that you would include in your bill incentives for States to eliminate residence requirements, something similar to the proposals of the original H.R. 10032, section 137.

If your honest consideration deems this too drastic a measure to be acceptable to the States this year, then an interim step in this direction such as reduction in present maximums on State residence requirements of no more than 1 year.

Our board made up of 29 active civic-minded citizens looks forward to the action of your committee which will result in a historic step forward of adopting this public welfare provision so necessary for these present-day realities.

Very truly yours,

(Mrs.) CHARLOTTE K. HUTCHISON,
Executive Director.

BOARD OF DIRECTORS FAMILY SERVICE OF READING AND BERKS COUNTY

Samuel B. Russell, president, 15 East 34th Street, Reiffton, Reading, Pa.
Everett E. Smith, first vice president, 208 Brookline Plaza, Reading, Pa.
Joseph R. Scherer, second vice president, 2701 Cumberland Avenue, Mount Penn, Reading, Pa.
Fred E. Luckenbill, secretary, 1533 Darien Street, Reading, Pa.
Charles M. Guthrie, Jr., treasurer, Box 1091, Reading, Pa.
Daniel F. Ancona, Jr., 1423 Rose Virginia Road, Wyomissing, Pa.
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Rev. Harold D. Flood, 329 North Fifth Street, Reading, Pa.
Mrs. John S. Giles, Jr., 1320 Monroe Avenue, Wyomissing, Pa.
Mrs. Arthur Hammel, 702 Byram Avenue, Pennside, Reading, Pa.
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Mrs. G. Raymond Parry, 1300 Garden Lane, Reading, Pa.
Loyal C. Radtke, 703 Trent Avenue, Wyomissing, Pa.
Dr. Leon Reidenberg, 325 North Fifth Street, Reading, Pa.
Mrs. Howard G. Riley, 1511 Meadow Lark Road, Wyomissing, Pa.

Mrs. William L. Seidel, 1114 Reading Boulevard, Wyomissing, Pa.
Mrs. Harold H. Staudt, Greenfields, Reading, Pa.
Mrs. Theodore C. Templeton, 1126 North Sixth Street, Reading, Pa.
Everett G. Walk, R.D. No. 1, Sheerlund, Reading, Pa.
William R. Werley, North Grand Street, Hamburg, Pa.

CASE ILLUSTRATION—SUPPLEMENT TO TESTIMONY ON RESIDENCE REQUIREMENTS AND PUBLIC WELFARE SUBMITTED ON BEHALF OF THE FAMILY SERVICE OF READING AND BERKS COUNTY BY MRS. CHARLOTTE K. HUTCHINSON, EXECUTIVE DIRECTOR

The L family, the parents ages 28 and 26 years, and two children, 2 and 5 years moved to Berks County in June 1961. In October, Mr. L was laid off from his job, with the promise to be called back again when there was work. When their funds were exhausted the family was helped by Mrs. L's parents, who receive public assistance, as her father is disabled. It was necessary for the L's to apply for financial assistance, which had to be refused because they had not gained the year's residence. Thus they had to tread the path from one community agency to another to be rejected in one after another, with each resource trying to be helpful within their functions. This treadmill consisted of being referred first to the local county institution district, where they were told they could not be helped immediately, as their problem had to be decided by the commissioners and they were referred to the Salvation Army for emergency assistance for food. Mr. L had registered at the employment office for work and for unemployment compensation. He was not eligible for immediate compensation because he had not worked on this job long enough, he had left his job in the Midwestern State to move here. The employment office promised to review his possibilities for compensation but this would take time because of interstate communications. On return to public assistance they received a one-time grant while residence in the other State was verified.

Mr. and Mrs. L, met while they were both in military service. After discharge, Mr. L pursued his skill as baker, which he had learned in service, in his home community in a Midwestern State. Mrs. L was born and reared in Berks County, Pa., where her parents still live. Mr. and Mrs. L. were married after she left the service and they settled where he was employed. When her father became disabled she increasingly felt as the oldest daughter she should be able to help her parents and she wished to move here to be closer to them. They planned for the change, so that she and the children would get along while her husband came to Reading to seek employment and find a place to live. When he accomplished this, the family moved here with the intent to stay permanently.

This month of insecurity began to take its toll in disturbed family relationships. Mrs. L's father's disability is based on emotional instability. These family upsets brought the two families to family service. Feelings were very taut. When on the second visit to the local county institution district, Mr. L was strongly urged to return to the State of residence and support his family from there. He talked back about unjustice and unfairness and his intention to keep his family together. Upset by his behavior, a physical fight between him and his father-in-law developed on the street and the police had to interfere.

Within 2 weeks there was general family contentions which threatened the relationship of husband and wife; the children were upset; Mrs. L was due to have a baby in 6 weeks. Hurt, brooding relationship grew up between her and her parents. Counseling and intensive casework helped to maintain an equilibrium for the young couple during this upheavel which need not have happened if their rights, needs, and security could have been respected.

In desperation the L's agreed to return to their place of former residence, and they left with a rift in her relationships with her family. This family was quite capable of managing their maintenance and independence. They needed to have financial maintenance for a short time until they could work things out. The public assistance personnel were terribly caught as they wanted to be able to help this family according to their needs yet they were helpless because of the residence restrictions.

As soon as the family said they would return to their former community, public welfare agencies were only too happy to pay the expenses to send them back.

FAMILY SERVICE SOCIETY,
New Orleans, La., April 9, 1962.

Senator HARRY F. BYRD,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

DEAR MR. BYRD: As executive director of the Family Service Society, I am writing to comment on H.R. 10606, the Public Welfare Amendments of 1962, which is currently before your committee.

The Family Service Society offers a communitywide service of professional family casework counseling, supported primarily by the United Fund, the local, voluntary, found-raising body. Its services are provided by a staff of 23 persons. Its affairs are managed by a voluntary group of 30 community-representative persons. It has an interest constituency of 99 associate members, composed of citizens with a special interest in strong, healthy family life. It serves approximately 2,000 families a year, composed roughly of 10,000 adults and children.

The central purpose of the Family Service Society is to contribute to harmonious family interrelationships, to strengthen the positive values of family life, and to promote healthy personality development and satisfactory social functioning of various family members. It is one of 308 family agencies in the United States and Canada that belong to the national standard-setting and accrediting body, the Family Service Association of America.

Family agencies like us know a good deal about public welfare. From our inception in 1896 until the early 1930's, we administered the main financial assistance resources in New Orleans. When the federally supported public welfare program was created in 1935, our staff members were loaned to the city and State to set up the new public welfare programs.

Private agencies supported by voluntary dollars cannot provide a universal, basic, financial assistance program, but they can demonstrate, experiment, and generally lead the way to show the value of professional casework in the strengthening and rehabilitation of families and individuals. Basic to all of this is an adequate public welfare, tax-supported, financial assistance program. Counseling services such as ours cannot be effective when families and individuals have a primary need for food, shelter, clothing, and medical care. And, similarly, financial assistance alone is not sufficient help toward rehabilitation; it takes both as we well know out of our 66 years of experience with these matters.

Our public issues committee and our board of directors have met to study H.R. 10606. They want you to know that H.R. 10606 is generally favored by them, and that they especially commend and support the following provisions:

(*a*) Rehabilitation of families and individuals by measures such as family casework services, and work and training programs.

(*b*) Professional social work training to make possible the provision of family casework services.

(*c*) Broadening the child welfare program by the bill's new plan for aid and services to needy families with children, day care for children of working mothers, and other related provisions.

In general, we feel that H.R. 10606 offers a constructive approach to many of the problems now seen in public welfare. We are impressed with the help it will make possible to strengthen families who have economic and social problems, and the provision for the training of the skilled social workers which is essential if this is to be carried out.

Sincerely yours,

FRANKLIN PARKS, *ACSW, Executive Director.*

Subject: H.R. 10606 (formerly H.R. 10032).

Hon. CLAIBORNE PELL,
Senate Office Building,
Washington, D.C.

DEAR CLAIBORNE: As a former president and a present director of Children's Friend and Service, a statewide agency here in Rhode Island, and as a director of the Child Welfare League of America, Inc., I am deeply concerned with the Public Welfare Amendments of 1962 as contained in the above subject bill. I feel that this is the most important piece of social legislation that has been introduced since the Social Security Act of 1935.

The bill as originally introduced, contained many constructive and vital provisions which would have marked a giant step forward in our overall public and private welfare program.

In my opinion, the bill as it now stands revised, contains flaws and omissions which seriously diminish, if not completely eliminate these advantages.

It is to be regretted that all authority to purchase service from nonprofit private agencies has been stricken from the original bill.

I do not favor the use of voucher payments as provided for under "Use of Payments for Benefit of the Child." For the very few families for which money management is a serious problem. I believe there are adequate protective provisions included.

I do not think it is good practice to allow the States to deny assistance to a parent while continuing assistance for the child. This could lead to the parent, in effect, "eating from the bowl of the child."

I would hope that the bill, as finally enacted, would provide for Federal scholarships to train social work personnel. Properly trained social workers, in the long run, will go a long way toward decreasing public welfare problems, catching many incipient problems before they actually occur. There is a great need at the moment for properly trained and qualified personnel of this nature.

I hope you will find it possible to promote the above-listed changes, and to support the bill in every way possible.

Cordially,

CARL W. HAFFENBEFFER.

RESOLUTION OF NEVADA STATE WELFARE BOARD, CARSON CITY, NEV.

(Adopted March 26, 1962)

Whereas the Nevada State Welfare Board recognizes that the standards of assistance for all the public assistance categories are far too low in comparison with cost of living and average national income; and

Whereas the revised bill containing the Public Welfare Amendments of 1962 (H.R. 10606) provides for an increase in Federal matching for old-age assistance, aid to the blind, and aid to the permanently and totally disabled; and

Whereas the aforementioned bill (H.R. 10606) retains the present Federal matching formula for aid to dependent children, only extends it to both parent caretakers if needy and in the home; and

Whereas the Federal matching limit for a needy parent is currently less than one-half that for a needy person over 65 years of age, and the proposed new formula further increases this inequity; and

Whereas in aid to dependent children, more than in any other Federal-State public assistance program, the amount of the Federal matching base tends to establish the ceiling for recommendations by budgetary authorities and for legislative appropriations by this State; and

Whereas, while the emphasis on preventive and rehabilitative service is extremely important and necessary, the desired goal will not be achieved unless basic maintenance needs of aid to dependent children families are met more adequately: Now, therefore, be it

Resolved, That the Federal matching limit for aid to dependent children and the other three public assistance categories be brought closer together by providing a commensurate increase in the Federal matching formula for aid to dependent children as that proposed for old-age assistance, aid to the blind, and aid to the permanently and totally disabled under H.R. 10606.

[Telegram]

WEBSTER GROVES, MO., *April 2, 1960.*

Senator STUART SYMINGTON,
Senate Office Building, Washington, D.C.:

The St. Louis County Child Welfare Advisory Committee respectfully urges your consideration for amendment of House Bill 10606 to include identifiable funds for homemakers service for children whose mothers are temporarily ill or incapacitated. This provision would facilitate the realization of expanded constructive child welfare services contemplated in the bill.

MIRIAM M. PENNOYER, M.D., *Chairman.*

THE BOYS & GIRLS AID SOCIETY OF OREGON,
Portland, Oreg., April 9, 1962.

Senator MAURINE NEUBERGER,
Senate Office Building, Washington, D.C.

DEAR MAURINE: As you would know, we are all very much interested in H.R. 10606, which is currently under consideration by the Senate Finance Committee. The House Ways and Means Committee made some major changes in the bill as originally introduced and we are hoping that some of the original provisions might be restored by the Senate.

1. They omitted the provision for the training of social work personnel through contracts with schools. The national shortage of professional qualified people in child welfare is marketly retarding the ability of community services to provide adequate care for children. I certainly hope that the Senate will be able to include in the bill some provision of Federal scholarships for social work personnel.

2. They omitted the authority for service to be purchased from nonprofit private agencies. Such arrangements can be highly beneficial to both public and private agencies through the full utilization of existing services.

3. They added a new provision entitled "Use of Payments for Benefit of Child." This appears to be undesirable as it opens up the possibility of the extensive use of vouchers, which have not worked well in the past, and it also appears to permit States to deny assistance for a parent while continuing it for a child. In effect, this would merely reduce the income for all members of the family as they would all have to live on what they received.

4. They increased the matching formula for OAA, AB, and APTD. There were no increases in the matching funds for programs affecting children. This would still further increase the discrepancy between the two groups, although our maximum need as we look to the future is the protection of our children.

I know how interested you are in all matters concerning social welfare and hope that you will be able to help make improvements in this bill.

Cordially,

STUART R. STIMMEL, *State Director.*

NATIONAL ASSOCIATION ON SERVICE TO UNMARRIED PARENTS,
April 16, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee, on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: The National Association on Service to Unmarried Parents is following with interest and concern the proposals for amendments affecting public welfare, contined in H.R. 10606. This association has on its national committee representatives of 7 national agencies in the welfare field, and has a membership of some 250 local or statewide committees and agencies, voluntary and public, and both welfare and health, together with 150 interested individuals.

We are glad to see that many of the proposals of the Secretary of Health, Education, and Welfare have been passed by the House of Representatives. We are sure that these, if enacted into law, will facilitate constructive services. We are, however, concerned about some points, and hope that the Senate will give thought to them. They are:

Residence laws.—With mobility of people very closely related to developments in industry, agriculture, and other fields, restrictions on meeting emergency needs impose hardships on people, and an unreasonable burden on voluntary agencies. It was a disappointment that the recommendation for change, including a financial incentive to the States to eliminate residence as a factor in eligibility, was not passed by the House of Representatives. We hope that the Senate will give thoughtful consideration to this.

Protective payments.—We recognize that there are a few families and individuals for whom an unrestricted cash payment is not practical or wise; but we think that the proposals (as now contained in sec. 108 of H.R. 10606) gave sufficient authority to deal with these unusual needs. The amendment passed by the House of Representatives fails to safeguard human rights and dignity in line with the original intent of the Social Security Act.

Aid to dependent children.—We recognize real progress in the provisions to permit the use of ADC funds for eligible children who are placed in foster homes or institutions, when that is for the best interest of the child. We note a proposal to amend this provision to permit assignment of funds to juvenile courts for such use. We believe that responsibility for the program should be a responsibility of the child welfare services, because of their experience and the skills that they have developed for this program. We know that there are occasional instances in which continued supervision by a juvenile court is indicated, but in these cases cooperation between the two agencies is not only possible, but is presently in effect.

Matching funds.—There is great disparity in matching funds between those designated for the aged, blind, and disabled, and those for families with needy children. We hope that there will be thoughtful attention to the needs of children and youth, and to the importance of constructive, forward-looking services for them.

Provisions for training in social work.—The shortages of social work personnel are staggering, and it is clear that welfare programs, to give present help to people and provide constructive influences in looking to the future, need staff with skills that come out of good training. It is important that plans be made to recruit and train more social workers. We urge the importance of stipends to individuals for study, and also grants to schools of social work and other institutions of learning.

Very sincerely yours,

EDITH F. BALMFORD.

WASHINGTON, D.C., *April 16, 1962.*

SENATE FINANCE COMMITTEE,
Senate Office Building,
Washington, D.C.

GENTLEMEN: In your consideration of H.R. 10606 I hope that you will give consideration to the following very minor technical amendments which I am calling to your attention:

In new section 409(a)(4), page 35, line 8, after the words "performing work" insert "or taking an approved course of training designed to facilitate return to regular employment."

The reason for this suggested amendment is that I think that in the case of a relative taking such a course the same arrangement should be made for the care and protection of the child during absence from home while taking such a course as the present provision gives to a relative who is "performing work."

In new section 106(a)(1), page 36, line 20, after the words "any such income" insert "while taking an approved training course designed to facilitate return to regular employment."

The reason for this amendment is that I believe that the expenses incident to taking a training course, such as carfare, any needed supplies in connection with the course, and so on, should be considered in determining need, as well as the expense attributable to participating in a work relief program.

Both these minor amendments, I believe, will make it more possible for families receiving aid to dependent children to participate more readily in training courses designed to facilitate return to regular employment.

Very truly yours,

OLGA S. HALSEY.

GEORGIA FEDERATION OF THE BLIND, INC.,
Atlanta, Ga., April 19, 1962.

Hon. HARRY F. BYRD,
U.S. Senate Committee on Finance,
Senate Office Building, Washington, D.C.

DEAR SENATOR: The Georgia Federation of the Blind, a statewide organization dedicated to the advancement of the social and economic status of blind persons and other physically handicapped through employment opportunity and improved services, so as to reduce dependency, strongly favors H.R. 10606 and earnestly urges your favorable consideration.

Cordially yours,

WALTER R. MCDONALD, *President.*

RESOLUTION OF GEORGIA FEDERATION OF THE BLIND

Be it resolved by the Board of Directors of the Georgia Federation of the Blind this 14th day of April 1962, at Atlanta, Ga., That the Senators and Representatives from the State of Georgia to the U.S. Congress are urged to support the provisions of H.R. 10606 or the modifications of that bill as hereinafter set forth, and further that a copy of this resolution be sent to the members of the Senate Committee on Finance with the urgent request that said bill be favorably reported to the Senate.

1. We heartily endorse the aim set forth in section 101 and elsewhere of improving services so as to prevent or reduce dependency through the increased assistance payments and otherwise.

2. We believe that the provisions relating to aid to needy families with children in sections 102, 109, 131, 134, 135 represent considerable progress in this field, and we endorse this improved program.

3. There is in the country as a whole and especially in the State of Georgia a scarcity of properly trained social workers. Such a program as is contemplated in this bill cannot be effectively carried out without an adequate supply of such trained workers. We, therefore, endorse the provisions of part B of this bill (section 123 to encourage and assist with the training of such personnel).

4. We strongly urge the enactment of section 136 1602(b) of this bill which will permit the permanent coexistence in the States of Missouri and Pennsylvania of the State-financed plan for aid to the blind and State-Federal program. The experience of 12 years has shown that this so-called "dual program" has resulted in an excellent record of increased self-sufficiency on the part of recipients.

5. We feel that any citizen of the United States should be free to move from one State to another for reasons of health, economics, or family convenience and that he should not be unduly penalized because of such change of residence. We, therefore, feel that the amendment to section 1602(b) inserted by the Ways and Means Committee should be stricken out or that provisions be made so that no residence requirement would be made for eligibility for assistance which is in excess of the time required for the establishment of legal residence for the purpose of voting in the State concerned.

6. We would approve the inclusion of medical aid for blind or disabled persons as provided in the new title XVI. We feel, however, that a more reasonable means test should be provided than that which now seems to be in use under the medical care provisions of title I.

7. In order to encourage and assist disabled persons to attain or retain self-support, we would favor the extension of the exempt earnings provision which now applied to blind persons under title X to disabled recipients under the provisions of title XIV.

Adopted April 14, 1962.

WALTER R. MCDONALD, *President.*

Attest:

JOHN R. PRICE, *Secretary.*

PENNSYLVANIA ACADEMY OF OPHTHALMOLOGY & OTOLARYNGOLOGY,
Harrisburg, Pa., April 23, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Post Office, Washington, D.C.

DEAR SENATOR BYRD: We would like to enter our protests to a provision in bill H.R. 10606 entitled Public Welfare Amendments for 1962. Under section 1602, part "(12) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select."

This statement equating the optometrist with an eye physician in the determination of blindness is false, misleading, and not in the best interest for the health and welfare of the general public.

In the determination of blindness, as to its causes and its manifestations, there is a need for a thorough medical examination and a critical evaluation of the findings by an eye physician.

Blindness determined by optometrists with their lack of medical training can only be a limited an insufficient appraisal of the true condition. This lack of medical training could unwittingly prolong a remedial condition or give a hope-

less prognosis in cases of blindness which could be cured by medical or surgical therapy.

We would appreciate your help in eliminating the misleading provision, "or by an optometrist, whichever the individual may select," when the welfare bill comes up for consideration.

Yours truly,

GEORGE E. MARTZ, M.D.

CHILD WELFARE BOARD OF SUMMIT COUNTY,
Akron, Ohio, April 24, 1962.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: We wish to call your attention to H.R. 10606 (Public Welfare Amendments of 1962). As a local public tax supported agency serving dependent and neglected children we are intensely interested in this bill. We feel it has much merit and will go a long way in solving some of the extremely pressing problems of child welfare which exist in America today.

Our experience shows that American families are becoming more mobile with each passing year. Our economy demands a fluid labor force and migration of families seems to be indicated in light of the present-day economy. Yet when adversity strikes these families we fall back on our outmoded residence requirements. We question the value of restrictive residence requirements. We would urge, however, that if residence requirements are necessary that they not be for more than 1 year, otherwise they would impose undue hardship.

This agency has been participating in a program for training social work personnel through Federal child welfare service funds. We can speak very highly for this program as it has resulted in upgrading the quality of services offered by this agency and has resulted in a far more efficient use of our tax dollar. We would defend this program and would point out that there has been a flow of trained personnel from the schools of social work to the public agencies and from thence to the voluntary agencies. If we are going to do some preventive work and not just pick up the victims of society's disorganization, this training program must be continued.

We view with concern increasing the limit of voucher payments to relief by 5 percent. We consider this to be an excessive increase and inadvisable as it does not work to the best interests of families on relief and, in return, to society. It would appear that voucher payments or so-called protective payment should not be more than one-half percent. The provisions of the bill entitled "Use of payments for benefit of the child" appears to be a most dangerous provision and must be carefully studied before the final version of the bill is approved. If assistance is denied to a parent while continued assistance be given to a child under care by that parent, results would be most undesirable. The obvious result would be that of reducing the amount of assistance a child would have as the parent would in many cases be forced to sustain himself from the allowance provided the child.

Consideration should be given as to how services could be provided for the protection of children when complaints are made by police, churches, social agencies, neighbors, or relatives. Oftentimes a child is being abused by the parent who himself does not recognize what he is doing and whose child needs some form of protection. If provision is not made for action on the part of an agency, as a result of a complaint of a third party, then protective services as such, cease to exist.

This agency views with dismay the proposal that the matching formula for old age assistance, aid for the blind, and aid for the partially or totally disabled, should have preferential treatment over assistance to children. The discrepancy which has been reflected too long in inadequate grants for children should not be increased. We do not oppose more generous support for the needy, aged, and handicapped, but the gross injustices of widening further this discrepancy in face of the fact that children actually require more food, clothing, etc., than do these handicapped, does not justify such an action. We in America deplore

our increases in juvenile delinquency, we testify to our great concern for the welfare of our coming generations and then we neglect the most disadvantaged of all because they are children.

Your consideration of the points we have discussed above will be greatly appreciated.

Sincerely,

VICTOR H. ANDERSEN, *Executive Director.*

STATE OF OREGON,
STATE PUBLIC WELFARE COMMISSION,
Salem, Oreg., April 18, 1962.

Hon. MAURINE B. NEUBERGER,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: The State public welfare commission at a recent meeting requested that I call to your attention a serious omission in present Federal public welfare provisions and in pending welfare legislation (H.R. 10606). We refer to the fact that Federal requirements for the aid to dependent children program permit no special consideration of earnings of children as distinguished from the consideration of other income a child might have, such as old-age and survivors insurance benefits, Indian benefits or veterans benefits The members of the Oregon State Public Welfare Commission feel strongly that in order to develop sound work habits and ambition in ADC children, a share of their own earnings must be disregarded in determining the families' need. The amount disregarded should be in proportion to the amount of their earnings and should be available to the children to meet expenses not covered by the assistance payment.

The Federal requirements for the aid to dependent children program currently allow States to give special consideration to the income of children if they have special needs either current or anticipated that cannot be met through the assistance payment. These could be such things as medical care costs, participation in school band or orchestra, Boy Scout, or 4-H activities or even future college or vocational training. States are only permitted such policy provision, however, if they allow any income of the child to have equal consideration, whether it is earnings or benefits payable from treatment as an incentive to the child. We believe a reasonable share of them should be disregarded completely in determining need for public assistance.

Oregon law for some years has contained a provision that the first $10 per month earned by such a child and one-third of all additional earnings were to be disregarded in determining need for ADC whenever the Federal regulations permitted. If the Federal requirements were changed, Oregon would be able to take advantage of the change.

Any efforts you can make to secure such revision in the Social Security Act will have our enthusiastic support. If our opinion should be expressed to members of the congressional committee involved, we will appreciate your advice.

Respectfully yours,

ANDREW F. JURAS, *Administrator.*

NEW MEXICO DEPARTMENT OF PUBLIC HEALTH,
Santa Fe, April 4, 1962.

Hon. DENNIS CHAVEZ,
U.S. Senate, Washington, D.C.

DEAR SENATOR CHAVEZ: I very much appreciate your reply relative to the letter which I sent you expressing certain comments on the appropriations for radiological health, hospital construction, and tuberculosis.

The executive committee of the Association of State and Territorial Health Officers has supported an amendment to the Social Security Act to increase the authorization for maternal and child health grants as well as those of crippled children to the various States. The bill is H.R. 10606.

While the State of New Mexico has been generally considered on the basis of minimal grants, perhaps this bill will help satisfy our State's need in these two areas. I would very much appreciate your scrutinizing its content with our own State in mind. Our maternal and child health program is supported entirely by Federal funds which are inadequate for the establishment of prenatal and well

child chinics throughout the State. The vast majority of them are located north of Albuquerque and there is very little coverage in the south. The crippled children's program in this State is of course under the direction of the department of public welfare.

Sincerly yours,

STANLEY J. LELAND, M.D., *Director.*

JEWISH COMMUNITY COUNCIL OF ESSEX COUNTY,
Newark, N.J., May 8, 1962.

Senator HARRY BYRD,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: We are most gratified that the House of Representatives has passed the public welfare amendments bill (H.R. 10606). We hope that you will support passage of this bill by the Senate. We should also like to comment on some of the provisions adopted in the House, based upon our experience as a central voluntary agency for the planning and financing of health and welfare programs in our community for families, children and the aged.

First, the House bill failed to retain Secretary Ribicoff's original proposals to provide incentives to the States to reduce or eliminate residence requirements for public assistance. We would like to see these put into the measure in the Senate.

Residence restrictions do not solve or eliminate problems. They only place them on the doorsteps of voluntary agencies which do not have the funds to meet them, draining funds from other needs which depend exclusively on voluntary support.

Secondly, there is a section in the bill which permits States to take a variety of actions with regard to payments to children of needy families (Aid to Dependent Children) other than withholding support. This section opens the door to all kinds of abuses such as voucher payments, excessive punishments and lowered standards. Such practices have been clearly proven to be undesirable. There is in the bill, provision for "protective payments," which in the case of unreliable families, safeguards them from improper actions.

Thirdly, the present bill permits increasing the disparity in the level of Federal matching grants between needy families with children and the needy aged, blind, and physically disabled. It is our belief that families with needy children should be treated no differently from other public assistance recipients.

We are confident that you, in your awareness not only of the need for passage of the essential provisions in the House bill but of the importance of the three additional points I have made here, will do everything within your power to assure Senate approval of H.R. 10606. Thank you.

Very truly yours,

MARTIN JELIN, *President.*

NEW JERSEY OPTOMETRIC ASSOCIATION,
Trenton, N.J., May 10, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: This is to inform you that the New Jersey Optometric Association is in favor of the amendments to H.R. 10606 proposed by the American Optometric Association and to solicit your support of them when this measure comes before your committee.

The amendments which (1) retain inclusion of optometrists in the aid to the blind section and (2) specifically authorize the utilization of optometrists in Kerr-Mills section are soundly in the public interest because they afford beneficiaries the right of free choice in the selection of a practitioner of their own preference.

Your support of the American Optometric Association amendment will be greatly appreciated by the patients of optometrists throughout the country.

Sincerely,

DR. JOSEPH J. IACOPELLI,
Chairman, Committee on Social and Health Care Trends.
DR. A. J. SHACK,
Chairman, Committee on Vision Care for the Aged.

NATIONAL ASSOCIATION OF HOUSING & REDEVELOPMENT OFFICIALS,
Kansas City, Mo., May 9, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SIR: In connection with the hearings that your committee will be opening within the next week or 10 days on H.R. 10606, "Public Welfare Amendments of 1962," I should like to put our association on record in hearty support of the general goals of the bill for the prevention of dependency, for the strengthening and improvement of family services, and for the provision of more rehabilitative services for aiding families in becoming self-supporting. The bill in the form it was first brought into the House, as H.R. 10032, seemed to us to have satisfactorily provided for reaching these goals and we hope the Senate will bring out a bill that contains all of these original provisions.

The association's interest in the bill stems from the work that our membership does with the tenants of public housing developments and the relocatees from renewal areas, many of whom are clients of public assistance agencies. The general purposes of the association are described in the attached membership folder.

As you know, the Housing and Home Finance Agency and the Department of Health, Education, and Welfare have recently joined forces in an effort to reach some of the objectives of the bill by exploring ways and means of concentrating in local public housing and urban renewal projects many of the services that stem from HEW. Attached is a copy of the most recent issue of our monthly Journal of Housing in which we have sought to make specific what such a concentration of effort might accomplish.[1]

We also enclose a copy of the program resolution adopted by this association's members last fall and call your special attention to the section on social goals.[1]

If there is some way that our Washington office staff can be of assistance to your committee during the course of the hearings on H.R. 10606, please feel free to call on us.

Respectfully,

A. J. HARMON, *President.*

CITIZENS' COMMITTEE FOR CHILDREN OF NEW YORK, INC.,
New York, N.Y., May 11, 1962.

Re H.R. 10606 (formerly H.R. 10032).

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: Citizens' Committee for Children, organized in 1945 to work in behalf of New York's children, urgently requests your action to report this bill out of committee and your vigorous support on the Senate floor.

We are particularly interested in the inclusion for the first time of a Federal program for the day care of children and the provision of matching funds to States to facilitate the development of urgently needed resources (title V, pt. 3, sec. 527(a)). Hundreds of thousands of children are without proper attention during all or part of the day because their parents must work or are unable to care for them and insufficient or no resources are available to supplement parental care.

New York City has developed a good public day care program, but it is grossly inadequate because the city has had to carry the entire financial burden; no State or Federal funds have been provided. Expansion is long overdue—New York City day care centers now have a waiting list of 4,488 children, which grows longer every day. Many more preschool children, the number can only be guessed at, are looked after by relatives or neighbors who may be willing, but are not always dependable caretakers; other young children are found completely "on their own" with door keys hung around their necks, and all too often children are found locked in apartments with no one to look after them. The importance of good care for these children cannot be overestimated.

[1] Enclosures made a part of the committee files.

We plan to write you in the near future about other provisions in this bill about which we have much concern.

We strongly urge your favorable action.

Sincerely,

FRANCIS HAIGHT,
Mrs. ERIC HAIGHT,
Chairman, Day Care Section.

CITIZENS' COMMITTEE FOR CHILDREN OF NEW YORK, INC.,
New York, N.Y., May 14, 1962.

Re: H.R. 10606.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: Citizens' Committee for Children, dedicated to the purpose of assuring the well-being of New York's children and their families, urges your support of H.R. 10606 (formerly H.R. 10032), a bill which would "extend and improve the public assistance and child welfare services of the Social Security Act, and for other purposes."

We sincerely approve the overall purpose of this bill. We are pleased with its advocacy and provision of preventive and rehabilitative services for people in need and with the expansion of child welfare services. It will, if enacted, encourage all States to improve their programs and to develop comprehensive plans based on sound nationwide standards for meeting these many-faceted problems.

As we explain later, we have serious questions about some of the changes which were made in the original bill by the House of Representatives' Ways and Means Committee and urge your committee to reinstate the sections needed to restore the original intent of the bill.

We commend in particular:

The constructive approach to the conservation of our Nation's manpower through development or restoration of work skills and the emphasis on preventing or reducing dependency through developing productive, self-sufficient individuals. We believe that it is sound to require each State to make available to applicants for or recipients of public assistance, services to help them attain or retain capability for self-care and self-support and to maintain and strengthen family life for children.

The expansion and improvement of child welfare services;

The appropriation of funds for day care for children (about which we have already written);

The offering of incentives to employment through taking into account the expenses incurred in earning income and by allowing the dependent child to retain part of his earned income toward future identifiable needs, such as education;

We believe that an adequate supply of trained personnel is the all-important element to the success of the proposed constructive welfare program, but question the possibility of realizing it without extended planning with and financial assistance to the professional schools of social work to enable them to expand to meet the increased enrollment, and the appropriation of funds for tuition;

We welcome increase in the Federal matching formula for the aged, the blind and the disabled, but are distressed at the widening disparity between the formula for these categories and that for the grants for aid and services to needy families with children. There is urgent need for a revision to narrow or erase this gap;

We welcome expansion of the temporary program to provide aid and services to needy families with children (when the father is unemployed) for 5 years, though we had supported the administration's recommendation that this provision be made permanent;

We have deep concern about the inherent dangers in subsection 107(a), section 405 in regard to protective payments presumed to be for the benefit of the child. The broad authority conferred on the States by this section weakens the Federal role in the partnership program by giving precedence to State law over the State plan requirements of the Federal law; it opens the door for punitive, retaliatory action against all assistance recipients when a vocal group in the community

arouses feelings against them, perhaps because of a small isolated incident; it threatens the intent of the section—i.e., protection of the welfare of children—by leaving the gate open to many ill-advised measures which could be permitted under a literal interpretation of the section. All opportunity to use any part of a livelihood grant to degrade and depersonalize the recipients must be removed.

The residence eligibility requirements as now incorporated in the bill stand in need of correction. We would like to see all State residence requirements removed so that there would be no obstacle to a mobile labor force and to the movement of families seeking better jobs and better living. The original bill with provisions modifying residence requirements and providing financial incentives to States to remove such requirements was a long overdue step toward the realization of this goal. It should be reinstated.

May we express again our support of the greater part of this bill and urge favorable action by your committee and the appropriation of the necessary funds. We ask your most active support when the bill is before the Senate.

Sincerely,

MRS. MAX ASCOLI, *President.*

THE SALVATION ARMY,
SOUTHWEST DIVISIONAL HEADQUARTERS,
Phoenix, Ariz., May 2, 1962.

Senator HARRY FLOOD BYRD,
Washington, D.C.

DEAR SIR: It has been brought to our attention that H.R. 10606 has passed the House of Representatives and is now in the Senate and is being referred to the Committee on Finance of the Senate. Two important provisions were eliminated from this bill when it finally passed the House. It is our conviction that in the interest of good social work, these two provisions should be reinstated.

One makes reference to permission to purchase services from voluntary or nongovernmental agencies and receive reimbursement from the Federal Government, and the other provision covers the elimination of restrictive prerequisites based on residence.

I trust that the Committee on Finance will take the necessary steps to have these provisions reinstated in this extremely important bill.

Thank you for your favorable attention to this request.

God bless you.

Yours sincerely,

ERIC NEWBOULD,
Lieutenant Colonel, Divisional Commander.

THE AMERICAN LEGION,
Washington, D.C., May 15, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: As national child welfare director for the American Legion and its affiliated organizations, I wish to make known to you the position of the American Legion on the Public Welfare Amendments of 1962 during your consideration of H.R. 10606.

The child welfare program of the American Legion nationally, not only encompasses the activities of some 16,000 posts, but likewise approximately 14,000 units of the American Legion Auxiliary. In addition, the work of the affiliated organization known as the 8 and 40 coordinates its child welfare activities through our American Legion National Child Welfare Commission and this office.

Our interest in sound public programs for children began in the middle 1920's and has continued uninterruptedly since that time. As some indication of the magnitude of our interest we expended more than $7¾ million last year on child welfare activities, the greater part of which went to help the children of veterans who are in need and whose needs were not being met from any other source. Records which I know are available to the Congress will indicate the American Legion's leadership long before the Social Security Act was adopted in helping obtain State mothers' aid laws. Later we supported the Social Security Act itself and have continued to recommend amendments to that act from time to time.

Early in 1960 the National Child Welfare Commission of the American Legion became concerned with the present aid to dependent children program in some of the States. Our own temporary financial assistance program, in which we use our own funds to help meet children's needs, is a most sensitive barometer of conditions for children and many times reflects local public welfare practices. As our concern increased, a special committee of the national child welfare commission was appointed to study various problems as they appeared to us and make recommendations to our full commission. This study has been in process for more than a year in which we have received, among other things, the opinions of our State child welfare chairman throughout the Nation. As a result of this study, certain recommendations were made to our national executive committee, who on May 3 adopted the attached resolution which establishes the official position of the American Legion. We earnestly urge the consideration of this resolution by your committee as it considers H.R. 10606.

One additional point on which we would urge your consideration does not appear in Resolution No. 41, since it has been the position of the American Legion for several years. That point applies to residence requirements, especially in the aid to dependent children program. In the American Legion's own temporary financial assistance program, where it is spending its own money, the legal residence of a child has never been a consideration in whether or not assistance is granted. Our belief has always been that a child in need is entitled to what assistance we can give regardless of present geographic residence. We were, therefore, much disappointed when H.R. 10606 failed so completely to take cognizance of the mobility of our Nation and the discrimination brought about by stringent residence requirements. We sincerely urge your committee, Mr. Chairman, to give this point further consideration, even if it is necessary to provide only the Federal share of assistance payments to children when, through no fault of their own, they are in need and find themselves without sufficient residence to meet State requirements.

As you well know, there are approximately 70 million children in the United States 18 and under. Approximately 40 million of these children are the children of veterans for whom our organization has pledged care and protection. Although we are vitally concerned with these 40 million, we are no less concerned with the remaining 30 million children, for the second part of our purpose is to improve conditions for all children.

Thank you for the opportunity of presenting our view in behalf of the American Legion.

Respectfully,

RANDEL SHAKE,
Director, National Child Welfare.

NATIONAL EXECUTIVE COMMITTEE MEETING OF THE AMERICAN LEGION HELD MAY 2–3, 1962

Resolution No. 41.
Committee: Child welfare.
Subject: Strengthen public welfare programs for children and youth.

Whereas our present public welfare program has been in operation for 27 years with little basic change; and

Whereas during the same period social, economic and cultural changes of great magnitude have taken place including the creation of new rehabilitation skills; and

Whereas experience in the past few years has indicated the need for reconsidering our public programs for children; Now, therefore, be it

Resolved, That the American Legion reommends the following points as needed to strengthen and improve the Nation's public welfare program:

1. The establishment of a program of rehabilitation and counseling services for families dependent on public support.
2. Reaffirm and strengthen our support for funds for training of needed personnel to carry out programs of rehabilitation and counseling.
3. An increase in Federal matching funds for families with dependent children commensurate with the increases proposed for the aged, blind, and disabled.
4. That the long established principle of the American Legion's child welfare program permitting payments of assistance to a third party, when circumstances require, be authorized for public welfare payments where it is determined the parent is incapable of management of funds. We continue to recommend,

however, the principle of direct money payments to the vast majority of families in need.

5. Work training programs should be inaugurated for those recipients of public welfare where such programs will not be detrimental to the proper care and development of children and where such work training programs, in fact, provide for development of a skill which will serve as an aid to future gainful employment.

6. A substantial increase in child welfare services funds is warranted in keeping with the expanding child population of the Nation including consideration of day care services.

7. Extension of the present temporary provision of the Social Security Act which permits aid to dependent children and payments to families of unemployed parents. We believe this will act as a deterrent to desertion of the unemployed father as a condition for making children eligible for assistance.

8. Provision should be made for the needs of the second parent in assistance grants when such second parent is in the home, to avoid undue economic hardship on the part of dependent children.

9. That we reiterate our longstanding American Legion position that assistance to children be based on the studied needs of the family situation and not on an arbitrarily fixed family ceiling; and, be it further

Resolved, That we recommend a family centered approach in the aid to dependent children program which is in keeping with our American Legion child welfare tradition of strengthening the home and improving family life.

NATIONAL ASSOCIATION OF SOCIAL WORKERS,
SANTA CLARA CHAPTER,
May 15, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Finance Committee,
Washington, D.C.

DEAR SENATOR: In accordance with your letters of April 14 and May 10, we are pleased to send you a statement for inclusion in the records of the Finance Committee hearings on H.R. 10606.

The Santa Clara chapter of the National Association of Social Workers, whose 220 members are very much concerned about the recent attacks made on social welfare, and particularly the aid to dependent children program, are most happy to support the efforts of Congress to prevent or reduce dependency. H.R. 10606 contains, in our opinion, many excellent provisions which will help California, as well as the other States, do a better job. We commend the increased Federal matching for service costs, the extension for 5 years of assistance to needy children of unemployed parents, the inclusion of both parents in the ADC grant, the increased authorization for child welfare services, and the incentive for employment, particularly allowing the older children in these families to keep their earnings for educational purposes. In our opinion, the establishment of a program for day care services is one of the most constructive features of the proposed legislation as it will result in the rehabilitation of many mothers, keep families together and in many cases prevent juvenile delinquency. Although the number of children who could be cared for through Federal funds is relatively small, these funds would stimulate the States to develop day care services.

California is ahead of most States, in that it supports through State and county funds, a widespread day care program. However, because of rapidly growing child population there are not enough facilities at present to care for all the children whose mothers go to work. Santa Clara County is doing a fine job in the licensing of foster day care facilities and day nurseries, but more still needs to be done. We believe that all adults including most mothers with small children should be given an opportunity for employment or training for employment when this is necessary. Work is therapeutic for adults and also helps children grow up in a normal atmosphere instead of making them as different from other children in homes where the families are self-supporting.

The Santa Clara County Welfare Department is service oriented but because of insufficient funds for staffing it is difficult to do as thorough a job as is sometimes necessary. More Federal funds as proposed in this bill would release more money for additional staff.

We realize that for some very small groups of families receiving public funds, grants in kind with proper controls are temporarily essential at some point as part of a long-term plan to help the family with money problems. In general, however, we believe that people can better be educated to spend money wisely by having it to spend, rather than by the use of grocery orders and other payments in kind, which do not provide the experience for learning. In addition such practice encourages dependency, thereby negating the stated purpose of H.R. 10606. We recommend the omission of section 107A of the bill which amends section 405 of the Social Security Act by adding "Use of payment for benefit of child." We do not believe that proper controls exist in this section.

We approve giving the States the option of combining the adult titles because our ultimate goal is a comprehensive noncategorical social welfare program with need the only requirement.

We disapprove the discriminatory treatment in the ADC category and should like to see the Federal maximum raised. Although we appreciate the fact that this bill makes improvements by including both parents in the grant and continuing ADC to unemployed parents, it is still difficult for us to assume that it takes less than one-half to support a mother caring for a dependent child than it takes to support one aged blind or disabled adult. We should like to see the Federal maximum in ADC raised.

For future consideration we wish to go on record in favor of eliminating that ancient relic of Elizabethan poor law—the residence requirement. It is our belief that a mobile working population is in the public good and that workers tend to follow employment opportunities. In the agricultural economy of Santa Clara County migratory labor serves a valuable need; yet these workers and their children are gravely penalized by this requirement. We supported the original administration proposal which recommended the limitation of residence requirement for all categories to 1 year and promised incentives to States abolishing such laws.

Our association believes that public welfare services should be available to Puerto Rico, Guam, and the Virgin Islands, and that they should participate under the same policies and financial provisions as do the 50 States. Testimony before the Ways and Means Committee from responsible persons in Puerto Rico revealed that although this Commonwealth is making strong efforts to improve the condition of the needy, their public assistance grants are unrealistically low, thereby causing much suffering.

We are most appreciative of the fact that Congress is considering amendments to the public assistance and child welfare titles of the Social Security Act. It is important that the programs be changed to meet changing conditions. Because of the concern of Congress we have made much progress in the 27 years since the enactment of the Social Security Act.

We are very grateful for this opportunity to state our views on some of the provisions of this important proposed legislation.

Respectfully submitted.

LEAH HEROLD LACHENBRUCH,
Chairman, Social Policy Committee.

THE WISCONSIN OPTOMETRIC ASSOCIATION, INC.,
Madison, Wis., April 10, 1962.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: I am writing to you in reference to the bill, H.R. 10606, which is now in the Senate, pending before the Finance Committee. This bill, as you know, was originally H.R. 10032, title No. 16, the Public Welfare Amendment of 1962.

There are those who would like to amend this law to delete optometry and its services from the law, and restrict the public from having its free choice of practitioner for visual care.

An amendment of this nature would be discriminatory, to say the very least, if not outright undemocratic.

It is for this reason that I write to you to do your utmost to see such action, if instituted, be defeated.

Optometrists of today must meet the highest of educational standards to gain entrance to our several colleges of optometry. Once in school they must spend a minimum of 5 years studying the eye and its appendages, both in the normal state as well as the pathological. Upon graduation and receipt of their doctor's degree they must pass both a written as well as a practical test given in each State to prove their proficiency in the eye care field. These tests again include the recognition of all pathological conditions affecting the eye and its appendages. Optometry is the only profession caring for the public's vision which must undergo this testing to gain a license to practice. This is true in every State in the Union.

I would like to, on behalf of the Wisconsin Optometric Association, commend you for the splendid job you are doing in Washington, and thank you for the consideration that you have given to our requests in the past.

Very sincerely,

EARL E. WILSON, O.D.,
National Affairs Chairman,

COMMONWEALTH OF KENTUCKY,
DEPARTMENT OF CHILD WELFARE,
Frankfort, Ky., May 15, 1962.

Subject: H.R. 10606.
Hon. HARRY F. BYRD,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: Relative to the hearing of the Finance Committee on Public Welfare Amendments of 1962, I wish to express my concern that certain proposals within these amendments may compel the States to organize their public welfare services in accordance with the desires of the Federal authorities and without regard to the differing traditions and needs of individual States. Specifically, it is important that the use of aid to dependent children funds for payment for the care of children in foster homes not require that such homes be supervised by or such placements made by the agency also responsible for the administration or supervision of the ADC program.

Here in Kentucky, as in the case of Illinois, we have a separate State department child welfare which is responsible for the licensing of foster homes and the placement and supervision of children in them. Unless the Federal law permits the State department of child welfare to carry out the functions and contracts with the State public welfare agency, then either the department of child welfare must become a part of the public assistance agency or both Kentucky and Illinois must create duplicate foster care programs regardless of the waste resulting therefrom.

I strongly endorse the principles embraced in this entire piece of legislation and hope that Congress will appropriate the full sum authorized for the provision of child welfare services. On the basis of both Federal and State services, however, I do not believe the efficient administration of public welfare services requires that they be administered for or within a single department regardless of the desires, wishes, or needs of the individual 50 States.

I shall greatly appreciate any assistance that you can give in assuring a sound legislative basis for the development of child welfare services.

Sincerely,

RICHARD J. CLENDENEN, *Commissioner.*

STATEMENT OF IRVIN P. SCHLOSS, LEGISLATIVE ANALYST, AMERICAN FOUNDATION FOR THE BLIND

Mr. Chairman and members of the committee, I appreciate this opportunity to present the views of the American Foundation for the Blind on certain provisions of H.R. 10606, the Public Welfare Amendments of 1962.

The American Foundation for the Blind is the national voluntary research and consultant agency in the field of services to blind persons. As such, we are specifically concerned about the needs of the nearly 400,000 blind persons in the United States, more than one-third of whom are on the public assistance rolls as recipients of aid to the blind or old-age assistance payments.

Generally speaking, the adult public assistance programs as administered in most of the States have been essentially static in character and limited to financial aid at a bare subsistence level and minimum medical care to people unable to support themselves owing to advanced age, severe disability, or both. As is the case with any illness, the best cure lies in its prevention; and this maxim holds equally true for the debilitating social illness in our society called chronic dependency.

Fortunately, we already have the preventive mechanism through our social insurance programs. Through their continuing expansion and improvement to provide more adequate benefits for all types of beneficiaries, including health care for the aged, we have the means of preventing in the future the problem of chronic dependency which besets a substantial number of public assistance recipients today.

Other means of prevention of dependency not attainable through the social insurance programs are provided in H.R. 10606. Consequently, we welcome this effort to ameliorate the condition of those already on the public assistance rolls.

It appears to us that H.R. 10606 has this as its purpose through infusing into these static programs a rehabilitation emphasis designed to promote self-care and self-support and, hopefully, movement off the relief rolls. The bill provides for increased Federal financing to achieve this purpose, and it also provides for the vital ingredient of well-trained personnel at the operating worker-to-client level in the States. These are desirable and commendable provisions.

We would particularly urge the committee to preserve and strengthen several of the provisions which appear in H.R. 10606 as the result of action by the House Committee on Ways and Means on H.R. 10032, the original public welfare bill it considered. First, we strongly recommend that the provisions requiring utilization of the State vocational rehabilitation agency by the State public welfare agency for clients needing vocational rehabilitation services be preserved as written in H.R. 10606. This will avoid duplication of staff and services largely supported by Federal funds and at the same time assure adequacy of services to the individuals needing them.

Similarly, we strongly endorse the new title XVI of the Social Security Act as it is proposed in H.R. 10606. This would allow the States to combine the adult public assistance categories and medical assistance for the aged under a single State plan while still permitting the specialized State agencies for the blind in Delaware, Massachusetts, New Jersey, North Carolina, and Virginia to continue administering that part of the State plan relating to the blind, with all of the advantages of a single State plan accruing to both the State agency for the blind and the general welfare agency in these five States. However, we would like respectfully to suggest that, in its explanation of the provision in the report accompanying the bill, the committee clearly point out that the additional Federal matching for both medical care for the aged and the financial advantages of averaging will be available to the specialized and the general agency in these 5 States as they would be in the other 45 States if they elected the optional title XVI plan for administering public assistance.

The American Foundation for the Blind would like to emphasize that it is our firm conviction that retention of section 141 of H.R. 10606 providing for the optional title XVI of the Social Security Act is advantageous to blind persons—not detrimental to their best interests. By electing the title XVI approach, a State would assure its aid-to-the-blind recipients over 65 years of age—the bulk of the present title X caseload—the advantage of additional Federal funds for medical care not available to them otherwise. Streamlining the method by which a State receives its share of Federal funds for public assistance payments in no way alters the quality of social services provided to blind aid recipients.

Therefore, we strongly urge the Committee on Finance to retain section 141 of H.R. 10606 in its present form.

In addition to endorsing the two above-mentioned provisions of H.R. 10606, we should like to recommend changes which, we believe, will strengthen the bill.

First, we would suggest that the increase in the Federal participation formula for aid payments in the adult public assistance programs be specifically conditioned upon agreement by the States to pass the higher payments on to individual aid recipients. The intent of the House of Representatives in voting this increase was that it be passed on to individual aid recipients.

Second, we would recommend that the committee restore to H.R. 10606 the wording of H.R. 10032 concerning reduced residence requirements in the States. Reducing the maximum residence requirement a State could impose to 1 year,

coupled with incentive payments to States, which abolish residence requirements altogether, would be more in keeping with the rehabilitation emphasis of this legislation. Certainly, serious consideration should be given to prohibiting any residence requirement for that portion of an individual's aid payment which is clearly the Federal share.

Third, we would recommend the establishment of a program for training social workers who go into the public welfare program through federally supported scholarships and fellowships administered through institutions of higher learning. Properly qualified personnel is the sine qua non of a public welfare program designed to help people to help themselves, so that as many as possible will leave the public assistance rolls and become contributing citizens. Similiar federally supported training programs in other fields have worked well, and we could anticipate the same excellent results in this neglected area.

Fourth, we would like to recommend that the authorization for maternal and child health services and crippled children's services be increased on the same basis as the authorization for child welfare services is increased in H.R. 10606. The American Foundation for the Blind has learned of instances from several States where funds had to be raised from private sources to pay for needed eye surgery for visually handicapped children because the State agency administering crippled children's services had no funds available for this purpose. We believe that increased funds, coupled with an intensive education program by the Children's Bureau, would result in improved services to blind and visually handicapped children in terms of restorative eye surgery and provision of special optical aids.

Fifth, we would urge the committee to include in H.R. 10606 the provisions of S. 2273, which would authorize research projects in maternal and child health services and crippled children's services. This bill, which was jointly sponsored by Senators Robert Kerr and Lister Hill, complements legislation to establish a National Institute of Child Health and Human Development, thereby fulfilling a vital need in the Children's Bureau program.

In conclusion, I should like to state that the American Foundation for the Blind regards H.R. 10606 as generally forward-looking legislation which, with the specific changes we have recommended, should have a considerable impact on public welfare programs in the years ahead.

CHAMBER OF COMMERCE OF THE UNITED STATES,
Washington, D.C., May 18, 1962.

Hon. HARRY F. BYRD,
Chairman, Senate Committee on Finance,
New Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: The Chamber of Commerce of the United States recommends approval of certain provisions in the Public Welfare Amendments of 1962 (H.R. 10606) under consideration by your committee.

The National Chamber endorses the proposal to permit Federal grants under the aid to dependent children program in cases where payments are made under work programs and also for retraining (sec. 105(a)). This appears to us as the most important constructive proposal in the bill and should prove very helpful to many adults receiving ADC payments to achieve self-supporting work.

The chamber supports the proposed amendment to give to each State greater authority in preventing abuses in the aid to dependent children payments. This includes "protective payments" to assure that the interests of the child are safeguarded (sec. 108), and that such child will not be in want. The chamber also endorses the proposal to make permanent the temporary provision allowing payments to be made to ADC children who are removed by court order from the home and placed in a foster home.

Section 101(a) amends certain provisions of titles I, IV, X, and XIV, with respect to furnishing certain minimum services designed to help assistance recipients to attain self-care, self-help, and to strengthen family life. The chamber agrees that the objectives are most desirable and their implementation and achievement should be encouraged. However, we are opposed to making the furnishing of such services mandatory on each of the States, and also to increasing the Federal sharing in the cost of such services from the present 50 percent Federal matching to 75 percent (sec. 101(b)).

The temporary provision enacted last year under recession conditions which increased the Federal financial participation and also the maximum of such participation should be allowed to expire on June 30, 1962. Only 15 States took advantage of this and many families were merely transferred from general assistance to aid to dependent children. In many States, such families are taken care of through this State and local program.

The increases in the Federal grants under titles I, X, and XIV (old-age assistance, aid to the blind, and aid to the permanently and totally disabled), proposed by section 132 of the bill, are not justified. There has been no significant change in the cost of living since the last previous increase in Federal sharing and the national chamber recommends such increases be disapproved.

Finally, the chamber urges the committee to reject the proposal in section 141 which would provide additional Federal grants to those States combining their plans for the aged, blind, and disabled. A trend is apparently developing of progressively relieving States of the responsibility in meeting the financial nees of people under the four grant-in-aid public assistance programs. This trend should be reversed and, wherever possible, greater flexibility and authority be extended to the States so they may better adjust each of the programs to meet changing needs in their States.

I would appreciate your making this letter a part of the record of your current hearings on H.R. 10606.

Sincerely yours,

THERON J. RICE,
Legislative Action General Manager.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION WITH REGARD TO THE PUBLIC WELFARE AMENDMENTS OF 1962

The 1,600,000 member organization of Farm Bureau has always taken a vital interest in the public welfare programs which have been operated both by the States and the Federal Government. Because of this and our continued interest, we would like to comment briefly on the bill which is before this committee, H.R. 10606.

We support the objectives of this legislation "to improve, redirect, and tighten up Federal-State cooperative public welfare programs." At the December annual meeting, the elected voting delegates of the member State Farm Bureaus adopted the following policy:

"We recommend that State Farm Bureaus request State legislatures to provide for publication of welfare rolls. We also urge more local and State control of welfare programs.

"Efforts to take care of our needy people often lead to abuse by some individuals. Aid to children from broken homes has encouraged modes of living which are a discredit to any society. Unrealistic welfare programs tend to perpetuate generation after generation of families on relief. Efforts of local administrators to correct such abuses are often hampered by Federal welfare programs. We support changes in Federal law and regulations which would bring about such corrections."

In line with this policy, we recognize that there is much value in H.R. 10606 as it was approved by the House. However, there are still some parts of the bill to which we are opposed.

This bill, in its broad application, moves in the right direction in that it gives the individual States more authority and greater flexibility in the control of their own welfare programs. It allows the States to initiate some new programs and to use some discretion in the application of the Federal-State program to reduce the abuses in the social security program without losing the Federal share of the financing.

Under the present law, the States have tried to institute programs which would reduce the welfare load and exclude the "freeloader." The Federal Government has indicated that such actions by the States in many cases would be in noncompliance with the Federal regulations and that if such action were carried out, the Federal matching funds would be withdrawn from the State. This has been a serious deterrent to the reorganization and adoption of programs to eliminate the abuses of welfare programs.

We are pleased to note that under the House-passed bill the States will be given more freedom and greater control over the operation of welfare programs. This bill will permit the removal of the people from the assistance rolls who are not really entitled to be there, and if it is carried out as intended, it would eliminate some of the abuses in connection with the aid to dependent children program. It also provides that various methods may be used by the States to see that aid to dependent children payments are used in the best interest of the child, and it also authorizes the State to use third parties in the welfare of the child where it is determined that the parent is incapable of managing funds. These are some of the provisions of the bill which farm bureau supports.

However, there are two provisions in the House-passed bill to which we object. The pending bill would authorize the increase to 75 percent Federal matching in all public assistance titles for certain services to be specified by the Secretary of Health, Education, and Welfare. Examples of such services are counseling, vocational training and medical care in some cases. The increased allowance under this percentage ratio could also be used in training personnel employed in State or local welfare agencies.

We strongly object to the increase in this Federal matching program and recommend that the existing law, which authorizes assistance on a 50-50 basis, be continued. We believe that the increased percentage allowance in the category will result in more Federal control rather than less, and it is estimated that the cost will be at least $40 million.

The other feature of this bill to which we have objection is the increase in the Federal matching formula for the aged, the blind, and the disabled. The estimated cost for this program is $140 million. We believe it is unwise to burden the budget with this extra authorization which is in excess of the President's budget request and which we understand was not recommended by the Secretary of Health, Education, and Welfare.

We, therefore, propose that the committee amend H.R. 10606 by deleting from the bill those provisions dealing with the increases relating to services and training in the public assistance program and the Federal matching formula for the aged, the blind, and the disabled.

FAMILY & CHILD SERVICES OF WASHINGTON, D.C.,
Washington, D.C., May 17, 1962.

To: Senate Finance Committee
From: Family and Child Services of Washington, D.C.
Re: H.R. 10606.

Family and Child Services of the District of Columbia was established in 1882 under the name of Associated Charities to meet the relief and welfare problems of that day. It has operated continuously since then under various names but always with the same objective of meeting the ever-changing community needs. It it now the largest private agency in the District of Columbia serving all people regardless of race, creed, or economic position. Its program includes a professional and confidential counseling service on personal and family problems, supplemented by a licensed adoption service; foster home care for children in need of temporary care; foster family day care for the children of working mothers, and summer camping for boys and girls between the ages of 9 and 12. The agency also carries on research to perfect its methods.

The board of directors of the agency has authorized the filing of the following statement relative to the public welfare bill H.R. 10606, currently under consideration by the Senate Finance Committee:

The board endorses the provisions in H.R. 10606 providing for counseling and special aid to people who need help to prevent their becoming dependent. This emphasis on prevention and rehabilitation is a field in which the agency has had long experience and deep interest. From its experience it can say with authority that such programs to be successful demand social workers with the highest qualifications whose caseloads are small enough to make concentration on individual problems possible. The board, therefore, pleads that every means, both State and Federal, be employed to overcome the present shortage of trained personnel in the field of social work.

The restoration of the original proposal to authorize Federal funds for fellowship and scholarship aid and for grants to schools of social work would do much to meet this imperative if a true preventive and rehabilitative program is to achieve any measure of success.

The board would like to voice its deep concern with the inclusion of section 107(a) in the present bill. The board feels very strongly that while "protective payments" to other than a relative are justified when the welfare of a child is at stake. This method should be used sparingly and within prescribed limits such as are embodied in section 108 of the bill. The board is of the opinion that the inclusion of section 107(a) vitiates every protective feature of section 108, giving as it does a free hand to each State to set up its own criteria, however restrictive or punitive, for aid to dependent children. Present Federal requirements and those concentrated in section 108 protect the State and local public welfare departments against ill-advised or localized pressures leading to departure from sound policy. The administration of stable welfare programs throughout the 50 States would be jeopardized if each, each year, has to fight battles against vocal or powerful minorities whose interest is not in the well-being of children.

Mrs. WAYNE COY,
Chairman, Public Issues Committee.

FAMILY SERVICE ASSOCIATION OF GREATER BOSTON,
Boston, Mass., May 17, 1962.

Hon. HARRY FLOOD BYRD,
Senate Finance Committee,
New Senate Office Building, Washington, D.C.

DEAR SENATOR BYRD: At its meeting on May 8, 1962, the executive committee of this association voted to express to you and the members of the Senate Finance Committee the support of the association for favorable action on H.R. 10606, Public Welfare Amendments of 1962, which is now before the Senate Finance Committee for consideration.

The Family Service Association of Greater Boston, a large, nonsectarian, voluntary family counseling agency, views H.R. 10606 as a basically sound step toward a more effective public welfare program. In our opinion, the proposed legislation would provide the necessary leadership for a philosophy of public welfare which would include provisions not only for adequate financial grants to those in need but also for a program of skilled professional social services toward rehabilitation, self-care and support.

We are concerned, however, that amendments to the original bill, H.R. 10032, eliminated: (a) the forward-looking provisions to restrict residence as a requirement in establishing eligibility for public assistance, (b) the provision for direct grants to institutions of higher learning for the training of social workers, without which the effort to secure an adequate supply of qualified social workers for public welfare field will be limited seriously, and (c) the carefully considered provisions related to protective payments which, as revised in H.R. 10606, now fail to provide the minimum standards necessary for nondiscriminatory, constructive, and stable programs at the local level.

We urge respectfully that serious reconsideration be given to restoring these deletions and amendments to H.R. 10606 in order to insure that this generally sound bill might be even more sound as an instrument for efficient care and service to those in need.

Sincerely yours,

JOHN E. ROGERSON, *President.*

BOARD OF COUNTY COMMISSIONERS OF NEZ PERCE COUNTY,
Lewiston, Idaho, April 11, 1962.

Re H.R. 10032, Public Welfare Amendments of 1962.

Hon. RALPH R. HARDING,
Member of Congress, House Office Building, Washington, D.C.

DEAR MR. HARDING: As chairman of the Welfare Committee of the State of Idaho County Commissioners and Clerks Association, I and other members are interested in the amendments effecting foster home care of all children within our counties and the State of Idaho who are qualified to receive such care.

Although there are many facets of this legislation of interest to counties, it is felt there is one area where a concerted county effort could result in a solid accomplishment. There was some success in acquiring a temporary amendment last year, providing for Federal assistance to children in foster homes. However, it was limited to children placed there by a court order declaring their home unsuitable and who were receiving ADC aid at the time they were so placed.

I urge that any dependent child in a foster home should be entitled to Federal assistance the same as a child in the ADC family.

I am requesting that you contact the House Ways and Means Committee, Wilbur D. Mills and the Senate Finance Committee, Harry F. Byrd, asking them to introduce and support the following amendment, and also that you support the same:

"Section 408 of the Social Security Act authorizing Federal sharing under title IV in foster care of children should be expanded to include a dependent child placed in a foster home by any approved State procedure and without regard to whether the child was receiving ADC at the time he was placed in the foster home."

I hope this will give all of the counties in our State some financial assistance and many deserving children better homes to live in.

Many thanks to you for your help and all the good things you have done for the State of Idaho.

Yours very truly,

A. B. McCREADY,
Chairman of Welfare, State of Idaho County Commissioners & Clerks Association.

STATE OF NEW MEXICO,
DEPARTMENT OF PUBLIC WELFARE,
Santa Fe, N. Mex., May 15, 1962.

Re Public Welfare Amendments of 1962 (H.R. 10606 and HEW appropriation).

Hon. DENNIS CHAVEZ,
U.S. Senate, Washington, D.C.

DEAR SENATOR CHAVEZ: Some time age we corresponded in reference to this department's views about the pending Federal legislation relating to the administration of the public welfare programs. At that time indications were that the legislation would probably not be scheduled for hearings until sometime late in May or early June. However, I have received notification that the Senate Finance Committee is holding 3 or 4 days of public hearings on the pending bill this week. For that reason I am taking this opportunity to inform you of my views and recommendations regarding this legislation.

We are in favor of increased matching provisions. However, we feel that any attempt to allocate Federal matching, based upon identification of social services as opposed to administrative costs and program grant expenditures, is doomed to failure from an administrative standpoint. Under the provisions of the proposed bill social services costs would be available for matching at the rate of 75 percent Federal money and 25 percent State money. It would be an insurmountable task to indentify and segregate service costs from other costs of program administration. We feel that the increases in administrative costs in order to accomplish this task would more than offset the additional funds to be made available. Thus, the proposed plan would result in no increase in rehabilitative services, but instead an increase in the administrative costs of administering the programs.

We also object to the present method of determining the matching formulas used in determining State-Federal sharing of actual expenditures for program grants of public assistance. We strongly urge amendment of the existing law and the spending of 75 percent Federal money and 25 percent State money across the board. This action would necessitate changes in three areas: (1) present statutory formulas for determining matching in public assistance grants; (2) present statutory provisions for matching administrative costs connected with categorical programs on the basis of 50–50; and, (3) proposed statutory provisions for matching 75–25 for social services costs. In short, we urge that all costs (including expenditures for grants) in connection with the administration of the categorical programs of public assistance be matched on the basis of 75–25.

Admittedly, such a change in the fiscal structure of the public welfare programs would increase greatly the expenditure of Federal funds. However, a State such as New Mexico, lacking in financial resources, would greatly benefit from the proposed action.

I thank you in advance for your consideration of this matter.

Respectfully,

DALE H. HELSPER, *State Director*.

STATEMENT BY U.S. SENATOR JOHN A. CARROLL BEFORE THE SENATE FINANCE COMMITTEE

Mr. Chairman, I appear before you with regard to H.R. 10606, the Public Welfare Amendments of 1962, to express the sincere hope that no effort will be made to restore a provision contained in the original bill as introduced in the House. That provision would lower the residence requirements now in effect for recipients of old-age pensions. This proposed change was deleted by the House Ways and Means Committee and is not in the bill before you. I call attention here, as I did before the House Ways and Means Committee, to the memorials passed by the Colorado Senate and House of Representatives, urging that the Congress and the President take no action which would lower the residence requirements now in effect for recipients of old-age assistance.

I would like to point out that Colorado, which maintains a highly advanced program of cash benefits and medical care for the elderly, would attract aged persons from other States if the residence requirements were lowered from the present 5 years to only 1 year. This would occur because Colorado is far more generous with its aged than most States in the Union, for our people have taxed themselves heavily to maintain an excellent medical care program for the aged pensioners.

There is of course, a limit to what any one State can afford. A heavy influx of old-age-assistance claimants would disrupt the entire Colorado program and inevitably dilute the benefits available to those who helped to build Colorado and paid Colorado taxes over a period of many years.

The medical care program of my State is fixed by constitutional provision at $10 million a year. Already this progressive program is straining to meet the needs of 50,000 pensioners, and recently some services have had to be reduced. Another 10,000 or 20,000 recipients would cause a fiscal and constitutional crisis in Colorado.

I am confident the committee will take into account the problems of Colorado and of the 22 other States which require residence of more than 1 year for old-age assistance.

The Colorado State Board of Public Welfare, which fixes the policy for the old-age-assistance program in my State, also has taken a firm public stand against reducing the residence requirements. I attach hereto a letter of transmittal from Guy R. Justis, director of the State Department of Public Welfare appended to the resolution of the board of public welfare on this subject.

STATE OF COLORADO,
DEPARTMENT OF PUBLIC WELFARE,
Denver, Colo., February 16, 1962.

HON. JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: Enclosed is a copy of the resolution adopted by the State board of public welfare at their meeting on Friday, February 9, 1962, urging that the Congress of the United States take no action which would cause Colorado to lower its residence requirements for recipients of old-age pension. This resolution was adopted by unanimous vote of the State board.

At the request of the State board I am forwarding a copy of this resolution to each member of the Colorado congressional delegation. We would appreciate hearing from you what action, if any, is taken by the Congress in this regard.

Sincerely yours,

GUY R. JUSTIS, *Director*.

RESOLUTION OF THE COLORADO STATE BOARD OF PUBLIC WELFARE URGING THAT CONGRESS TAKE NO ACTION WHICH WOULD CAUSE COLORADO TO LOWER ITS RESIDENCE REQUIREMENTS FOR RECIPIENTS OF OLD-AGE PENSION

Whereas Colorado has, by vote of its citizens, established one of the most adequate pension systems for the aged in the entire United States by providing for a minimum monthly payment of $100 which has been and may be further increased as the cost of living increases; and

Whereas Colorado in 1958 substantially improved the care for its aged citizens by providing one of the finest medical programs in the Nation; and

Whereas the 5-year residence provision in the present program is a reasonable protection against an influx into Colorado of aged people from other States, particularly adjoining States, with lesser pension programs; and

Whereas to reduce this residence requirement to 1 year would encourage substantial numbers of aged persons from other States to move to Colorado in order to take advantage of the Colorado pension system; and

Whereas the addition of substantial numbers of persons to the present program would substantially reduce the level of medical care now provided under Colorado's pension health and medical care program and cause serious dislocations in the entire program: Now, therefore, be it

Resolved by the State Board of Public Welfare of the State of Colorado, That the members of this State board of public welfare hereby urge the Congress of the United States to take no action which would lower the residence requirements now in effect for recipients of old age pension; and be it further

Resolved, That copies of this resolution be transmitted to the Members of Congress of the United States from the State of Colorado.

[Telegram]

NEW YORK, N.Y., *May 23, 1962.*

Hon. HARRY F. BYRD,
Chairman, Finance Committee,
U.S. Senate, Washington, D.C.:

With reference to H.R. 10606 I wish to quote from a telegram from the National Society for the Prevention of Blindness to the Honorable Wilbur D. Mills, dated February 23, 1962.

"Consistent with the National Society for the Prevention of Blindness stand since 1950, with testimony given to the Ways and Means Committee at that time and with efforts made in subsequent years, it is respectfully requested that the committee in passing H.R. 10032 amend proposed section 1602(A)(12) of the new title XVI to read: (12) Provide that, in determining whether an individual is blind, there shall be an examination by a physician qualified in the diseases of the eye."

It is further requested, for consistency, that section 1002(A)(10) title X be amended by deleting: "or by an optometrist." We would appreciate having the above made a matter of record as a part of the hearings.

It is our understanding that H.R. 10032 referred to was passed as H.R. 10606.

JOHN W. FERREE, M.D., *Executive Director.*

[Telegram]

ILLINOIS PUBLIC AID COMMISSION,
May 18, 1962.

Hon. EVERETT MCKINLEY DIRKSEN,
U.S. Senator from Illinois,
Senate Office Building, Washington, D.C.:

Deeply regret that I was not informed of Finance Committee hearings May 15 on H.R. 10606 "Public Welfare Amendments of 1962" in time to permit my calling

to your particular attention two provisions of this bill of major significance to Illinois and urging your active support of these provisions.

Continuation beyond June 30 of this year of coverage under ADC of children of needy unemployed parents, as provided in section 131 of H.R. 10606, is most urgent. The State government of Illinois at this time is in dire need of Federal aid for meeting a portion of the costs for these families which are currently running at the rate of $2.5 million per month. Automation and other technological changes in Illinois industry have boosted our dependency rate radically from 2.8 percent of the population in 1956 to 4.7 percent today and the rate continues upward as additional numbers X displaced people face long-term unemployment and are forced on the State-local general assistance program or the Federal-State ADC program after exhauston of unemployment compensation benefits. Despite the transfers of the unemployed with families to the ADC program in our State, the general assistance rolls for individuals not qualified for the federally aided programs have continued to rise heavily. As a result, State funds for aiding Illinois localities for this residue burden may run out before Christmas and it may be impossible to provide the additional State funds needed because of the severe fiscal crisis in this State. Withdrawal of Federal aid for the unemployed under the ADC program will aggravate this crisis severely and result in widespread destitution. It is most unfortunate that the representatives of the Illinois Chamber of Commerce did not make these points clear in their testimony before the Finance Committee.

Retention intact of the bill's provision in section 107A giving the States a limited leeway in handling problem ADC families which do not use their grant for the best interests of the children is also essential if we are to correct abuses in that small minority of cases which have reflected adversely upon a program which has done so much to advance the interest of this Nation's children. We must respectfully disagree with testimony offered by the American Public Welfare Association objecting to the language in this section of the bill which would authorize the States to take "other action authorized under State law which is deemed necessary to protect the interests of the child" other than denial of payments to which the child is duly entitled. This language would permit us to utilize on a carefully selected basis, as now authorized by our Illinois law, voucher payments in lieu of cash grants, and similar measures, when these would lead to developing in the parent over a period of time the capacity to handle the money grant properly. Without this language such alternatives to the money grant could not be used. Its deletion would have the effect of reducing section 107A of the bill to mere counseling or the use of third parties as protectors, provisions thoroughly impractical under the conditions prevailing in our State for the type of case situation this provision is intended to help us correct. We believe the Federal Department, under other provisions of H.R. 10606 and provisions in the Federal Social Security Act as it stands, has sufficient authority to control any overuse of voucher payments or any other method proposed by the States for cases of this type so that State action will not lead to erosion of the money payment principle, as alleged, or to violation of the dignity and the capacity for self-direction to any recipient.

The foregoing two issues are of such major concern to the Illinois Public Aid Commission that I will greatly appreciate your advising me immediately if there is indication that these provisions will be in any substantial way altered from the text of H.R. 10606 as passed by the House of Representatives.

PETER W. CAHILL, *Executive Secretary.*

(Subsequent to the discussion of the amendment proposed by Congressman Baldwin, pp. 413–416, the chairman received the following copy of a letter from Assistant Secretary Wilbur J. Cohen.)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, May 29, 1962.

Hon. JOHN F. BALDWIN, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. BALDWIN: In a letter dated May 16, 1962, I advised you of the review the Department has been giving to your proposal that the Federal Government participate financially in ADC-foster home care costs paid through another public local agency rather than the public welfare department. In that letter, I outlined some of the concerns we had about your proposals, particularly as they relate to the responsibilities of the State welfare depart-

ment acting through its local affiliates must have for the basic operations of the ADC program. In view of the independent nature of the judicial process, we foresaw difficulties in the development of an appropriate relationship between the juvenile courts and public welfare departments which would not weaken the responsibility the State public welfare department must maintain in relation to children receiving ADC.

As you know, Mr. Wedemeyer, the director of the department of social welfare in California, sent us a letter on this subject, a copy of which he sent to you. Since the receipt of this letter, we have been reviewing this matter with the State of California to see to what extent Mr. Wedemeyer's proposal which is based on the Juvenile Justice Commission report, offers a basis for an arrangement in California which would satisfy both the concerns of the State department of social welfare and the juvenile court judges. We have been pleased to find that Mr. Wedemeyer's analysis of the situation in California and his suggestions for a way of dealing with this problem offer basis for the development of an arrangement that would be satisfactory to this Department.

The questions which were raised by your proposals we find are not new ones in California and have apparently been the subject of debate and discussion among various groups in the State for some years. The arrangements outlined in Mr. Wedemeyer's letter are those which he believes he can work out and seem to us to offer the necessary protections for the operation of the ADC program. It is our understanding that the State is now discussing these arangements with the various courts in California. We believe accordingly that the problem which you have identified can be satisfactorily handled without the need for Federal legislation.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

(Whereupon, at 12:55 p.m., the committee was recessed.)

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