

93d Congress }
1st Session }

COMMITTEE PRINT

STAFF DATA AND MATERIALS ON
SOCIAL SERVICES
REGULATIONS

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



May 4, 1978

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1978

94-128 O

For sale by the Superintendent of Documents
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SOCIAL SERVICES REGULATIONS

Legislative Background

Legislation before 1972.—Before 1962, services provided to welfare recipients were subject to the same 50% Federal matching as was available for administrative expenses. In order to encourage States to provide social services designed to prevent and reduce dependency on welfare, the Congress in 1962 enacted legislation increasing the Federal matching for social services to 75% while leaving Federal matching for administrative costs at 50%. No definition of social services was included either in the 1962 bill or in the committee reports on the legislation; defining the scope of services was left to the Secretary of Health, Education, and Welfare and the States. The Social Security Amendments of 1967 broadened the services provisions of the Act, authorized matching for services purchased from non-public organizations, and temporarily (through fiscal year 1969) increased the rate of matching for AFDC services to 85 percent.

Regulations of the Department of Health, Education, and Welfare prior to May 1, 1973 required States to provide child care and other services to enable persons to achieve employment and self-sufficiency, foster care services, services to prevent and reduce births out of wedlock, family planning services, protective services for neglected or abused children, services to help families meet their health needs, and specified services to meet particular needs of families and children. In addition, these regulations permitted 75% Federal matching for any services considered by the State as assisting members of a family "to attain or retain capability for maximum self-support and personal independence."

In 1971 the Congress enacted legislation increasing to 90% the Federal share of services needed in order for an AFDC recipient to participate in the Work Incentive Program.

Rapid rise in Federal funds for social services.—Like Federal matching for welfare payments, Federal matching for social services prior to fiscal year 1973 was mandatory and open-ended. Every dollar a State spent for social services was matched by three Federal dollars. The Secretary, by law, was given specific authority to limit the contracting authority for social services and to limit the extent of services to potential (as opposed to actual) welfare recipients. In both cases, however, he had failed to establish effective limitations. In 1971 and 1972 particularly, States made use of the lack of limits on social services under the Social Security Act and the Act's open-ended 75 percent matching to pay for many programs previously funded entirely by the States or funded under other Federal grant programs at lower than 75 percent matching. (For more information on social service expenditures in 1972, see Appendix C, pages 59 ff.)

The Federal share of social services was about three-quarters of a billion dollars in fiscal year 1971, about \$1.7 billion in 1972, and was projected to reach an estimated \$4.7 billion for fiscal year 1973. Faced with this projection, the Congress enacted a limitation on Federal funding as a provision of the State and Local Fiscal Assistance Act of 1972.

Federal funds for social services limited in 1972.—Under the provision in last year's legislation, Federal matching for social services to the aged, blind and disabled, and those provided under Aid to Families with Dependent Children are subject to a State-by-State dollar limitation, effective beginning fiscal year 1973. Each State is limited to its share of \$2,500,000,000 based on its proportion of population in the United States. Child care services, services provided to a mentally retarded individual, services related to the treatment of drug addicts and alcoholics, and services provided a child in foster care can be provided to persons formerly on welfare or likely to become dependent on welfare as well as present recipients of welfare. At least 90 percent of expenditures for all other social services, however, have to be provided to individuals receiving aid to the aged, blind, or disabled (or, after 1973, supplemental security income) or Aid to Families with Dependent Children. Until a State reaches the limitation on Federal matching, 75 percent Federal matching continues to be applicable for social services as under prior law. Family planning services provided under the medicaid program are not subject to the Federal matching limitation. A special savings clause was included in the Social Security Amendments of 1972 (H.R. 1, Public Law 92-603) to provide about \$20 million in additional Federal funds in seven States (Alaska, Delaware, District of Columbia, Georgia, Illinois, South Carolina, and Washington) whose expenditures during the first quarter of fiscal year 1973 were higher than their first-quarter share of the \$2.5 billion limit.

Services necessary to enable AFDC recipients to participate in the Work Incentive Program are not subject to the limitation described above; they continue as under prior law, with 90 percent Federal matching and with funding of these services limited to the amounts appropriated. Federal matching for emergency social services is at a 50 percent rate.

Under the conference report on the State and Local Fiscal Assistance Act, the Secretary of HEW was directed "to issue regulations prescribing the conditions under which State welfare agencies may purchase services they do not themselves provide."

The Finance Committee report on H.R. 1 directed the Secretary "to issue regulations prescribing the conditions under which State welfare agencies may purchase services they do not themselves provide, and regulations which clearly state that the State matching requirement cannot be met by funds donated by private sources." (p. 484 of report).

Proposed Regulations of the Department of Health, Education, and Welfare

On February 16, 1973, the Department of Health, Education, and Welfare published in the Federal Register a notice of proposed rulemaking with respect to social services for which Federal matching funds are available under the Social Security Act. Some of the major features of the proposed regulations are outlined below.

Eligibility for services.—Social services under the Social Security Act could be provided to cash assistance recipients and to former and potential recipients. The proposed regulations would have defined former and potential much more narrowly than prior regulations. The proposed regulations would have required that all recipients of services have their eligibility determined on an individual basis; prior regulations permitted services to be provided in some circumstances to persons who were eligible on a group basis, for example as residents of a low-income neighborhood. The proposed regulations would also have increased the emphasis on providing services only in accord with an individualized service plan.

Scope of services.—The proposed regulations would have limited Federal matching to a list of 17 defined services, and would have reduced the number of services which States were required to make available.

Purchase of services.—The proposed regulations would have required written agreements subject to HEW approval when services were purchased from sources other than the welfare agency. In addition the proposed regulations would have denied Federal funding for purchased services to the extent that they were previously being funded without Federal participation.

Donated funds.—The proposed regulations would have prohibited any use of donated private funds to meet State matching requirements. Such funds were matchable under prior regulations if they were donated without restriction (except as to the type of service and the community in which they were spent) and if they did not revert to the use of the donating agency.

Final Regulations of the Department of Health, Education, and Welfare

In the Federal Register for May 1, 1973, the Department of Health, Education and Welfare published its final regulations concerning social services under the Social Security Act. (The text of the new regulations is reprinted in this pamphlet as Appendix B.)

Eligibility for services.—Under the new regulations, social services may be provided to cash assistance recipients and to former and potential recipients; however, the definition of former and potential recipients is considerably narrower than under the prior regulations. Services provided to

former recipients must be provided within three months after assistance is terminated (compared with two years under the former regulations). Persons may qualify for services as potential recipients only if they are likely to become recipients within six months and only if they have incomes no larger than 150 percent of the State's cash assistance payment standard. In the case of child care services, potential recipients with incomes above that limit but not more than 233½ percent of the cash assistance payment standard may qualify for partially subsidized child care. The regulations do not specify whether these income limits are to be applied to gross income or to net income after deducting work expenses. To be eligible for services, including child care, individuals must also have resources (assets) which are within the limits specified for cash assistance recipients. Under the former regulations services could be made available to individuals likely to become recipients within five years and without any specific income tests. The former regulations also permitted eligibility to be established for some services on a group basis (for example, services could be provided to all residents of a low-income neighborhood). The new regulations do not permit group eligibility but require an individualized eligibility determination for each recipient of services.

Scope of services.—The new regulations limit the type of services which may be provided to 18 specifically defined services and limit to just a few services those which the States are required to provide. By contrast, the former regulations had a fairly extensive list of mandatory services, specifically mentioned a number of optional services, and allowed States to receive Federal matching for other types of services not spelled out in the regulations. Services for mentally retarded persons and for drug addicts and alcoholics are not specifically included in the list of services allowable under the new regulations. However, the regulations do provide that day care services can be made available where appropriate for eligible mentally retarded children and that until December 31, 1973, other types of eligible services may be provided to mentally retarded individuals without regard to the restrictions on the definition of "potential recipient." Medical services (including such services when provided in connection with the rehabilitation of drug addicts and alcoholics) are not eligible for matching under the new regulations except when related to family planning or to medical examinations which are required for admission to child care facilities or for persons caring for children under welfare agency auspices.

Procedural provisions.—The new regulations change a number of the administrative requirements imposed upon the States in connection with services; for example, the requirement of an AFDC advisory committee is dropped and the requirement of recipient participation in the Advisory Committee on Day Care Services is eliminated. Similarly, a fair hearing procedure (as applicable to services) is no longer mandated. New regulations require more frequent review (every 6 months rather than each year) of the effectiveness of services being provided and require that agreements for purchase of services from sources other than the welfare agency be reduced to writing and be subject to HEW approval.

Refinancing of services.—The new regulations would deny Federal matching for services purchased from a public agency other than the welfare agency under an agreement entered into after February 15, 1973 to the extent that the services in question were being provided without Federal matching as of fiscal year 1972. This limitation on refinancing of previously non-Federal services programs will be relaxed under the new regulations over a period of time and will cease to apply starting July 1, 1976.

Donated private funds.—The new regulations leave unchanged the requirements under the former regulations concerning the use of donated private funds as the State's matching share of service costs. In general, these requirements permit the donor to specify the type of service and the community in which it will be provided but not the agency. The new and former regulations both also provide that donated private funds are not matchable if they revert to the donating agency. However, this restriction apparently does not prohibit matching when funds donated by a united fund revert to the use of one of its participating agencies.

**Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations
(February 1973), and New Regulations (May 1973)**

Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
<p>1. Eligibility for services.....</p> <p>1. Recipients of an applicants for cash assistance. Services may be provided to former recipients if they have received aid within the past 2 years; counseling and casework services may be provided to former recipients without regard to the time since they last received aid.</p> <p>Individuals and families may be considered potential recipients if they meet any of these criteria: eligibility for medical assistance as medically needy; likely to become recipients within 5 years; or (in the case of services for families with children) eligibility for cash assistance could be established if the earnings exemption used to determine the amount of AFDC payments were also used to establish initial eligibility for AFDC payments.</p>	<p>1. Same.....</p> <p>Services may be provided to former recipients only if they received aid within the last 3 months and only to complete the provision of services initiated while they were still recipients (or applicants).</p> <p>Individuals and families may be considered potential recipients only if they are likely to need assistance within 6 months as shown by their meeting all of these criteria: income not more than 33$\frac{1}{2}$ percent above cash assistance payment level in the State; resources (assets) not in excess of requirement imposed on cash assistance recipients; have a specific problem which will result in dependence on cash assistance if not corrected by the provision of the service.</p>	<p>1. Same.</p> <p>Same as proposed regulations.</p> <p>Individuals and families may be considered potential recipients only if they are likely to need assistance within 6 months as shown by their meeting all of these criteria: income not more than 50 percent above cash assistance payment standard in the State; resources (assets) not in excess of requirement imposed on cash assistance recipients; have a specific problem which will result in dependence on cash assistance if not corrected by the provision of the service. (Families with incomes up to 233$\frac{1}{2}$ percent of the AFDC assistance standard could be eligible for partially subsidized child care services.)</p>

Persons living in low-income neighborhoods or other groups which might otherwise include more cash assistance cases may be considered eligible for services provided on a group basis, and information and referral services may be provided to anyone.

No provisions for establishing eligibility on a group basis or for providing information and referral services without regard to eligibility.

No provisions for establishing eligibility on a group basis; information and referral services without regard to eligibility may be provided with respect to employment or training.

2. Determination and re-determination of eligibility

2. No specific provision.....

2. Before services are provided, each family and individual must be determined to be eligible: in the case of current applicants or recipients of financial assistance, by verification with the assistance unit with redeterminations to be made quarterly and within 30 days after the individual ceases to be a current applicant for or recipient of assistance; in the case of potential applicants or recipients, by an examination of evidence showing that the conditions of eligibility are met and the identification of specific problems which require services to prevent dependency on assistance with redeterminations of eligibility to be made every 6 months.

2. Before services are provided, each family and individual must be determined to be eligible: in the case of current applicants or recipients of financial assistance, by verification with the assistance unit with redeterminations to be made every 6 months and within 30 days after the individual ceases to be a current applicant for or recipient of assistance; in the case of potential applicants or recipients, by an examination of evidence showing that the conditions of eligibility are met and the identification of specific problems which require services to prevent dependency on assistance with redeterminations of eligibility to be made every 6 months.

Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations (February 1973), and New Regulations (May 1973)—Continued

Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
3. Individual service plan....	3. Must be developed and maintained for each family and child who requires services to maintain and strengthen family life, foster child development and achieve permanent and adequately compensated employment. Similar requirements apply to the aged, blind, and disabled. Review of each service plan at least annually is required.	3. Similarly requires an individual service plan for each family and individual needing services and would require a review of such plan at least every 6 months with the review including an evaluation of the need for and effectiveness of the services being provided; also, requires that no services (other than emergency services) be provided unless they are incorporated in the individual plan and related to the goals of self-support or self-sufficiency.
4. Mandatory and optional services for families.	4. Services which States make available to AFDC recipients required to include services to assist all appropriate persons to achieve employment and self-sufficiency, child care services for persons required to accept work or training, foster care services, family planning services, protective services, services related to health needs, and services to meet particular needs of families and children. The particular needs are further identified: obtaining education, overcoming homemaking and housing problems, reuniting families, money management and consumer education,	4. Require States to provide family planning services, foster care services, and protective services. (Note: Child care and other employment services for participants in the work incentive (WIN) program are required by statute and under other sections of HEW regulations not amended by the proposed regulations.)
		3. An individual service plan, as such, is not required, but States are required to have "procedures" and "documentation" to assure that services are provided only to eligible persons and only in connection with the goals of self-support or self-sufficiency. Services provided must be evaluated for effectiveness at least once every 6 months.
		4. Require States to provide family planning services, foster care services, and protective services. (Note: Child care and other employment services for participants in the work incentive (WIN) program are required by statute and under other sections of HEW regulations not amended by the new regulations.)

child rearing, education for family living, and, in appropriate cases, protective and vendor payments and related services.

Under optional provisions, States may provide either the full range of family services or selected services. The full range of family services is defined as services to a family or any member thereof for the purpose of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence.

Listed as types of selected services are child care services in addition to those required under the mandatory provisions, emergency assistance services, educational and training services (where the work incentive program has not been initiated or is inadequate to meet the needs of recipients), and legal services.

Listed as optional services are day-care services, educational services (defined as assistance in obtaining education and training which is available at no cost to the agency), employment services other than those in connection with the WIN program (defined as diagnostic assessments and assistance in obtaining training available at no cost to the agency; effective Jan. 1, 1974, such services may not be provided to persons eligible to participate in the work incentive program and living in an area served by that program), health-related services, homemaker services, home management and other functional educational services, housing improvement services, and transportation services. Each of these services is defined.

Listed as optional services are day-care services, educational services (defined as assistance in obtaining education and training which is available at no cost to the agency), employment services other than those in connection with the WIN program (defined as diagnostic assessments and assistance in obtaining training available at no cost to the agency; effective Jan. 1, 1974, such services may not be provided to persons eligible to participate in the work incentive program and living in an area served by that program), health-related services, homemaker services, home management and other functional educational services, housing improvement services, legal services in connection with obtaining or retaining employment and transportation services. Each of these services is defined.

**Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations
(February 1973), and New Regulations (May 1973)—Continued**

Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
<p>5. Child care provisions..... 5. Child care services must be provided to recipients who need such services because they have been enrolled in the work incentive (WIN) program or have otherwise been required to accept employment or training. Child care services may be provided for other purposes. (220.51(c)(1)).</p>	<p>5. Child care services are an optional service. (However, they continue to be required for WIN participants under another section of the regulations—220.35.) Child care services may only be provided in the absence of another family member who can provide adequate care, and only for the purpose of enabling caretaker relatives (e.g., the mother) to accept employment or training or to receive needed services.</p>	<p>5. Child care services are an optional service. (However, they continue to be required for WIN participants under another section of the regulations—220.35.) Child care services may only be provided in the absence of another family member who can provide adequate care, and only for the purpose of enabling caretaker relatives (e.g., the mother) to accept employment or training or because of the death, absence from the home, or incapacity of the mother. Child care may also be provided for eligible children who are mentally retarded.</p>
<p>Child care provided must be suitable for the individual child, and the caretaker relative must be involved in the selection of the child care source to be used.</p>	<p>No comparable provisions...</p>	<p>No comparable provisions.</p>
<p>Progress is required in developing varied child care sources so as to give parents a choice in the care of their children.</p>	<p>No comparable provisions...</p>	<p>No comparable provisions.</p>

In-home child care in the form of homemaker service under agency auspices must meet State agency standards, which must be reasonably in accord with the recommended standards of such organizations as the Child Welfare League of America and the National Council for Homemaker Services. In-home child care provided by friends or relatives must meet State agency standards which include requirements with respect to such factors as the responsible person's age, health, and capacity to provide adequate care, the number of hours of such care per day, the maximum number of children, and the feeding and health care of the children.

Child care services provided in out-of-home day care facilities must meet State licensing standards, conform to the Federal Inter-agency day care requirements, and follow the requirements which are applicable to day care services provided under the child welfare services program.

In-home child care must meet State agency standards which include requirements with respect to certain factors such as the responsible person's age, health, and capacity to provide adequate care, the number of hours of such care per day, the maximum number of children, and the proper feeding and health care of the children.

Day care facilities must meet State licensing requirements.

In-home care must meet State agency standards which include requirements with respect to certain factors such as the responsible person's capacity to provide adequate care, the number of hours of such care per day, the maximum number of children, and the proper feeding and health care of the children.

Day care facilities must meet State licensing requirements and such facilities (and the services provided therein) must comply with standards prescribed by HEW.

**Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations
(February 1973), and New Regulations (May 1973)—Continued**

Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
<p>6. Types of services for the aged, blind, and disabled.</p>	<p>6. Mandatory services.....</p>	<p>6. Defined services (State service programs must make available to appropriate applicants at least one of the listed services):</p>
<p>Information and referral services. Protective services (for those who are impaired to the extent of being unable to protect themselves). Services to enable persons to remain in or return to their homes or communities (includes assistance in finding living arrangements and in carrying out necessary health plans). Services to meet health needs (includes assistance in obtaining medical care, in arranging transportation to obtain such care, in arranging for care of dependents).</p>	<p>Protective services (similarly defined).</p>	<p>Protective services (for those who are impaired to the extent of being unable to protect themselves).</p>
<p>Self-support services for the handicapped. Homemaker services (mandatory as of Apr. 1, 1974, and required to meet standards recommended</p>	<p>Health-related services (includes assistance in identifying health needs and in securing medical services to meet those needs).</p>	<p>Health-related services (includes assistance in identifying health needs and in securing medical services to meet those needs).</p>
	<p>Transportation services (to enable individuals to get to and from community facilities as a part of their service plan).</p>	<p>Transportation services (to enable individuals to get to and from community facilities for receipt of other services.)</p>
	<p>Homemaker services (provided by a trained and supervised homemaker).</p>	<p>Homemaker services (provided by a trained and supervised homemaker).</p>

by such organizations as the National Council for Homemaker Service).

Special services for the blind (mandatory as of Apr. 1, 1974; includes such services as assistance in obtaining mobility training, arrangements for talking book machines, referring parents of blind children to special counselling, etc.).

Optional services:

Services to improve living arrangements and enhance activities of daily living (including housing improvement and assistance services, services to adults in foster care, day care, chore services, home-delivered meals, companionship services, consumer protection and money management services, and homemaker services).

Services to individuals and groups to improve opportunities for social and community participation (includes assistance in obtaining recreational/educational services, opportunities to serve with various agencies, social group services in such settings as multipurpose senior centers).

Special services for the blind (similarly defined).

- Chore services.....
- Day care services.....
- Foster care services.....
- Home delivered or congregate meals.
- Home management and other functional educational services.
- Housing improvement services.
- Family planning services....
- Employment services (for the blind and disabled, including help in obtaining vocational training available at no cost to the agency).
- Educational services (assistance in obtaining educational training which is available at no cost to the agency).

Special services for the blind (similarly defined).

- Chore services.....
- Day care services.....
- Foster care services.....
- Home delivered or congregate meals.
- Home management and other functional educational services.
- Housing improvement services.
- Family planning services....
- Employment services (for the blind and disabled, including help in obtaining vocational training available at no cost to the agency).
- Educational services (assistance in obtaining educational training which is available at no cost to the agency).

**Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations
(February 1973), and New Regulations (May 1973)—Continued**

	Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
6. Types of services for the aged, blind, and disabled (cont.).	<p>Services to individuals to meet special needs (includes legal services, family planning, services for alcoholics, drug addicts, and mentally retarded, special services for the blind, deaf, and otherwise disabled).</p> <p>Consultant services (assistance of experts in developing individual service plans and agency service programs).</p> <p>Other services (authorizes States to submit other services for approval by the Department of Health, Education, and Welfare).</p>	<p>Consultant services are not defined as a service, as such, but the costs of developing an individual service plan, including consultant costs, are eligible for Federal matching.</p>	<p>Legal services in connection with obtaining or retaining employment.</p>
7. Federal financial participation.	<p>7. Permit matching of the costs of subsistence which are essential components of a comprehensive service program of a facility.</p> <p>Permit Federal funding of vocational rehabilitation services under certain conditions.</p>	<p>7. Do not allow matching for "subsistence and other maintenance assistance items, even when such items are components of a comprehensive program of a service facility." No provision.....</p> <p>Deny Federal funding for construction and major renovation, licensing and the enforcement of license standards, education services normally provided by</p>	<p>7. Do not allow matching for "subsistence and other maintenance assistance items."</p> <p>No provision.</p> <p>Deny Federal funding for construction and major renovation, licensing and the enforcement of license standards, education services except as noted in</p>

8. Purchase of services from other agencies.

8. State plan governing the assistance programs must include a description of the scope and types of services to be obtained by purchase from other agencies (or individuals), and the welfare agency must retain the basic elements of responsibility in connection with purchased services, including the determination of eligibility of individuals for services. Also, the sources from which services are purchased must be licensed or otherwise meet appropriate standards, and the rates of payment determined for the services purchased can not exceed the amounts reasonable and necessary to assure quality of service.

State must develop arrangements for purchased services from a number and variety of sources so as to provide recipients with a choice among different sources.

the regular school system, housing and relocation costs; authorize the Social and Rehabilitation Service of the Department of Health, Education, and Welfare to determine whether matching will be provided for items not specifically mentioned in the regulations as allowable or not allowable.

8. Same.....

No provision.....

items 4 and 6 above, housing and relocation costs; authorize the Social and Rehabilitation Service of the Department of Health, Education, and Welfare to determine whether matching will be provided for items not specifically mentioned in the regulations as allowable or not allowable.

8. Same.

No provision.

**Comparison of Major Provisions of Social Services Regulations: Former Regulations, Proposed Regulations
(February 1973), and New Regulations (May 1973)—Continued**

	Former regulations	Proposed regulations (February 1973)	New regulations (May 1973)
8. Purchase of services from other agencies (cont.).	No provision.....	<p>Welfare agencies have to negotiate written agreements for the purchase of services from other agencies, under requirements to be prescribed by the Social and Rehabilitation Service. The Social and Rehabilitation Service would be authorized to require prior review and approval of these agreements by the SRS regional office. Services which are available without cost may not be obtained by purchase. In addition, if an agency was providing services in the past without benefit of Federal social services funding, it will not be able to receive such funding even if the services it has been providing would have qualified for Federal funding. However, Federal funding can be provided to the extent the agency increases the level of its expenditures for those services.</p>	<p>Welfare agencies have to negotiate written agreements for the purchase of services from other agencies, under requirements to be prescribed by the Social and Rehabilitation Service. The Social and Rehabilitation Service would be authorized to require prior review and approval of these agreements by the SRS regional office. Services which are available without cost may not be obtained by purchase. In addition, if an agency was providing services in the past without benefit of Federal social services funding, it will not be able to receive such funding even if the services it has been providing would have qualified for Federal funding. However, Federal funding can be provided to the extent the agency increases the level of its expenditures for those services. This limitation on refinancing of services previously provided with wholly non-Federal funding is phased out over</p>

9. Federal matching of donated funds.

9. Use of private donated funds as the State's share of the matching requirements is permitted only where the funds are placed under the control of the welfare agency on an unrestricted basis, except that the donor can specify that the funds are to be used for a particular type of service in a particular community (provided that the donor is not the sponsor or operator of the activity being funded). Donated funds may not be considered to meet the State matching requirements if they revert to the donor's facility or use, or if they are earmarked for a particular individual or for members of a particular organization.

9. Provide that donated private funds or in-kind contributions may not be considered as the State share for matching purposes; specifies the requirements for considering public funds as meeting the matching requirements. Includes a restriction against the use, for matching purposes, of Federal funds (unless such use is specifically authorized by Federal law) or of funds which are used to match other Federal funds.

9. Essentially the same as former regulations.

a period of years. After July 1, 1976, the limitation ceases to apply.

TABLE 1.—FEDERAL SHARE OF SOCIAL SERVICES EXPENDITURES

(In thousands of dollars)

State	Fiscal year 1971	Fiscal year 1972	State share of \$2.5 billion	February 1973 estimate for fiscal year 1973
Total*	746,381	1,684,624	2,500,000	1,996,210
Alabama.....	6,802	11,698	42,140	20,975
Alaska.....	1,865	4,208	3,902	¹ 5,678
Arizona.....	2,830	2,748	23,351	3,126
Arkansas.....	2,003	3,273	23,747	10,500
California.....	210,823	198,627	245,733	245,733
Colorado.....	11,741	18,908	28,298	24,097
Connecticut.....	7,590	9,400	37,002	36,975
Delaware.....	2,844	12,457	6,783	¹ 7,557
District of Columbia.....	7,042	10,479	8,980	8,021
Florida.....	13,128	42,709	87,150	87,127
Georgia.....	12,083	32,415	56,667	¹ 57,524
Hawaii.....	519	848	9,713	6,719
Idaho.....	1,218	1,544	9,076	6,000
Illinois.....	28,276	188,381	135,077	¹ 136,831
Indiana.....	2,516	6,533	63,522	14,775

TABLE 1.—FEDERAL SHARE OF SOCIAL SERVICES EXPENDITURES—Continued

(In thousands of dollars)

State	Fiscal year 1971	Fiscal year 1972	State share of \$2.5 billion	February 1973 estimate for fiscal year 1973
Iowa.....	6,810	9,536	34,613	13,500
Kansas.....	5,879	6,211	27,109	6,946
Kentucky.....	6,394	12,709	39,607	30,024
Louisiana.....	9,296	29,506	44,661	26,109
Maine.....	3,563	6,537	12,354	8,512
Maryland.....	15,096	20,947	48,695	46,512
Massachusetts.....	8,375	23,036	69,477	69,477
Michigan.....	17,621	28,040	109,036	108,500
Minnesota.....	15,402	26,588	46,774	46,774
Mississippi.....	1,098	1,834	27,169	27,100
Missouri.....	11,948	12,839	57,063	16,920
Montana.....	2,115	2,959	8,632	3,270
Nebraska.....	5,809	7,352	18,309	9,537
Nevada.....	1,004	1,616	6,327	1,980
New Hampshire.....	2,050	2,824	9,257	6,504
New Jersey.....	29,958	36,930	88,446	31,968
New Mexico.....	3,826	3,680	12,786	9,060
New York.....	88,627	588,929	220,497	220,497
North Carolina.....	12,819	19,470	62,598	27,236
North Dakota.....	2,465	3,325	7,588	3,957

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Ohio.....	11,079	19,517	129,458	92,050
Oklahoma.....	7,520	14,060	31,623	31,623
Oregon.....	24,271	25,298	26,197	26,196
Pennsylvania.....	36,337	51,294	143,180	92,891
Rhode Island.....	4,388	6,623	11,622	11,622
South Carolina.....	3,592	6,031	31,995	¹ 37,308
South Dakota.....	2,049	2,377	8,152	2,929
Tennessee.....	9,949	13,835	48,395	48,000
Texas.....	12,963	53,501	139,855	103,489
Utah.....	3,123	4,084	13,519	5,250
Vermont.....	1,646	2,434	5,547	5,500
Virginia.....	10,186	16,263	57,195	32,344
Washington.....	31,178	34,309	41,336	¹ 49,937
West Virginia.....	7,911	7,374	21,382	16,035
Wisconsin.....	18,026	37,937	54,266	54,266
Wyoming.....	728	591	4,142	749

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¹ The following additional amounts were allowed under sec. 403 of the Social Security Amendments of 1972 on the basis of 1st quarter expenditures: Alaska, \$1,777 thousand; Delaware, \$774 thousand; Georgia, \$857 thousand; Illinois, \$1,754 thousand; South Carolina, \$5,313 thousand; and Washington, \$8,601 thousand.

² For prior fiscal years, the comparable totals were: 1963, \$30,341 thousand; 1964, \$73,249 thousand; 1965, \$113,845 thousand; 1966, \$154,555 thousand; 1967, \$235,528 thousand; 1968, \$287,717 thousand; 1969, \$386,776 thousand; and 1970, \$671,835 thousand.

Source: Department of Health, Education, and Welfare.

TABLE 2.—FEDERAL MATCHING OF DONATED FUNDS FOR
SOCIAL SERVICES

[In millions of dollars]

State	Fiscal year 1971	Fiscal year 1972	Fiscal year 1973
Total	15.7	73.0	119.4
Alabama.....	0.12	0.18	0.3
Alaska.....			
Arizona.....	.6	1.2	1.2
Arkansas.....	.09	.6	1.2
California.....	1.2	3.0	3.6
Colorado.....		.6	
Connecticut.....			.06
Delaware.....		.002	(1)
District of Columbia.....	.15	.3	(1)
Florida.....	.21	2.1	3.0
Georgia.....	.6	10.2	7.8
Hawaii.....			
Idaho.....			
Illinois.....	.3	19.5	20.7
Indiana.....		.12	.3
Iowa.....	.3	.6	1.2
Kansas.....	.03	.08	.9
Kentucky.....	.09	.24	.6
Louisiana.....		.3	3.3
Maine.....	.9	3.0	2.4
Maryland.....		.075	1.2
Massachusetts.....		.15	3.6
Michigan.....	.21	5.7	22.8
Minnesota.....	1.5	1.5	1.5
Mississippi.....	.06	.21	.9

**TABLE 2.—FEDERAL MATCHING OF DONATED FUNDS FOR
SOCIAL SERVICES—Continued**

[In millions of dollars]

State	Fiscal year 1971	Fiscal year 1972	Fiscal year 1973
Missouri.....	.09	.3	1.5
Montana.....	.15	.27	.3
Nebraska.....	.03	.6	.9
Nevada.....			.012
New Hampshire.....		.18	1.8
New Jersey.....		1.2	3.9
New Mexico.....		.45	.6
New York.....			4.8
North Carolina.....	.03	.08	.12
North Dakota.....	.002	.018	.9
Ohio.....		1.5	3.6
Oklahoma.....	.12	1.2	.12
Oregon.....	.9	1.8	2.1
Pennsylvania.....	3.6	6.0	6.9
Rhode Island.....	.021	.003	.06
South Carolina.....	.06	.12	.3
South Dakota.....	.002	.003	.06
Tennessee.....	.6	2.4	7.8
Texas.....	1.8	3.3	3.9
Utah.....			
Vermont.....	.09	.3	.3
Virginia.....			.18
Washington.....	.3	.9	1.5
West Virginia.....	(¹)	(¹)	(¹)
Wisconsin.....	1.5	2.7	2.1
Wyoming.....			

¹ No report.

Source: Department of Health, Education, and Welfare.

TABLE 3.—ELIGIBILITY FOR SOCIAL SERVICES FOR A FAMILY OF TWO UNDER HEW REGULATIONS¹

State	AFDC payment standard (annual)	Limit on family eligibility for—	
		Services other than day care	Day care
Alabama.....	\$744	\$1,116	\$1,736
Alaska.....	3,600	5,400	8,400
Arizona.....	2,160	3,240	5,040
Arkansas.....	1,788	2,682	4,172
California.....	2,520	3,780	5,880
Colorado.....	2,004	3,006	4,676
Connecticut.....	2,460	3,690	5,740
Delaware.....	2,172	3,258	5,068
District of Columbia.....	1,848	2,772	4,312
Florida.....	1,716	2,574	4,004
Georgia.....	1,932	2,898	4,508
Hawaii.....	3,024	4,536	7,056
Idaho.....	2,472	3,708	5,768
Illinois.....	2,604	3,906	6,076
Indiana.....	2,964	4,446	6,916
Iowa.....	2,232	3,348	5,208
Kansas.....	2,964	4,446	6,916
Kentucky.....	1,752	2,628	4,088
Louisiana.....	756	1,134	1,764
Maine.....	2,460	3,690	5,740
Maryland.....	1,572	2,358	3,668
Massachusetts.....	2,832	4,248	6,608
Michigan.....	3,132	4,698	7,308
Minnesota.....	2,904	4,356	6,776
Mississippi.....	2,460	3,690	5,740
Missouri.....	2,556	3,834	5,964
Montana.....	1,584	2,376	3,696
Nebraska.....	2,604	3,906	6,076
Nevada.....	1,500	2,250	3,500
New Hampshire.....	2,652	3,978	6,188

See footnotes at end of table.

TABLE 3.—ELIGIBILITY FOR SOCIAL SERVICES FOR A FAMILY OF TWO UNDER HEW REGULATIONS ¹—Continued

State	AFDC payment standard (annual)	Limit on family eligibility for—	
		Services other than day care	Day care
New Jersey.....	2,568	3,852	5,992
New Mexico.....	1,620	2,430	3,780
New York.....	2,628	3,942	6,132
North Carolina.....	1,512	2,268	3,528
North Dakota.....	2,280	3,420	5,320
Ohio.....	1,680	2,520	3,920
Oklahoma.....	1,464	2,196	3,416
Oregon.....	1,980	2,970	4,620
Pennsylvania.....	2,616	3,924	6,104
Rhode Island.....	2,424	3,636	5,656
South Carolina.....	1,596	2,394	3,724
South Dakota.....	2,508	3,762	5,852
Tennessee.....	1,704	2,556	3,976
Texas.....	1,224	1,836	2,856
Utah.....	1,800	2,700	4,200
Vermont.....	2,940	4,410	6,860
Virginia.....	2,232	3,348	5,208
Washington.....	2,568	3,852	5,992
West Virginia.....	1,164	1,746	2,716
Wisconsin.....	2,940	4,410	6,860
Wyoming.....	1,860	2,790	4,340
Puerto Rico.....	936	1,404	2,184
Virgin Islands.....	1,104	1,656	2,576

¹ Based on July 1972 data, except for West Virginia (July 1971). Individuals must also have resources (assets) which are within the limits specified by the State for cost assistance recipients.

Source: Department of Health, Education, and Welfare.

TABLE 4.—ELIGIBILITY FOR SOCIAL SERVICES FOR A FAMILY OF FOUR UNDER HEW REGULATIONS¹

State	Limit on family eligibility for—		
	AFDC payment standard (annual)	Services other than day care	Day care
Alabama.....	\$1,164	\$1,746	\$2,716
Alaska.....	4,800	7,200	11,200
Arizona.....	3,384	5,070	7,896
Arkansas.....	2,748	4,122	6,412
California.....	3,768	5,682	8,792
Colorado.....	2,904	4,356	6,776
Connecticut.....	4,056	6,084	9,464
Delaware.....	3,444	5,167	8,039
District of Columbia.....	2,868	4,382	6,692
Florida.....	2,676	4,014	6,244
Georgia.....	2,724	4,086	6,356
Hawaii.....	4,008	6,012	9,352
Idaho.....	3,384	5,076	7,896
Illinois.....	3,264	4,896	7,616
Indiana.....	4,356	6,534	10,164
Iowa.....	3,600	5,400	8,400
Kansas.....	3,864	5,796	9,016
Kentucky.....	2,808	4,212	6,552
Louisiana.....	1,296	1,944	3,024
Maine.....	4,188	6,282	9,772
Maryland.....	2,400	3,600	5,600
Massachusetts.....	4,188	6,262	9,772
Michigan.....	4,332	6,498	10,108
Minnesota.....	4,068	6,102	9,492
Mississippi.....	3,324	4,986	7,756
Missouri.....	3,636	5,454	8,484
Montana.....	2,472	3,708	5,768
Nebraska.....	3,684	5,526	8,596
Nevada.....	2,112	3,168	4,928
New Hampshire.....	3,528	5,292	8,232
New Jersey.....	3,888	5,832	9,072
New Mexico.....	2,436	3,654	5,684
New York.....	4,032	6,048	9,408
North Carolina.....	1,906	2,859	4,447
North Dakota.....	3,600	5,400	8,400

See footnotes at end of table.

TABLE 4.—ELIGIBILITY FOR SOCIAL SERVICES FOR A FAMILY OF FOUR UNDER HEW REGULATIONS¹—Continued

State	AFDC payment standard (annual)	Limit on family eligibility for—	
		Services other than day care	Day care
Ohio.....	2,400	3,600	5,600
Oklahoma.....	2,268	3,402	5,292
Oregon.....	3,204	4,806	7,476
Pennsylvania.....	3,756	5,634	8,764
Rhode Island.....	3,156	4,734	7,364
South Carolina.....	2,496	3,744	5,824
South Dakota.....	3,420	5,130	7,980
Tennessee.....	2,604	3,906	6,076
Texas.....	1,776	2,664	4,144
Utah.....	2,820	4,230	6,580
Vermont.....	4,020	6,030	9,380
Virginia.....	3,132	4,698	7,308
Washington.....	3,528	5,292	8,232
West Virginia.....	1,656	2,484	5,796
Wisconsin.....	3,624	5,436	8,456
Wyoming.....	3,120	4,680	7,279
Puerto Rico.....	1,584	2,376	3,696
Virgin Islands.....	1,992	2,988	4,648

¹ Based on July 1972 data, except for West Virginia (July 1971). Individuals must also have resources (assets) which are within the limits specified by the State for cash assistance recipients.

Source: Department of Health, Education, and Welfare.

APPENDIX A

Excerpt from the Social Security Act Limiting Federal Funds for Social Services

EXCERPT FROM THE SOCIAL SECURITY ACT

LIMITATION ON FUNDS FOR CERTAIN SOCIAL SERVICES

SEC. 1130. (a) Notwithstanding the provisions of section 3(a) (4) and (5), 403(a)(3), 1003(a) (3) and (4), 1403(a) (3) and (4), or 1603(a) (4) and (5), amounts payable for any fiscal year (commencing with the fiscal year beginning July 1, 1972) under such section (as determined without regard to this section) to any State with respect to expenditures made after June 30, 1972, for services referred to in such section (other than the services provided pursuant to section 402(a)(19)(G)), shall be reduced by such amounts as may be necessary to assure that—

(1) the total amount paid to such State (under all of such sections) for such fiscal year for such services does not exceed the allotment of such State (as determined under subsection (b)); and

(2) of the amounts paid (under all of such sections) to such State for such fiscal year with respect to such expenditures, other than expenditures for—

(A) services provided to meet the needs of a child for personal care, protection and supervision but only in the case of a child where the provision of such services is needed (i) in order to enable a member of such child's family to accept or continue in employment or to participate in training to prepare such member for employment or (ii) because of the death, continued absence from the home, or incapacity of the child's mother and the inability of any member of such child's family to provide adequate care and supervision for such child;

(B) family planning services;

(C) services provided to a mentally retarded individual (whether a child or an adult), but only if such services are needed (as determined in accordance with criteria prescribed by the Secretary) by such individual by reason of his condition of being mentally retarded;

(D) services provided to an individual who is a drug addict or an alcoholic, but only if such services are needed (as determined in accordance with criteria prescribed by the Secretary) by such individual as part of a program of active treatment of his condition as a drug addict or an alcoholic; and

(E) services provided to a child who is under foster care in a foster family home (as defined in section 408) or in a child-care institution (as defined in such section), or while awaiting placement in such a home or institution, but only if such services are needed (as determined in accordance with criteria prescribed by the Secretary) by such child because he is under foster care, not more than 10 per centum thereof are paid with respect to expenditures incurred in providing services to individuals who are not recipients of aid or assistance (under State plans approved under titles I, X, XIV, XVI, or part A of title IV), or applicants (as defined under regulations of the Secretary) for such aid or assistance.

(b)(1) For each fiscal year (commencing with the fiscal year beginning July 1, 1972) the Secretary shall allot to each State an amount which bears the same ratio to \$2,500,000,000 as the population of such State bears to the population of all the States.

(2) The allotment for each State shall be promulgated for each fiscal year by the Secretary between July 1 and August 31 of the calendar year immediately preceding such fiscal year on the basis of the population of each State and of all of the States as determined from the most recent satisfactory data available from the Department of Commerce at such time; except that the allotment for each State for the fiscal year beginning July 1, 1972, and the following fiscal year shall be promulgated at the earliest practicable date after the enactment of this section but not later than January 1, 1973.

(c) For purposes of this section, the term "State" means any one of the fifty States or the District of Columbia.

* * * * *

APPENDIX B

HEW Regulations on Social Services

(Printed in the Federal Register of May 1, 1973)

INDEX OF SOCIAL SERVICES REGULATIONS*

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Part 221—Service Programs for Families and Children and for Aged, Blind, or Disabled Individuals: Titles I, IV (Parts A and B), X, XIV, and XVI of the Social Security Act *

Subpart A—Requirements for Service Programs

Sec.

- 221. 0** Scope of programs.
- 221. 1** General.
- 221. 2** Organization and administration.
- 221. 3** Relationship to and use of other agencies.
- 221. 4** Freedom to accept services.
- 221. 5** Statutory requirements for services.
- 221. 6** Services to additional families and individuals.
- 221. 7** Determination and redetermination of eligibility for services.
- 221. 8** Program control and coordination.
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Subpart B—Federal Financial Participation

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- 221. 51** General.
- 221. 52** Expenditures for which Federal financial participation is available.
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- 221. 54** Rates and amounts of Federal financial participation.
- 221. 55** Limitations on total amount of Federal funds payable to States for services.
- 221. 56** Rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam.

Titles I, IV-A, IV-B, X, XIV, and XVI

- 221. 61** Public sources of State's share.
- 221. 62** Private sources of State's share.

AUTHORITY: Section 1102, 49 Stat. 647 (42 U.S.C. 1302).

*Footnotes are not part of the printed regulations.

§ 221.0 *Scope of programs*

1 (a) Federal financial participation is available for expenditures under the State plan approved under titles I, IV-A, IV-B, X, XIV, or XVI of the Act with respect to the administration of service programs under the State plan. The service programs under these titles are hereinafter referred to as: Family Services (title IV-A), WIN Support Services (title IV-A), Child Welfare Services (title IV-B), and Adult Services (titles I, X, XIV, and XVI). Expenditures subject to Federal financial participation are those made for services provided to families, children, and individuals who have been determined to be eligible, and for related expenditures, which are found by the Secretary to be necessary for the proper and efficient administration of the State plan.

2 (b) The basic rate of Federal financial participation for Family Services and Adult Services under this part is 75 percent provided that the State plan meets all the applicable requirements of this part and is approved by the Social and Rehabilitation Service. Under title IV-A, effective July 1, 1972, the rates are 50 percent for emergency assistance in the form of services, and 90 percent for WIN Support Services, and effective January 1, 1973, the rate is 90 percent for the offering, arranging, and furnishing, directly or on a contract basis, of family planning services and supplies.

3 (c) Total Federal financial participation for Family Services and Adult Services provided by the 50 States and the District of Columbia may not exceed \$2,500 million for any fiscal year, allotted to the States on the basis of their population. No more than 10 percent of the Federal funds payable to a State under its allotment may be paid with respect to its service expenditures for individuals who are not current applicants for or recipients of financial assistance under the State's approved plans, except for services in certain exempt classifications.

4 (d) Rates and amounts of Federal financial participation for Puerto Rico, Guam, and the Virgin Islands are subject to different rules.

Subpart A—Requirements for Service Programs

§ 221.1 *General.*

5 The State plan with respect to programs of Family Services, WIN Support Services, Child Welfare Services, and Adult Services must contain provisions committing the State to meet the requirements of this subpart.

§ 221.2 *Organization and administration.*

(a) *Single organizational unit.*

(1) There must be a single organizational unit, within the single State agency, at the State level and also at the local level, which is responsible for the furnishing of services by agency staff under title IV, parts A and B. Responsibility for furnishing specific services also furnished to recipients under other public assistance plans (e.g., homemaker service) may be located elsewhere within the agency, *Provided*, that this does not tend to create differences in the quality of services for AFDC and CWS cases. (This requirement does not apply to States where the title IV-A and title IV-B programs were administered by separate agencies on January 2, 1968.) 6

(2) Such unit must be under the direction of its chief officer who, at the State level, is not the head of the State agency. 7

(b) *Advisory committee on day-care services.* An advisory committee on day-care services for children must be established at the State level to advise the State agency on the general policy involved in the provision of day-care services under the title IV-A and title IV-B programs. The committee 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.¹ 8

(c) *Grievance system.* There must be a system through which recipients may present grievances about the operation of the service program.² 9

(d) *Program implementation.* The State plan must provide for State level service staff to carry responsibility for: 10

(1) Planning the content of the service programs, and establishing and interpreting service policies; 11

(2) Program supervision of local agencies to assure that they are meeting plan requirements and State policies, and that funds are being appropriately and effectively used; and 12

¹ Former regulations required (sec. 220.4) advisory committees on overall AFDC program in addition to committees on child care aspects of AFDC. Both committees were required to include recipients or their representatives as members. AFDC advisory committees were also required at the local level in States with local administration of the program.

² In addition to the grievance system, former regulations required (secs. 220.11, 222.9) a fair hearing procedure through which agency decisions with respect to services could be appealed.

- 13 (3) Monitoring and evaluation of the services programs.
- 14 (e) *Provision of service.* The State plan must specify how the services will be provided and, in the case of provision by other public agencies, identify the agency and the service to be provided.
- § 221.3 *Relationship to and use of other agencies.*
- 15 There must be maximum utilization of and coordination with other public and voluntary agencies providing similar or related services which are available without additional cost.
- § 221.4 *Freedom to accept services.*
- 16 Families and individuals must be free to accept or reject services. Acceptance of a service shall not be a prerequisite for the receipt of any other services or aid under the plan, except for the conditions related to the Work Incentive Program or other work program under an approved State plan.
- § 221.5 *Statutory requirements for services.*³
- 17 (a) In order to carry out the statutory requirements under the Act with respect to Family Services and Adult Services programs, and in order to be eligible for 75 percent Federal financial participation in the costs of providing services, including the determination of eligibility for services, the State must, under the Family Services program, provide to appropriate members of the AFDC assistance unit the mandatory services and those optional services the State elects to include in the State plan, and must under the Adult Services program, provide to appropriate applicants for or recipients of financial assistance under the State plan at least one of the defined services which the State elects to include in the State plan.
- 18 (b)(1) For the Family Services program, the mandatory services are family planning services, foster-care services for children, and protective services for children. The optional services are day-care services for children, educational services, employment services (non-WIN), health-related services, homemaker services, home management and other functional educational services, housing improvement services, legal services and transportation services.
- 19 (2) For the Adult Services program, the defined services are chore services, day-care services for adults, educational serv-

³ Former regulations required (secs. 222.40-222.50) a number of services as a condition of providing 75 percent Federal matching (rather than 50 percent) for any services to the aged, blind, and disabled and authorized (secs. 222.56-222.61) several other services. See item 6 in the tabular comparison on pp. 12 ff. Under AFDC, the former regulations required (secs. 220.15-220.24) a number of other mandatory services, and authorized as optional (sec. 220.51) "the full range of family services." See item 4 in the tabular comparison on pp. 8 and 9.

ices, employment services, family planning services, foster-care services for adults, health-related services, home delivered or congregate meals, homemaker services, home management and other functional educational services, housing improvement services, legal services, protective services for adults, special services for the blind, and transportation services.

§ 221.6 *Services to additional families and individuals.*⁴

(a) If a State elects to provide services for additional groups of families or individuals, the State plan must identify such groups and specify the services to be made available to each group. 20

(b) If a service is not included for recipients of financial assistance under the State plan, it may not be included for any other group. 21

(c) The State may elect to provide services to all or to reasonably classified subgroups of the following: 22

(1) Families and children who are current applicants for financial assistance under title IV-A. 23

(2) Families and individuals who have been applicants for or recipients of financial assistance under the State plan within the previous 3 months, but only to the extent necessary to complete provision of services initiated before withdrawal or denial of the application or termination of financial assistance. 24

(3) Families and individuals who are likely to become applicants for or recipients of financial assistance under the State plan within 6 months, i.e., those who: 25

(i)(A) With respect to title IV-A, (1) do not have income exceeding 150 percent of the State's financial assistance payment standard; or (2) with respect to eligibility for day-care services for children, do not have income exceeding the maximum allowable under the State's schedule of fees to be paid for such services by otherwise eligible families, as contained in the State's approved plan; or 26

⁴ Former regulations (secs. 220.61(b), 222.86) permitted matching of casework or counselling services for any former recipients and of other services for those who had been recipients within the past two years.

Former regulations (secs. 220.52(a)(3), 222.55(a)(2)) also permitted matching for services to persons likely to become assistance recipients within five years or meeting certain other criteria such as residence in a low-income neighborhood. No provision was made for an income or resources limitation, as such, nor for partial subsidization of child care services.

- 27 (B) With respect to title I, X, XIV, or XVI, do not have income exceeding 150 percent of the combined total of the Supplementary Security Income benefit level provided for under title XVI of the Act (as amended by P.L. 92-603) and the State supplementary benefit level (if any); and
- 28 (ii) Do not have resources that exceed permissible levels for such financial assistance under the State plan or under the amended title XVI, if applicable; and
- 29 (iii)(A) In the case of eligibility, under title IV-A, have a specific problem or problems which are susceptible to correction or amelioration through provision of services and which will lead to dependence on financial assistance under title IV-A within 6 months if not corrected or ameliorated; or
- 30 (B) In the case of eligibility under title I, X, XIV, or XVI, have a specific problem or problems which are susceptible to correction or amelioration through provisions of services and which will lead to dependence on financial assistance under such title, or medical assistance, within 6 months if not corrected or ameliorated; and who are
- 31 (1) At least 64½ years of age for linkage to title I, or title XVI with respect to the aged;
- 32 (2) Experiencing serious, progressive deterioration of sight that, as substantiated by medical opinion, is likely to reach the level of the State agency's definition of blindness within 6 months, for linkage to title X, or title XVI with respect to the blind; or
- 33 (3) According to licensed physician's opinion as approved by the State agency, experiencing a physical or mental condition which is likely to result within 6 months in permanent and total disability; for linkage to title XIV, or title XVI with respect to the disabled.
- 34 (iv) Notwithstanding the provisions of this subparagraph (3) or § 221.7 (b)(1), an eligible mentally retarded individual may for the period July 1, 1973, through December 31, 1973, be considered by the State as eligible for services for so much of such period as the mentally retarded individual continues to meet the eligibility requirements of § 222.55(a)(2) of this chapter, as previously in effect. "Mentally retarded individual" means an individual, not psychotic, who, according to a licensed physician's opinion, is so mentally retarded from infancy or before reaching 18 years of age that he is incapable of managing himself and his affairs independently, with ordinary prudence, or of being taught to do so, and who requires supervision, control, and care, for his own welfare, or for the welfare of others, or for the welfare of the community.

(v) Notwithstanding the provisions of this subparagraph (3), or § 221.7(b)(1), children of migrant workers may be considered by the State to be eligible for day-care services through December 31, 1973, on the basis of the provisions of part 220 as previously in effect. 35

(4) Aged, blind, or disabled persons who are likely to become applicants for or recipients of financial assistance under the State plan within 6 months as evidenced by the fact that they are currently eligible for medical assistance as medically needy individuals under the State's title XIX plan. 36

§ 221.7 *Determination and redetermination of eligibility for services.*⁵

(a) The State agency must make a determination that each family and individual is eligible for Family Services or Adult Services prior to the provision of services under the State plan. 37

(1) In the case of current applicants for or recipients of financial assistance under the State plan, this determination must take the form of verification by the organizational unit responsible for the furnishing of services with the organizational unit responsible for determination of eligibility for financial assistance that the family or individual has submitted an application for assistance which has not been withdrawn or denied or that the family or individual is currently receiving financial assistance. This verification must identify each individual whose needs are taken into account in the application or the determination of the amount of financial assistance. 38

(2) In the case of families or individuals who are found eligible for services on the basis that they are likely to become applicants for or recipients of financial assistance under the State plan, this determination must be based on evidence that the conditions of eligibility have been met, and must identify the specific problems which, if not corrected or ameliorated, will lead to dependence on such financial assistance. 39

(b) The State agency must make a redetermination of eligibility of each family and individual receiving services as follows: 40

(1) Within 3 months of the effective date of this regulation for all families and individuals receiving services initiated prior to that date. 41

⁵The former regulations did not specify procedures or time periods for determining and redetermining the eligibility of individuals for assistance.

42 (2) Every 6 months for families and individuals whose eligibility is based on their status as current applicants for or recipients of financial assistance. (This redetermination may be accomplished by comparison of financial assistance rolls or eligibility listings with service eligibility listings.)

43 (3) Within 30 days of the date that the status of the family or individual as a current applicant for or recipient of financial assistance is terminated, in order to determine the need for continuation of services initiated prior to such change in status.

44 (4) Within 6 months of the date of the original determination of eligibility and of any subsequent redetermination of eligibility for families and individuals whose eligibility is based on the determination that they are likely to become applicants for or recipients of financial assistance.

§ 221.8 *Program control and coordination.*⁶

45 The State agency must establish procedures and maintain documentation (including the aggregation and assimilation of data) to substantiate that Federal financial participation under the State's Family Services or Adult Services program is claimed only for services which:

46 (a) Support attainment of the following goals:

47 (1) *Self-support goal*: To achieve and maintain the feasible level of employment and economic self-sufficiency. (Not applicable to the aged under the Adult Services program.)

48 (2) *Self-sufficiency goal*: In the case of applicants for or recipients of assistance under the blind, aged, disabled and family programs, to achieve and maintain personal independence and self-determination.

49 (b) Are provided to recipients who have been determined and redetermined to be eligible in accordance with the applicable provisions.

50 (c) Are evaluated at least once every 6 months to assure their effectiveness in helping a family or individual to achieve the goal toward which services are directed.

51 (d) Are not available without cost to the State agency.

⁶ Former regulations (secs. 220.16, 222.22) required the development of individual service plans with a review of such plans to be made at least once a year. The former regulations did not include the requirement that services must serve either a self-support or a self-sufficiency goal.

§ 221.9 *Definitions of services.*

(a) This section contains definitions of all mandatory and optional services under the Family Services program and the defined services under the Adult Services program (see § 221.5 and § 221.6). 52

(b)(1) *Chore services.* This means the performance of household tasks, essential shopping, simple household repairs, and other light work necessary to enable an individual to remain in his own home when he is unable to perform such tasks himself and they do not require the services of a trained homemaker or other specialist. 53

(2) *Day care services for adults.* This means personal care during the day in a protective setting approved by the State or local agency. 54

(3) *Day care services for children.* This means care of a child for a portion of the day, but less than 24 hours, in his own home by a responsible person, or outside his home in a day care facility. Such care must be for the purpose of enabling the caretaker relatives to participate in employment or training, or because of the death, continued absence from the home, or incapacity of the child's mother and the inability of any member of such child's family to provide adequate and necessary care and supervision for such child. Day care may also be provided, when appropriate, for eligible children who are mentally retarded.⁷ 55

In-home care must meet State agency standards that, as a minimum, include requirements with respect to: the responsible person's capacity and available time to properly care for children; minimum and maximum hours to be allowed per 24-hour day for such care; maximum number of children that may be cared for in the home at any one time; and proper feeding and health care of the children. Day care facilities used for the care of children must be licensed by the State or approved as meeting the standards for such licensing and day care facilities and services must comply with such standards as may be prescribed by the Secretary.⁸

(4) *Educational services.* This means helping individuals to secure educational training most appropriate to their capac- 56

⁷ The former regulations did not similarly limit the purposes for which child care could be provided.

⁸ The former regulations (220.18(c)) required that in-home care in the form of homemaker services generally meet the recommended standards of such organizations as the Child Welfare League and that care in day care facilities comply with the Federal Interagency Day Care Requirements.

ities, from available community resources at no cost to the agency.⁹

57 (5) *Employment services (non-WIN under title IV-A and for the blind or disabled)*. This means enabling appropriate individuals to secure paid employment or training leading to such employment, through vocational, educational, social, and psychological diagnostic assessments to determine potential for job training or employment; and through helping them to obtain vocational education or training at no cost to the agency.

58 (6) *Family planning services*. (i) For Family Services this means social, educational, and medical services to enable appropriate individuals (including minors who can be considered to be sexually active) to limit voluntarily the family size or space the children, and to prevent or reduce the incidence of births out of wedlock. Such services include printed materials, group discussions and individual interviews which provide information about and discussion of family planning; medical contraceptive services and supplies; and help in utilizing medical and educational resources available in the community. Such services must be offered and be provided promptly (directly or under arrangements with others) to all eligible individuals voluntarily requesting them.

59 (ii) For Adult Services this means social and educational services, and help in securing medical services, to enable individuals to limit voluntarily the family size or space the children, and to prevent or reduce the incidence of births out of wedlock. Such services include printed materials, group discussions, individual interviews which provide information about and discussion of family planning, and help in utilizing medical and educational resources available in the community.

60 (7) *Foster care services for adults*. This means placement of an individual in a substitute home which is suitable to his needs, supervision of such home, and periodic review of the placement, at least annually, to determine its continued appropriateness. Foster care services do not include activities of the home in providing care or supervision of the individual during the period of his placement in the home.

⁹ The former regulations (sec. 220.22(a)) required services to "assist children to obtain education in accordance with their capacities."

(8) *Foster care services for children.* This means placement of a child in a foster family home, or appropriate group care facility (i) as a result of a judicial determination to the effect that continuation of care in the child's own home would be contrary to the welfare of such child, and (ii) at the option of the State, at the request of the legal guardian; services needed by such child while awaiting placement; supervision of the care of such child in foster care and of the foster care home or facility, to assure appropriate care; counseling with the parent or other responsible relative to improve home conditions and enable such child to return to his own home or the home of another relative, as soon as feasible; and periodic review of the placement, at least annually, to determine its continuing appropriateness. Foster care services do not include activities of the foster care home or facility in providing care or supervision of the child during the period of placement of the child in the home or facility. A foster care home or facility used for care of children must be licensed by the State in which it is situated or have been approved, by the agency of such State responsible for licensing home or facilities of this type, as meeting the standards established for such licensing. ,

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(9) *Health-related services.* This means helping individuals and families to identify health needs and to secure needed health services available under Medicaid, Medicare, maternal and child health programs, handicapped children's programs or other agency health services programs and from other public or private agencies or providers of health services; planning, as appropriate, with the individual and health providers to help assure continuity of treatment and carrying out of health recommendations; and helping such individual to secure admission to medical institutions and other health related facilities.

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(10) *Home delivered or congregate meals.* This means the preparation and delivery of hot meals to an individual in his home or in a central dining facility as necessary to prevent institutionalization or malnutrition.

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(11) *Homemaker services.* (i) For Family Services this means care of individuals in their own homes, and helping individual caretaker relatives to achieve adequate household and family management, through the services of a trained and supervised homemaker.

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- 65 (ii) For Adult Services this means care of individuals in their own homes, and helping individuals in maintaining, strengthening, and safeguarding their functioning in the home through the services of a trained and supervised homemaker.
- 66 (12) *Home management and other functional educational services.* This means formal or informal instruction and training in management of household budgets, maintenance and care of the home, preparation of food, nutrition, consumer education, child rearing, and health maintenance.
- 67 (13) *Housing improvement services.* This means helping families and individuals to obtain or retain adequate housing. Housing and relocation costs, including construction, renovation or repair, moving of families or individuals, rent, deposits, and home purchase, may not be claimed as service costs.
- 68 (14) *Legal services.* This means the services of a lawyer in solving legal problems of eligible individuals to the extent necessary to obtain or retain employment. This excludes all other legal services, including fee generating cases, criminal cases, class actions, community organization, lobbying, and political action.¹⁰
- 69 (15) *Protective services for adults.* This means identifying and helping to correct hazardous living conditions or situations of an individual who is unable to protect or care for himself.
- 70 (16) *Protective services for children.* This means responding to instances, and substantiating the evidence, of neglect, abuse, or exploitation of a child; helping parents recognize the causes thereof and strengthening (through arrangement of one or more of the services included in the State plan) parental ability to provide acceptable care; or, if that is not possible, bringing the situation to the attention of appropriate courts or law enforcement agencies, and furnishing relevant data.
- 71 (17) *Special services for the blind.* This means helping to alleviate the handicapping effects of blindness through: training in mobility, personal care, home management, and communication skills; special aids and appliances; special counseling for caretakers of blind children and adults; and help in securing talking-book machines.
- 72 (18) *Transportation services.* This means transportation necessary to travel to and from community facilities or resources for receipt of mandatory or optional services.

¹⁰ Under the former regulations (secs. 220.51(c)(4)) legal services were authorized "for families desiring the help of lawyers with their legal problems."

§ 221.30 *Purchase of services.*¹¹

(a) A State plan under title I, IV-A, X, XIV, or XVI of the Act, which authorizes the provision of services by purchase from other State or local public agencies, from nonprofit or proprietary private agencies or organizations, or from individuals, must with respect to services which are purchased: 73

(1) Include a description of the scope and types of services which may be purchased under the State plan; 74

(2) Provide that the State or local agency will negotiate a written purchase of services agreement with each public or private agency or organization in accordance with requirements prescribed by SRS. Effective upon issuance of this regulation, all new agreements for purchased services must meet the requirements of this paragraph; existing agreements must meet the requirements by 7-1-73. A written agreement or written instructions which meet the requirements of this paragraph must also be executed or issued by the single State or local agency where services are provided under the plan directly by the State or local agency in respect to activities added by reorganization of administrative structure, redesignation of the State or local agency, or otherwise, occurring after February 15, 1973, or are provided by any public agency as to which a waiver of the single State agency requirement pursuant to section 204 of the Intergovernmental Cooperation Act is granted after February 15, 1973. These written purchase of service agreements and other written agreements or instructions are subject to prior review and approval by the SRS Regional Office to the extent prescribed in, and in accordance with, instructions issued by SRS; 75

(3) Provide that services will be purchased only if such services are not available without cost; 76

(4) Provide that purchase of services from individuals will be documented as to type, cost, and quantity. If an individual acts as an agent for other providers, he must enter into a formal purchase of services agreement with the State or local agency in accordance with paragraph (a)(2) of this section; 77

¹¹ The former regulations (secs. 226.1-226.2) did not require purchase agreements to be in written form; the former regulations also included a requirement not in the new regulations that States develop purchase arrangements "with a number and variety of agencies" to enable recipients to have a "choice with regard to the source of purchased services."

- 78 (5) Provide that overall planning for purchase of services, and monitoring and evaluation of purchased services, must be done directly by staff of the State or local agency;
- 79 (6) Provide that the State or local agency will determine the eligibility of individuals for services and will authorize the types of services to be provided to each individual and specify the duration of the provision of such services to each individual;
- 80 (7) Assure that the sources from which services are purchased are licensed or otherwise meet State and Federal standards;
- 81 (8)(i) Provide for the establishment of rates of payment for such services which do not exceed the amounts reasonable and necessary to assure quality of service, and in the case of services purchased from other public agencies, are in accordance with the cost reasonably assignable to such services;
- 82 (ii) Describe the methods used in establishing and maintaining such rates; and
- 83 (iii) Indicate that information to support such rates of payment will be maintained in accessible form; and
- 84 (9) Provide that, where payment for services is made to the recipient for payment to the vendor, the State or local agency will specify to the recipient the type, cost, quantity, and the vendor of the service, and the agency will establish procedures to insure proper delivery of the service to, and payment by, the recipient.
- 85 (b) In the case of services provided, by purchase, as emergency assistance to needy families with children under title IV-A, the State plan may provide for an exception from the requirements in paragraph (a) (2), (4), (7), and (8) of this section, but only to the extent and for the period necessary to deal with the emergency situation.
- 86 (c) All other requirements governing the State plan are applicable to the purchase of services, including;
- 87 (1) General provisions such as those relating to single State agency, grievances, safeguarding of information, civil rights, and financial control and reporting requirements; and
- 88 (2) Specific provisions as to the programs of services such as those on required services, maximum utilization of other agencies providing services, and relating services to defined goals.

Subpart B—Federal Financial Participation

Titles I, IV-A, X, XIV, and XVI

§ 221.51 *General.*

Federal financial participation is available for expenditures under the State plan which are: 89

(a) Found by the Secretary to be necessary for the proper and efficient administration of the State plan; 90

(b)(1) For services under the State plan provided, under the procedures for program control and coordination specified in this part, to families and individuals included under the State plan who have been determined (and redetermined) to be eligible pursuant to the provisions of this part; 91

(2) For other activities which are essential to the management and support of such services; 92

(3) For emergency assistance in the form of services to needy families with children (see § 233.120 of this chapter); and 93

(c) Identified and allocated in accordance with SRS instructions and OMB Circular A-87. 94

§ 221.52 *Expenditures for which Federal financial participation is available.*

Federal financial participation is available in expenditures for: 95

(a) Salary, fringe benefits, and travel costs of staff engaged in carrying out service work or service-related work; 96

(b) Costs of related expenses, such as equipment, furniture, supplies, communications, and office space; 97

(c) Costs of services purchased in accordance with this part; 98

(d) Costs of State advisory committees on day-care services for children, including expenses of members in attending meetings, supportive staff, and other technical assistance; 99

(e) Costs of agency staff attendance at meetings pertinent to the development or implementation of Federal and State service policies and programs; 100

(f) Cost to the agency for the use of volunteers; 101

(g) Costs of operation of agency facilities used solely for the provision of services, except that appropriate distribution of costs is necessary when other agencies also use such facilities in carrying out their functions, as might be the case in comprehensive neighborhood service centers; 102

- 103 (h) Costs of administrative support activities furnished by other public agencies or other units within the single State agency which are allocated to the service programs in accordance with an approved cost allocation plan or an approved indirect cost rate as provided in OMB Circular A-87;
- 104 (i) With prior approval by SRS, costs of technical assistance, surveys, and studies, performed by other public agencies, private organizations, or individuals to assist the agency in developing, planning, monitoring, and evaluating the services program when such assistance is not available without cost;
- 105 (j) Costs of emergency assistance in the form of services under title IV-A;
- 106 (k) Costs incurred on behalf of an individual under title I, X, XIV, or XVI for securing guardianship or commitment;
- 107 (l) Costs of public liability and other insurance protection;
- 108 (m) Costs of provision of information about and referral to appropriate community resources for purposes of assisting an individual in securing employment or training or information about employment or training, without regard to eligibility for assistance or other service;¹² and
- 109 (n) Other costs, upon approval by SRS.
- § 221.53 *Expenditures for which Federal financial participation is not available.*¹³
- 110 Federal financial participation is not available under this part in expenditures for:
- 111 (a) Carrying out any assistance payments functions, including the assistance payments share of costs of planning and implementing the separation of services from assistance payments;
- 112 (b) Activities which are not related to services provided by agency staff or volunteers, by arrangements with other agencies, organizations, or individuals, at no cost to the service program, or by purchase;
- 113 (c) Purchased services which are not secured in accordance with this part;
- 114 (d) Construction and major renovations;
- 115 (e) Vendor payments for foster care (they are assistance payments);

¹² The former regulations (secs. 220.61(b)(2), 222.86(b)) permitted Federal matching for any type of information and referral services.

¹³ The former regulations did not include a comparable listing of expenditures for which Federal funding would not be available. Some of the prohibited items were apparently matchable under the former regulations such as certain educational programs and some medical services to drug addicts and alcoholics.

- (f) Issuance of licenses or the enforcement of licensing standards; 116
- (g) Education programs and educational services except those defined in § 221.9 (b)(4) and (5); 117
- (h) Housing and relocation costs, including construction, renovation or repair, moving of families or individuals, rent, deposits, and home purchase; 118
- (i) Medical, mental health, or remedial care or services, except when they are: 119
- (1) Part of the family planning services under title IV-A, including medical services or supplies for family planning purposes; or 120
- (2) Medical examinations which are required for admission to child-care facilities or for persons caring for children under agency auspices, and then, only to the extent that the examination is not available under Medicaid or not otherwise available without cost. 121
- (j) Subsistence and other maintenance assistance items. 122
- (k) Costs of day care services for children of families having incomes in excess of 233½ percent of the State's financial assistance payment standard; 123
- (l) Transportation which is provided under the State's Title XIX plan; 124
- (m) Effective January 1, 1974, costs of employment services (non-WIN) under title IV-A provided to persons who are eligible to participate in WIN under Title IV-C of the Act, unless the WIN program has not been initiated in the local jurisdiction; and 125
- (n) Other costs not approved by SRS. 126
- § 221.54 *Rates and amounts of Federal financial participation.*
- (a) Federal financial participation is available at the 75 percent rate for service costs identified in § 221.52: *Provided*, The State plan is approved as meeting the requirements of subpart A of this part under this provision: 127
- (1) Federal financial participation at the 75 percent rate includes: 128
- (i) Salary, fringe benefits and travel costs of service workers and their supervisors giving full time to services and for staff entirely engaged (either at the State or local level) in developing, planning, and evaluating services; 129
- (ii) Salary costs of service-related staff, such as supervisors, clerks, secretaries, and stenographers, which represent that portion of the time spent in supporting full-time service staff; and 130

- 131 (iii) All indirect costs which have been allocated in accordance with an approved cost allocation plan and with the requirements of OMB Circular A-87.
- 132 (2) Federal financial participation at the 50 percent rate is available for:
- 133 (i) Salary, fringe benefits, and travel cost of workers carrying responsibility for both services and assistance payments functions and supervisory costs related to such workers;
- 134 (ii) Salary costs of related staff such as administrators, supervisors, clerks, secretaries, and stenographers, which represent that portion of the time spent in supporting staff carrying responsibility for both services and assistance payments functions; and
- 135 (iii) All indirect costs which have been allocated in accordance with an approved cost allocation plan and with the requirements of OMB Circular A-87.
- 136 (b) Federal financial participation for purchased services:
- 137 (1) Federal financial participation is available at the 75-percent rate in expenditures for purchase of service under the State plan to the extent that payment for purchased services is in accordance with rates of payment established by the State which do not exceed the amounts reasonable and necessary to assure quality of service and, in the case of services purchased from other public agencies, the cost reasonably assignable to such services, provided the services are purchased in accordance with the requirements of this part.
- 138 (2) Services which may be purchased with Federal financial participation are those for which Federal financial participation is otherwise available under Title I, IV-A, X, XIV, or XVI of the Act and which are included under the approved State plan, except as limited by the provisions of paragraph (b)(3) of this section.
- 139 (3)(i) Effective March 1, 1973 through June 30, 1973, Federal financial participation is available for a new purchase of services from another public agency only for services beyond those represented by fiscal year 1972 expenditures of the provider agency (or its predecessors) for the type of service and the type of persons covered by the agreement. A new purchase of service from another public agency is any purchase of services other than a purchase for the type of service and the type of persons covered by an agreement that was validly subject to Federal financial participation under title I, IV-A, X, XIV, or XVI prior to February 16, 1973.¹⁴

¹⁴ The former regulations included no comparable limitations on the extent to which Federal matching could be provided for purchased services previously furnished with no Federal funding.

(ii) Effective July 1, 1973, subject to the conditions in subdivision (i) of this subparagraph (3), Federal financial participation is available for a new purchase of service as follows: 140

(A) July 1, 1973–June 30, 1974—only for services beyond those represented by 75 percent of fiscal year 1973 expenditures. 141

(B) July 1, 1974–June 30, 1975—only for services beyond those represented by 50 percent of fiscal year 1973 expenditures. 142

(C) July 1, 1975–June 30, 1976—only for services beyond those represented by 25 percent of fiscal year 1973 expenditures. 143

(4) The provisions of paragraph (b)(3) of this section also apply to services provided, directly or through purchase, by: 144

(i) Any public agency as to which a waiver of the single State agency requirement pursuant to section 204 of the Intergovernmental Cooperation Act is granted after February 15, 1973, or 145

(ii) The State or local agency, as to activities added by reorganization of administrative structure, redesignation of the State or local agency, or otherwise, occurring after February 15, 1973. 146

§ 221.55 *Limitations on total amount of Federal funds payable to States for services.*¹⁶

(a) The amount of Federal funds payable to the 50 States and the District of Columbia under titles I, IV–A, X, XIV, and XVI for any fiscal year (commencing with the fiscal year beginning July 1, 1972) with respect to expenditures made after June 30, 1972 (see paragraph (b) of this section), for services (other than WIN Support Services, and emergency assistance in the form of services, under title IV–A) is subject to the following limitations: 147

(1) The total amount of Federal funds paid to the State under all of the titles for any fiscal year with respect to expenditures made for such services shall not exceed the State's allotment, as determined under paragraph (c) of this section; and 148

(2) The amounts of Federal funds paid to the State under all of the titles for any fiscal year with respect to expenditures made for such services shall not exceed the limits pertaining to the types of individuals served, as specified under paragraph (d) of this section. 149

¹⁶ This section implements the limitation on Federal funding of social services which was enacted in 1972 as a part of P.L. 92–512 (The State and Local Fiscal Assistance Act; see pp. 31–32 of this pamphlet).

150 Notwithstanding the provisions of paragraphs (c)(1) and (d) of this section, a State's allotment for the fiscal year commencing July 1, 1972, shall consist of the sum of:

151 (i) An amount not to exceed \$50 million payable to the State with respect to the total expenditures incurred, for the calendar quarter beginning July 1, 1972, for matchable costs of services of the type to which the allotment provisions apply, and

152 (ii) An amount equal to three-fourths of the State's allotment as determined in accordance with paragraphs (c) (1) and (d) of this section.

However, no State's allotment for such fiscal year shall be less than it would otherwise be under the provisions of paragraphs (c) (1) and (d) of this section.

153 (b) For purposes of this section, expenditures for services are ordinarily considered to be incurred on the date on which the cash transactions occur or the date to which allocated in accordance with OMB Circular A-87 and cost allocation procedures prescribed by SRS. In the case of local administration, the date of expenditure by the local agency governs. In the case of purchase of services from another public agency, the date of expenditure by such other public agency governs. Different rules may be applied with respect to a State, either generally or for particular classes of expenditures, only upon justification by the State to the Administrator and approval by him. In reviewing State requests for approval, the Administrator will consider generally applicable State law, consistency of State practice, particularly in relation to periods prior to July 1, 1972, and other factors relevant to the purposes of this section.

154 (c)(1) For each fiscal year (commencing with the fiscal year beginning on July 1, 1972) each State shall be allotted an amount which bears the same ratio to \$2,500 million as the population of such State bears to the population of all the States.

155 (2) The allotment for each State will be promulgated for each fiscal year by the Secretary between July 1 and August 31 of the calendar year immediately preceding such fiscal year on the basis of the population of each State and of all of the States as determined from the most recent satisfactory data available from the Department of Commerce at such time.

156 (d) Not more than 10 percent of the Federal funds shall be paid with respect to expenditures in providing services to indi-

viduals (eligible for services) who are not recipients of aid or assistance under State plans approved under such titles, or applicants for such aid or assistance, except that this limitation does not apply to the following services provided to eligible persons:

(1) Services provided to meet the needs of a child for personal care, protection, and supervision (as defined under day care services for children) but only in the case of a child where the provision of such services is necessary in order to enable a member of such child's family to accept or continue in employment or to participate in training to prepare such member for employment, or because of the death, continued absence from the home, or incapacity of the child's mother and the inability of any member of such child's family to provide adequate and necessary care and supervision for such child; 157

(2) Family planning services; 158

(3) Any services included in the approved State plan that are provided to an individual diagnosed as mentally retarded by a State mental retardation clinic or other agency or organization recognized by the State agency as competent to make such diagnoses, or by a licensed physician, but only if such services are needed for such individual by reason of his condition of being mentally retarded; 159

(4) Any services included in the approved State plan provided to an individual who has been certified as a drug addict by the director of a drug abuse treatment program licensed by the State, or to an individual who has been diagnosed by a licensed physician as an alcoholic or drug addict, but only if such services are needed by such individual as part of a program of active treatment of his condition as a drug addict or an alcoholic; and 160

(5) Foster care services for children when needed by a child because he is placed in foster care, or awaiting placement. 161

§ 221.56 *Rates and amounts of Federal financial participation for Puerto Rico, the Virgin Islands, and Guam.*

(a) For Puerto Rico, the Virgin Islands, and Guam, the basic rate for Federal financial participation for Family Services and WIN Support Services under title IV-A is 60 percent. However, effective July 1, 1972, the rate is 50 percent for emergency assistance in the form of services. 162

(b) For family planning services and for WIN Support Services, the total amount of Federal funds that may be paid for any fiscal year shall not exceed \$2 million for Puerto Rico, \$65,000 for the Virgin Islands, and \$90,000 for Guam. Other services are subject to the overall payment limitations 163

for financial assistance and services under titles I, IV-A, X, XIV, and XVI, as specified in section 1108(a) of the Social Security Act.

- 164 (c) The rates and amounts of Federal financial participation set forth in § 221.54 (a) and (b) apply to Puerto Rico, the Virgin Islands, and Guam, except that the 60 percent rate of Federal financial participation is substituted as may be appropriate. The limitation in Federal payments in § 221.55 does not apply.

Titles I, IV-A, IV-B, X, XIV, and XVI

§ 221.61 *Public sources of State's share.*¹⁶

- 165 (a) Public Funds, other than those derived from private resources, used by the State or local agency for its services programs may be considered as the State's share in claiming Federal reimbursement where such funds are:

166 (1) Appropriated directly to the State or local agency; or

167 (2) Funds of another public agency which are:

168 (i) Transferred to the State or local agency and are under its administrative control; or

169 (ii) Certified by the contributing public agency as representing current expenditures for services to persons eligible under the State agency's services programs, subject to all other limitations of this part.

170 Funds from another public agency may be used to purchase services from the contributing public agency, in accordance with the regulations in this part on purchase of services.

171 (b) Public funds used by the State or local agency for its services programs may not be considered as the State's share in claiming Federal reimbursement where such funds are:

172 (1) Federal funds, unless authorized by Federal law to be used to match other Federal funds;

173 (2) Used to match other Federal funds; or

174 (3) Used to purchase services which are available without cost. In respect to purchase of services from another public agency, see also § 221.54(b) with respect to rates and amounts of Federal financial participation.

¹⁶ There is no comparable section in the former regulations.

§ 221.62 *Private sources of State's share.*¹⁷

(a) Donated private funds for services may be considered as State funds in claiming Federal reimbursement where such funds are: 175

(1) Transferred to the State or local agency and under its administrative control; and 176

(2) Donated on an unrestricted basis (except that funds donated to support a particular kind of activity, e.g., day care services, homemaker services, or to support a particular kind of activity in a named community, are acceptable provided the donating organization is not a sponsor or operator of the type of activity being funded). 177

(b) Donated private funds for services may not be considered as State funds in claiming Federal reimbursement where such funds are: 178

(1) Contributed funds which revert to the donor's facility or use. 179

(2) Donated funds which are earmarked for a particular individual or to a particular organization or members thereof. 180

Effective date.—The regulation in this part shall be effective on July 1, 1973.

* * * * *

¹⁷ This section is essentially the same as the former regulations except that the new regulations prohibit matching of funds donated by any sponsor or operator of *the type of activity* being funded while in the former regulations the prohibition was against matching funds donated by the sponsor or operator of *the activity* being funded. Both new and old regulations forbid the reversion of donated funds to the use of the donating agency.

Selected Provisions of Former Regulations Deleted as of May 1, 1973

NOTE: No comparable provisions appear in the new regulations for the following sections of the former regulations which were deleted. Some of these provisions may be duplicated in other parts of HEW regulations.

Sections 220.1 and 222.20 required a commitment on the part of the States to "progress in the extension and improvement of services."

Sections 220.3, 220.5, 220.6, 220.7, 220.9, and 220.10 established requirements with respect to the staffing of State welfare agency social services programs under AFDC including requirements with respect to the use of professionals, subprofessionals, and volunteers. (Similar sections were also eliminated from the regulations with respect to services programs for the aged, blind and disabled.)

Sections 220.45 and 222.50 required welfare agency participation in community affairs in order to develop community resources to provide services.

Section 220.48 implemented the statutory requirement that welfare agencies have a program for establishing paternity and securing parental support for children on welfare.

Section 220.63 authorized expenditures jointly benefiting the AFDC Services Program and the Child Welfare Services Program to be funded under AFDC if at least 85 percent of the children served are AFDC children.

Sections 222.5, 222.6, 222.26, and 222.28 established requirements under the service programs for the aged, blind, and disabled with respect to the availability of services and public information about them including a requirement for foreign language materials and staff in appropriate areas.

APPENDIX C

**Excerpts From Study "Cost Analysis of Social Services, Fiscal Year
1972," Prepared for the Department of Health, Education,
and Welfare by Touche Ross and Co.**

SUMMARY

During recent years the size of the nation's public social service programs has grown at an ever faster rate. In FY 1972 the growth in expenditures reached alarming proportions, causing Congress in October 1972 to enact limitations on Federal funding for these programs.

Prior to Congressional action, the Community Services Administration (CSA) of the Social and Rehabilitation Service (SRS) had recognized that detailed expenditure information for FY 1972 was needed for improved program and financial management to assure that future social service dollars spent would accomplish program goals efficiently and effectively.

Project purpose and scope

Accordingly, CSA engaged Touche Ross & Co. to perform a cost analysis of social services for FY 1972 which would update a similar project completed for FY 1971. The primary purpose of the project was to analyze and explain the nature and extent of changes in social services expenditures between FY 1971 and FY 1972.

While the FY 1971 study was conducted through on-site visits of 30 large local welfare agencies (representing 38% of national social service expenditures) over a period of several months, the update project involved only brief visits during a six week period to the offices of the ten state welfare agencies which had experienced the largest dollar increase in FY 1972. The ten states were New York, Illinois, Texas, California, Florida, Wisconsin, Pennsylvania, Georgia, Michigan, and Washington. Together they accounted for 84% of the increase in expenditures and 74% of the total expenditures incurred in FY 1972. During the visits overall expenditure information and detailed purchased service expenditure data was obtained in these states. This information was augmented by data obtained through a telephone and mail survey of ten additional states which represented 14% of total FY 1972 social services expenditures. Other necessary data needed to complete the total FY 1972 picture was obtained from SRS expenditure reports and data that had been gathered during the FY 1971 cost analysis.

The social service programs covered by this update project included:

- Services to families and children receiving Aid to Families with Dependent Children (AFDC) under Title IVA of the Social Security Act, including WIN supportive services and child care;

- Services to recipients of Old Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) under Titles I, X, XIV, and XVI, referred to as the "adult" titles in this report;
- Child welfare services under Title IVB.

For the public assistance titles (Title IVA and the Adult titles), expenditures included in the analysis were those that had been claimed by the States on quarterly reports OA 41.7 and CSA-9 (WIN child care) and recognized by SRS for Federal matching purposes for the fiscal year ending June 30, 1972. Pending retroactive claims were not included.

Overall Results

During FY 1972 social services expenditures under the Social Security Act experienced the largest single increase ever to occur. Federal, state, and local expenditures under the Adult titles and Title IVA more than doubled from the prior year to over \$2.2 billion, an increase of 127% over FY 1971 levels. This amount was over 20 times the \$100 million reported as social services in 1964, the first full year of the program.

Federal funding as the principal source of these expenditures increased 135% from \$692 million in FY 1971 to \$1,624 million in FY 1972, a jump of \$932 million. Title IVB child welfare services, over 90% of which are funded by state and local sources, declined by \$65 million.

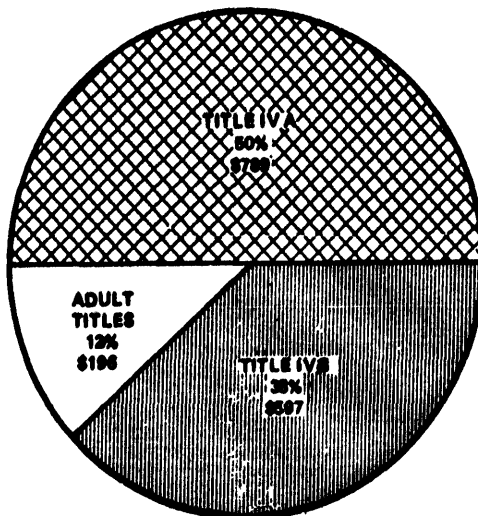
Figure 1 graphically illustrates both the increase and distribution by program category of expenditures funded from all sources, Federal, State and local. Title IVA expenditures of \$789 million made up 50% of all public social services costs in FY 1971. In FY 1972 Title IVA expenditures increased 123% to \$1,762 millions, becoming 64% of total service expenditures. Social service expenditures under the adult titles increased 143% from \$196 million in FY 1971 to \$477 million in FY 1972, rising from 12% to 17% of total public social service expenditures.

Expenditures by social service

The FY 1972 study identified these social services expenditures to 25 service classifications. Figure 2 shows that expenditures in six classifications accounted for 65% of all Title IVA expenditures. Five classifications accounted for 74% of the total amount under the Adult titles. This marked clustering of expenditures into a relatively small number of classifications repeated a similar finding in the FY 1971 study.

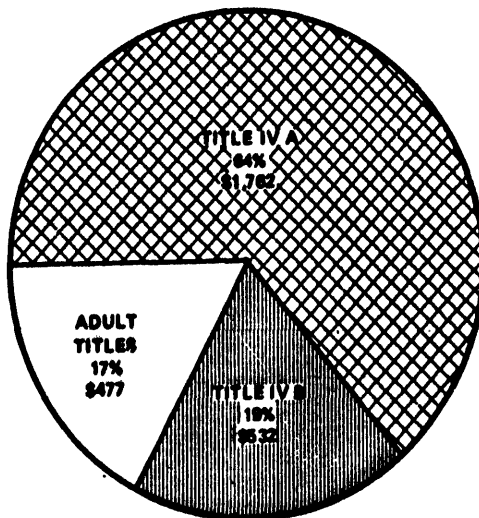
FIGURE 1
NATIONAL PUBLIC SOCIAL SERVICES EXPENDITURES
PUBLIC ASSISTANCE AND CHILD WELFARE TITLES
 (Dollars in Millions)

FY 1971



Total Expenditures: \$1,582
Title IVA and adult titles combined: \$ 985

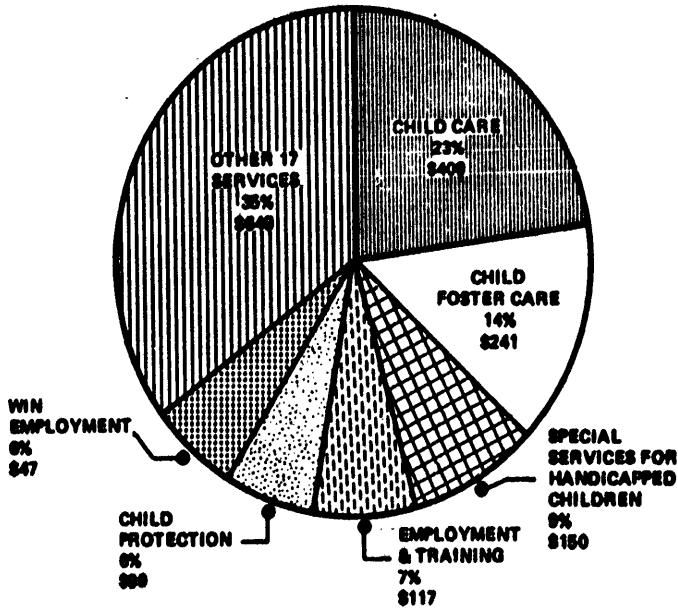
FY 1972



Total Expenditures: \$2,771
Title IVA and adult titles combined: \$2,239

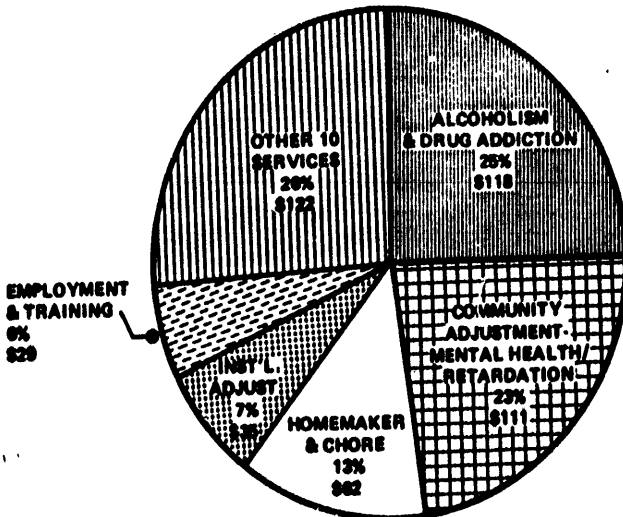
FIGURE 2
 NATIONAL PUBLIC ASSISTANCE SOCIAL SERVICES EXPENDITURES
 BY MAJOR SERVICE CLASSIFICATION
 FY 1972
 (Dollars in Millions)

Title IVA



Total Expenditures: \$1,762

Adult Titles



Total Expenditures: \$477

As Figure 2 indicates, the service with the largest amount of expenditures in FY 1972 was Title IVA child care (day care). During the year, \$409 million was spent for this service which was 23% of all Title IVA expenditures. Child care was also the service classification with the largest amount of expenditures in FY 1971 at \$233 million. In FY 1971, child care expenditures consisted primarily of public welfare agency staff time to arrange for care plus the vendor payments (including WIN child care) made to providers. While these types of activities and payments increased substantially in FY 1972, a significant portion of the overall increase also resulted from the initiation of purchased day care from local school districts in two states and a state education department in one other.

Figure 2 also shows that child foster care expenditures of \$241 million was the second largest service under Title IVA. Expenditures for this service more than doubled from the FY 1971 amount of \$110 million. In FY 1971, this amount was almost solely the costs of foster care workers and related overhead. The two factors that caused the \$241 million increase were that a few states began considering a portion of foster care payments as social services, and child welfare worker costs continued to be shifted to Title IVA in order to claim the favorable 75% Federal matching.

The third largest service, special services for handicapped children, did not exist in FY 1971. During FY 1972 certain state public welfare agencies began purchasing this service from state education departments. This situation primarily occurred in two states and totalled \$150 million.

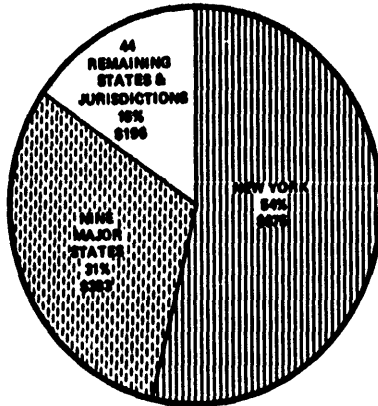
Two classifications accounted for 48% of total services expenditures under the Adult titles. Alcoholism and drug addiction treatment and prevention services expenditures of \$118 million made up 25% of the total. This amount was ten times the FY 1971 level. The \$111 million expended for community adjustment - mental health/retardation services represented 23% of the total. This amount was 25 times the sum expended for this service in the prior year. In both cases the significant jump was primarily due to the increase in the public welfare agency purchase of these services from other units of state government.

Geographic concentration of expenditure increases

One of the most important findings of this study is that the expenditure increase was highly concentrated in just a few states. One state (New York) accounted for 54% of the national increase with the next nine states making up another 31%. The remaining 44 states and jurisdictions accounted for the last 15% (See Figure 3).

FIGURE 3
ADULT TITLES AND TITLE IVA COMBINED
EXPENDITURE CHANGES FY 1971-72
(Dollars in Millions)

INCREASED EXPENDITURES BY STATE



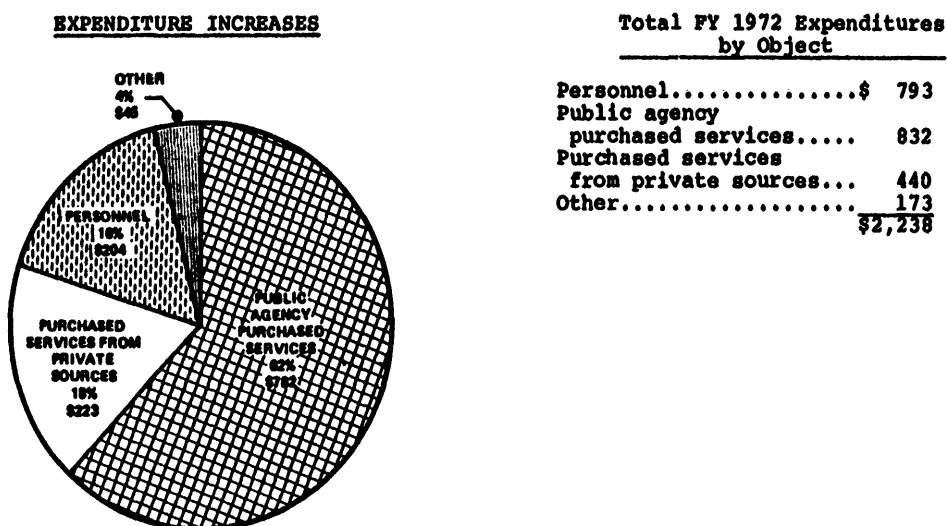
Total Increased Expenditures: \$1,254

These increases resulted in a greater concentration of social service expenditures than existed in FY 1971. At that time the 10 major states including New York accounted for only 60% of public assistance social service expenditures. In FY 1972 these same states accounted for 74% of the total even though they only contained about one-half of the nation's population and approximately 55% of its public assistance recipients. Within the 10 states the concentration was further emphasized with New York, California, and Illinois accounting for 55% of the expenditures while having only 32% of the nation's welfare recipients and one-fourth of the population. Therefore, it would be misleading to interpret overall results as representing a uniform, nationwide increase in public assistance programs.

Analysis by object of expenditure

When expenditures were examined by object of expenditure (1), we found that 80% of the increase was caused by an almost four-fold rise in purchased services. Over three-quarters of this increase was due to the jump in services purchased from other state and local government units. Specifically, Figure 4 shows that \$782 million of the total increase of \$1,254 millions was spent for public agency services, purchased primarily from state education departments, state departments of mental health and retardation, state corrections agencies, and state departments for narcotic and alcoholism control. Total public agency purchased services increased approximately 17 times over FY 1971 levels to \$832 million in FY 1972.

FIGURE 4
ADULT TITLES AND TITLE IVA COMBINED
INCREASED EXPENDITURES BY OBJECT OF EXPENDITURE, FY 1971-72
(Dollars in Millions)



Total Increased Expenditures: \$1,254

(1) "Object" refers to expenditures for personnel, purchased services, and other items. Personnel costs consisted of salary and fringe benefit costs of social service and administrative personnel. Purchased services consisted of direct payments for child care, homemaker services, employment and training services, etc. to private sources or to other public agencies. Other expenditures consisted of agency office occupancy costs, travel, telephone, data processing, office supplies, etc.

Figure 4 also shows that the second largest increase occurred in expenditures for services purchased from private sources. This made up 18% of the total increase. Purchased services from private sources generally consisted of services provided by local voluntary or community organizations or by individuals providing services such as child care. These expenditures doubled to \$440 million in FY 1972, an increase of \$223 million over FY 1971.

The remainder of the increases shown on Figure 4 were for personnel and "other" costs. During the year personnel costs rose by \$204 million and accounted for 16% of the total increase. The remaining 4% of the total increase was due to the \$45 million rise in "other" costs. Taken together both personnel and other costs increased 35% over FY 1971 levels.

Public Agency Purchased Services

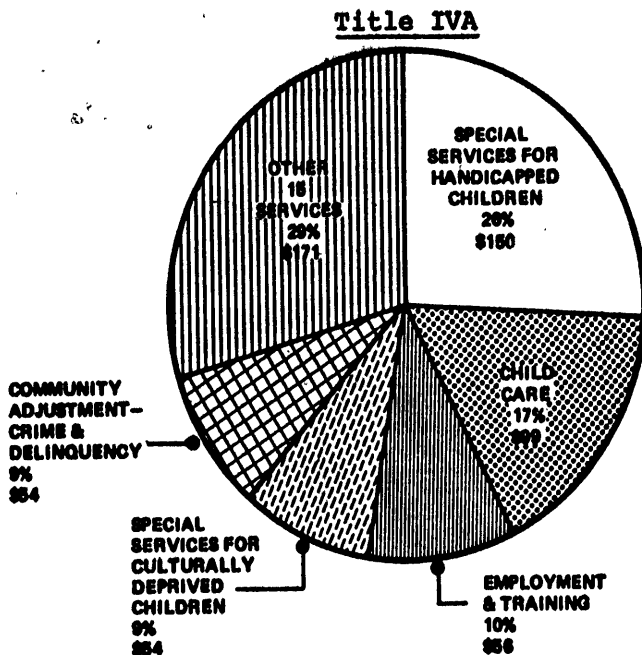
Because public agency purchased services made up the overwhelming portion of the total rise in expenditures, we obtained detailed data from the 10 states visited to determine the types of services purchased and the agencies providing the services.

Figure 5 shows that under Title IVA, the \$150 million spent for special services for handicapped children was the largest area of expenditures for services purchased from other public agencies. Child care was second at \$99 million. Under the Adult titles, all but 15% of the expenditures went for two services: alcoholism and drug addiction services at \$106 million, and community adjustment-mental health/retardation services, \$104 million.

During our visits we also obtained data about the type of public agency providing the above services. Since these 10 states accounted for more than 95% of national public agency purchased services, our findings are equivalent to national results. In these 10 states, Figure 6 shows that 48% of public agency purchased services under Title IVA were obtained from state education departments, 13% from state corrections departments, and 9% from state mental health/retardation agencies. For public agency purchased services under the adult titles, 52% originated with state mental health/retardation agencies and 35% with state agencies for narcotic and alcoholism control.

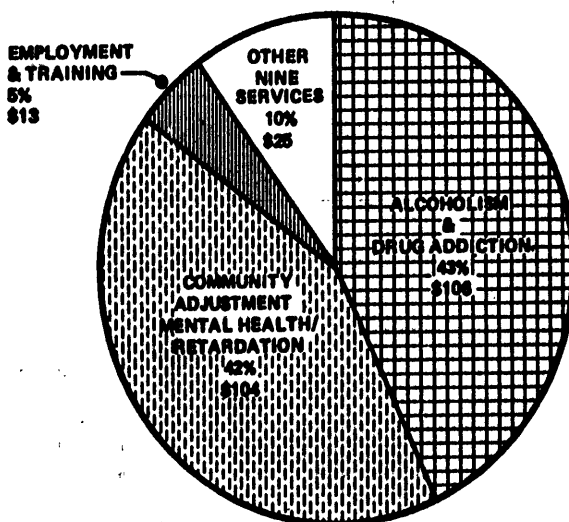
While reviewing the purchased services programs during our state visits, it became apparent that most of these services had been provided as state funded and operated programs prior to their "purchase" by the public welfare agency. We found little evidence to conclude that the purchased services represented increased services or new service programs. For example:

FIGURE 5
NATIONAL PUBLIC AGENCY PURCHASED SERVICES EXPENDITURES
BY MAJOR SOCIAL SERVICE
FY 1972
(Dollars in Millions)



Total Expenditures: \$584

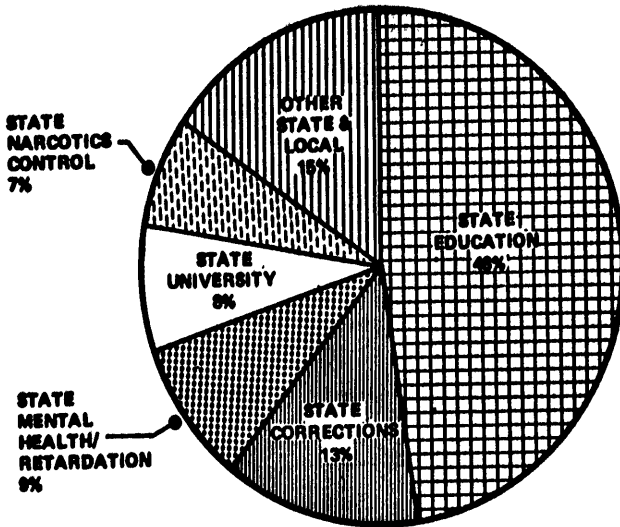
Adult Titles



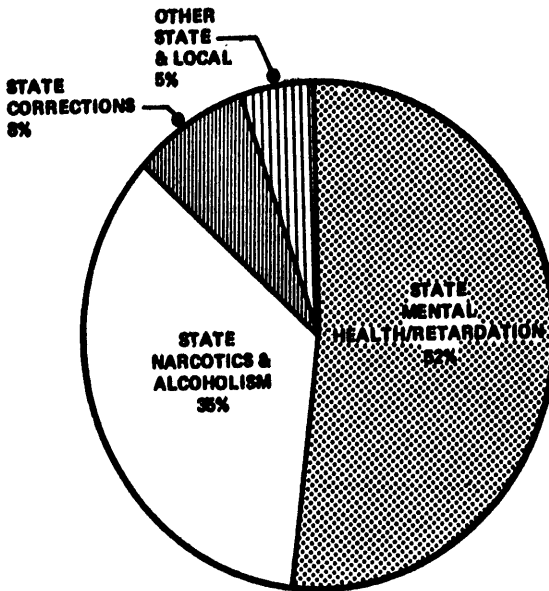
Total Expenditures: \$248

FIGURE 6
PUBLIC AGENCY PURCHASED SERVICES
EXPENDITURES BY TYPE OF PUBLIC AGENCY-10 MAJOR STATES ONLY
FY 1972

Title IVA



Adult Titles



- Several of the states visited did not have on-going systems of accumulating expenditures for eligible recipients at the time authorized services were provided. Most of the expenditures included in this report were identified for Federal matching after the actual service expenditure had taken place.
- Federal financing through purchased services was apparently considered by the states as another form of Federal aid. The general operating budget of one major state referred to anticipated Federal funding yet mentioned nothing about increased programs made possible by the funds.

In all fairness, state public welfare officials by and large did not attempt to portray the public agency purchased services arrangements as new or expended programs. They argued, however, that without the influx of Federal social services funds, many of these programs would not have been able to continue or expand in future years. Since FY 1972 was the first year of social services funding, the starting point had to be current state/local programs. In future years program expansion could be demonstrated.

Another important finding is that when the effect of these public purchased expenditures is eliminated, the composition of services associated with the remaining expenditures did not materially change from FY 1971 despite the tremendous increases that occurred.

In accumulating the expenditures for the 20 applicable service classifications by the three natural groupings designated as child-related services⁽¹⁾, employment and child care services⁽²⁾, and general family and adult services⁽³⁾, we found a slight increase in expenditure emphasis for child-related services which rose from 27% in FY 1971 to 31% of total expenditures excluding public agency purchases. Employment and child care remained essentially the same at 34% in FY 1972 as compared with 35% in FY 1971. General family and adult services went from 38% to 35%.

Purchased Services from Private Sources

The substantial rise in public agency purchased services overshadowed the near doubling of expenditures for purchased services from private sources which made up 18% of the total increase. Under Title IVA, private purchased services increased from \$199 million in FY 1971 to \$386 million in FY 1972, an increase of \$187 million. Nearly half of this increase was for child care which went from \$148 million in FY 1971 to \$238 million in FY 1972. This was 62% of the \$386 million spent in FY 1972. Two new services under Title IVA

-
- (1) Child foster care, child protection, adoption services, services to unmarried mothers, and child rearing and delinquency prevention.
 - (2) Child care, WIN employment and training, Non-WIN employment and training.
 - (3) All other service classifications (See glossary).

became significant in FY 1972; purchased child foster care services, and community adjustment-mental health/retardation. The purchased child foster care represented the service components of foster payments to private agencies and institutions, while the community adjustment service represented the purchases of community based programs of day treatment (not child care) for mentally retarded children. Both were found in only a few states.

Under the adult titles, there were no new purchased services from private sources of any dollar significance although expenditures rose from \$18 million in FY 1971 to \$54 million in FY 1972. Purchased homemaker and chore services doubled to \$33 million in FY 1972 which accounted for half of the increase.

Personnel and other costs

The 35% increase in personnel and "other" costs (See Figure 4) mentioned previously was due more to reporting and Federal claiming inconsistencies between FY 1971 and 1972 than to actual increases in the numbers of social services staff. We were able to determine that 50-75% of the increase under Title IV was probably due to funding shifts associated with claiming, for the first time, former state and locally funded child welfare staffs and previously un-separated social services personnel at the 75% matching rate. This finding was confirmed during the field visits associated with both the FY 1971 and FY 1972 studies where we found only modest actual increases in staff.

In the adult titles, actual social services staff has apparently stayed the same or declined from FY 1971 levels.

Child Welfare Services

In contrast to the public assistance titles, expenditures for child welfare services under Title IVB decreased 11% (\$65 million) in FY 1972 to \$532 million (See Figure 1). This reduction had no effect on Federal funding as the amount was fixed at \$46 million annually; the remainder was funded by state and local sources. Our analysis of state accounting and claiming practices indicates that this decrease in expenditures did not appear to represent a decline in the level of services; in fact, there was a probable increase.

Because of the unfavorable Federal matching under Title IVB as compared to similar 75% matched programs under Title IVA, states over the last few years have transferred the costs of child welfare staff and programs to Title IVA in order to receive more Federal funds. In FY 1972, this trend continued. We estimate that between \$65 to \$80 million of FY 1971 Title IVB staff and other costs were

claimed under Title IVA in FY 1972, along with \$35 to \$50 million of purchased services. The reason that the total decline in expenditures for child welfare services was only \$65 million is because some states with Title IVB programs increased their expenditures to partially offset the \$100 to \$130 million in shifts to Title IVA. This means that there was an increase in child welfare services provided.

GLOSSARYSocial Service Definitions (In alphabetical order)

1. Adoption - Activities directed toward placement and supervision of a child with an adoptive family, including selection of adoptive homes (home finding).
2. Adult and Family Functioning - Services primarily to persons living at home focused on problems of marital relationships, reuniting parents, adult social and community participation, adult isolation and companionship, maintaining family relationships, and other personal problems. Included here are both agency-run and purchased senior citizens center services.
3. Adult Home and Community Living Arrangements - Services primarily provided by public social service agency personnel to arrange and supervise placement of adults in boarding or foster homes; or, services to assist adults to return from boarding or institutional care to more independent living arrangements.
4. Adult Protective Services - Services directed towards assisting seriously impaired adults who are unable to manage their own resources, carry out activities of daily living, or protect themselves from neglect or hazardous situations. Services end when the service is no longer needed or when arrangements to move the individual to a more protected care setting have been made.
5. Alcoholism and Drug Addiction - Services directed toward alcoholics and drug addicts for the prevention, treatment, and reduction of their addiction. Preventive services include special purpose programs provided by mental health or narcotic control public agencies. Purchased services also include payments for clinical treatment.
6. Child Care - Services to refer and arrange for care of children during part of the day for purposes of parental employment and other reasons, excluding homemaker arrangements. Purchased services consist of payments to day care facilities or to individuals for either in-home or family day care.
7. Child Foster Care - Services provided for placement and fulltime maintenance of a child out of his home including working with natural parents and foster parents, selection and supervision of foster homes, and home finding.
8. Child Protection - Services for a child living at home who is reported or determined to be physically and/or emotionally neglected, abused, or exploited. Services end when no longer needed or when the child is removed from his home.

9. Child Rearing and Delinquency Prevention - Services to children and parents in their own home primarily focused on problems of child rearing, school adjustment, parent/child relationships, and child behavior problems including delinquency. Purchased services include public agency directed programs in teen centers, supervised recreation, etc. in neighborhoods of high delinquency rates.
10. Community Adjustment - Crime and Delinquency - Purchased services from state and local correctional agencies to assist parolees or probationers to remain in the home and community, or to assist individuals in correctional facilities to plan and prepare for return to home and community.
11. Community Adjustment - Mental Health/Mental Retardation - Purchased services provided by community mental health centers, outpatient departments of state mental institutions, or state mental institutions to help mentally ill or retarded persons to remain in the home and community, or to assist individuals in mental institutions to plan and prepare for return to home and community.
12. Consumer Education and Money Management - Services providing informal or formal education, information, and counseling directed toward purchase and use of economic goods and services and the management of personal financial resources.
13. Employment and Training (Non-WIN) - Activities directed toward preparation for employment, education, vocational training, and job placement for non-WIN clients including the handicapped, but excluding child care arrangements. Purchased services include vocational education or training programs, client training and work related expenses including transportation, and costs of required medical examinations.
14. Family Planning - Services to inform families or individuals about family planning and to assist them to limit family size or space additional children, if they so choose. Purchased services consist of educational programs, medical services, and counseling services.
15. General Information and Referral - Information and referral activities about agency or community resources provided to individuals where the contact is mainly informational and does not lead to an assessment of service needs and development of a service plan.
16. Health Access - Services to help locate and secure health care resources for the general physical or mental health of the client excluding long-term institutional care.
17. Homemaker and Chore Services - Assessment of need, arrangement, provision, and supervision of homemaker and chore services provided for purposes of child care, home management, personal care, or performance of household tasks.

18. Housing Improvement - Services to assist with securing housing, solving landlord/tenant problems, and obtaining home repairs and utility services.
19. Institutional Adjustment - Services for the arrangement, placement, and on-going supervision of adults in nursing homes, mental, or other institutions. Purchased services include these services for severely mentally handicapped children in addition to services for adults.
20. Other Services - Social services not elsewhere classifiable.
21. Services to Unmarried Mothers - All services to assist with the immediate problems arising from out-of-wedlock pregnancies or births. Services end with the assurance of the general health and welfare of the mother and child, or separation of the child from the mother.
22. Social Work in Public Schools - Purchased services provided by school social workers to assist public school students and their families who are encountering problems in school of a social, behavioral, attendance, or other nature.
23. Special Services for Culturally Deprived Children - Purchased services provided to children who are unable to participate in a normal school program due to cultural deprivation which results in an inability to communicate in English or other deficiencies which prevent the child from effectively participating in a normal school environment.
24. Special Services for Handicapped Children - Purchased services to children who are unable to participate in a normal school program due to a mental or physical handicap. Services are to develop social, physical, emotional, personal, and linguistic skills to enable child to participate in normal school environment.
25. WIN Employment and Training - Screening, referral, and counseling activities for WIN clients, excluding arrangement and provision of child care. Purchased services consist of medical examinations and restorative health care services not available under Title XIX, and training and work related expense payments.

TABLE A.—SOCIAL SERVICES EXPENDITURE CHANGES: ESTIMATED NATIONAL RESULTS (FEDERAL, STATE, AND LOCAL FUNDS)¹

[Dollars in thousands]

	Expenditures		Expenditure increase or decrease (—)	
	Fiscal year 1971	Fiscal year 1972	Amount	Percent
SERVICES FOR FAMILIES (TITLE IV-A)				
All services.....	\$788,643	\$1,761,868	\$973,225	123.4
General information and referral....	35,873	47,828	11,955	33.3
Adoptions.....	35,285	55,469	20,184	57.2
Child foster care.....	110,069	240,739	130,670	118.7
Services to unmarried mothers.....	18,701	27,276	8,575	45.9
Child protection.....	65,964	99,390	33,426	50.7
Child care.....	232,667	408,478	175,811	75.6
Child rearing and delinquency prevention.....	23,720	53,997	30,277	127.6
Social work in public schools.....		17,633	17,633	
Special services for handicapped children.....		150,347	150,347	
Special services for culturally deprived children.....		54,300	54,300	
Family functioning.....	16,289	25,060	8,771	53.8
Family planning.....	6,037	11,755	5,718	94.7
Consumer education and money management.....	10,056	13,934	3,878	38.6
Housing improvement.....	21,189	27,193	6,004	28.3
Homemaker and chore services.....	40,283	55,201	14,918	37.0
WIN employment and training.....	78,761	97,164	18,403	23.4
Employment and training.....	35,711	116,923	81,212	227.4
Health access.....	19,799	28,138	8,339	42.1
Alcoholism and drug addiction.....	3,077	45,170	42,093	1,368.0
Community adjustment, mental health/retardation.....		64,223	64,223	
Community adjustment, crime and delinquency.....		53,833	53,833	
Institutional adjustment.....		2,452	2,452	
Other.....	35,162	65,365	30,203	85.9
CHILD WELFARE SERVICES (TITLE IV-B)				
All services.....	596,812	532,324	-64,488	-10.8
General information and referral....	4,220	2,424	-1,796	-42.6
Adoptions.....	17,905	10,284	-7,621	-42.6
Child foster care.....	501,587	471,676	-29,911	-6.0
Services to unmarried mothers.....	5,244	3,012	-2,232	-42.6
Child protection.....	14,580	8,374	-6,206	-42.6
Child care.....	35,800	24,406	-11,394	-31.8
Child rearing and delinquency prevention.....	4,860	2,791	-2,069	-42.6
Family functioning.....	3,068	1,763	-1,305	-42.5
Housing improvement.....	128	73	-55	-43.0
Homemaker and chore services.....	2,698	1,748	-950	-35.2
Employment and training.....	256	147	-109	-42.6
Health access.....	512	294	-218	-42.6
Other.....	5,954	5,332	-622	-10.4

TABLE A.—SOCIAL SERVICES EXPENDITURE CHANGES: ESTIMATED NATIONAL RESULTS (FEDERAL, STATE, AND LOCAL FUNDS)¹—Continued

[Dollars in thousands]

	Expenditures		Expenditure increase or decrease (—)	
	Fiscal year 1971	Fiscal year 1972	Amount	Percent
SERVICES FOR THE AGED, BLIND, AND DISABLED				
All services.....	196,368	476,827	280,459	142.8
General information and referral.....	20,489	20,705	216	1.1
Adult and family functioning.....	7,451	8,666	1,215	16.3
Family planning.....	508	670	162	31.9
Consumer education and money management.....	2,370	2,705	335	14.1
Housing improvement.....	7,281	7,509	228	3.1
Homemaker and chore services.....	44,993	62,188	17,195	38.2
Employment and training.....	14,489	28,683	14,194	98.0
Health access.....	16,764	17,657	893	5.3
Alcoholism and drug addiction.....	10,837	117,523	106,686	984.5
Community adjustment, mental health/retardation.....	4,000	111,294	107,294	2,682.4
Community adjustment, crime and delinquency.....		12,045	12,045	
Adult home and community living arrangements.....	10,498	15,110	4,612	43.9
Adult protection.....	13,208	15,901	2,693	20.4
Institutional adjustment.....	27,198	35,097	7,899	29.0
Other.....	16,282	21,074	4,792	29.4
Total, all services.....	1,581,828	2,771,019	1,189,196	75.2

¹ [Adapted from exhibits 3, 4, and 11 of the report.]

TABLE B.—FISCAL YEAR 1972 EXPENDITURES FOR SOCIAL SERVICES BY CATEGORY AND OBJECT OF EXPENDITURE (FEDERAL, STATE AND LOCAL FUNDS)¹

[Dollar amounts in thousands]

Social service	Total		Expenditure amounts for—			Expenditures amounts for—		
	Amount	Percent of total	Services for families (Title IV-A)	Child welfare services (Title IV-B)	Aged, blind, and disabled	Personnel	Purchased services	Other
All services.....	\$2,771,019	100.0	\$1,761,868	\$532,324	\$476,827	\$860,332	\$1,730,931	\$179,756
General information and referral.....	70,957	2.6	47,828	2,424	20,705	56,603	2,363	11,991
Adoptions.....	65,753	2.4	55,469	10,284	.....	54,798	.....	10,955
Child foster care.....	712,415	25.7	240,739	471,676	.....	177,112	500,154	35,149
Services to unmarried mothers.....	30,288	1.1	27,276	3,012	.....	24,160	1,127	5,001
Child protection.....	107,764	3.9	99,390	8,374	.....	85,507	4,301	17,956
Child care.....	432,884	15.6	408,478	24,406	.....	64,009	355,339	13,536
Child rearing and delinquency prevention.....	56,788	2.0	53,997	2,791	.....	29,800	20,716	6,272
Social work in public schools.....	17,633	0.6	17,633	.....	.....	.....	17,633	.....
Special services for handicapped children.....	150,347	5.4	150,347	.....	.....	.....	150,347	.....
Special services for culturally deprived children.....	54,300	2.0	54,300	.....	.....	.....	54,300	.....
Adult and family functioning.....	35,489	1.3	25,060	1,763	8,666	25,843	4,222	5,424
Family planning.....	12,425	0.4	11,755	.....	670	3,029	8,733	663
Consumer education and money management.....	16,693	0.6	13,934	.....	2,705	13,055	729	2,855
Housing improvement.....	34,775	1.3	27,193	73	7,509	28,198	444	6,133
Homemaker and chore services.....	119,137	4.3	55,201	1,748	62,188	61,904	44,021	13,212
WIN employment and training.....	97,164	3.5	97,164	.....	.....	56,461	28,225	12,478
Employment and training.....	145,753	5.2	116,923	147	28,683	44,498	91,630	9,652
Health access.....	46,089	1.7	28,138	294	17,657	34,756	3,887	7,446

Alcoholism and drug addiction.....	162,693	5.9	45,170	117,523	11,551	148,721	2,421
Community adjustment—Mental health retardation.....	175,517	6.3	64,223	111,294		175,517	
Community adjustment—Crime and de- linquency.....	65,878	2.4	53,833	12,045		65,878	
Adult home and community living ar- rangements.....	15,110	0.5		15,110	11,266	1,044	2,800
Adult protection.....	15,901	0.6		15,901	13,577		2,324
Institutional adjustment.....	37,549	1.4	2,452	35,097	19,065	14,551	3,933
Other.....	91,771	3.3	65,365	5,332	21,074	45,140	37,076
							9,555

¹ [Adapted from exhibits 12 and 13 of the report.]

² [\$46 million of this amount relates to child care provided persons participating in the Work Incentive Program.]