

565

92d Congress }  
2d Session }

JOINT COMMITTEE PRINT

STUDIES IN PUBLIC WELFARE

PAPER No. 5 (Part 1)

ISSUES IN WELFARE ADMINISTRATION:  
WELFARE—AN ADMINISTRATIVE NIGHTMARE

A STAFF STUDY

PREPARED FOR THE USE OF THE  
SUBCOMMITTEE ON FISCAL POLICY  
OF THE  
JOINT ECONOMIC COMMITTEE  
CONGRESS OF THE UNITED STATES



December 31, 1972

Printed for the use of the Joint Economic Committee

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1972

85-904

JOINT ECONOMIC COMMITTEE

(Created pursuant to sec. 5(a) of Public Law 304, 79th Cong.)

WILLIAM PROXMIRE, Wisconsin, *Chairman*

WRIGHT PATMAN, Texas, *Vice Chairman*

SENATE

JOHN SPARKMAN, Alabama  
J. W. FULBRIGHT, Arkansas  
ABRAHAM RIBICOFF, Connecticut  
HUBERT H. HUMPHREY, Minnesota  
LLOYD M. BENTSEN, JR., Texas  
JACOB K. JAVITS, New York  
JACK MILLER, Iowa  
CHARLES H. PERCY, Illinois  
JAMES B. PEARSON, Kansas

HOUSE OF REPRESENTATIVES

RICHARD BOLLING, Missouri  
HALE BOGGS, Louisiana  
HENRY S. REUSS, Wisconsin  
MARTHA W. GRIFFITHS, Michigan  
WILLIAM S. MOORHEAD, Pennsylvania  
WILLIAM B. WIDNALL, New Jersey  
BARBER B. CONABLE, JR., New York  
CLARENCE J. BROWN, Ohio  
BEN B. BLACKBURN, Georgia

JOHN R. STARK, *Executive Director*  
LOUGHLIN F. MCHUGH, *Senior Economist*

ECONOMISTS

LUCY A. FALCONE  
JOHN R. KARLIK

ROSS F. HAMACHEK  
RICHARD F. KAUFMAN

JERRY J. JASINOWSKI  
COURTENAY M. SLATER

MINORITY

LESLIE J. BANDER    GEORGE D. KRUMBHAAR, JR. (Counsel)    WALTER B. LAESSIG (Counsel)

---

SUBCOMMITTEE ON FISCAL POLICY

MARTHA W. GRIFFITHS, Michigan, *Chairman*

HOUSE OF REPRESENTATIVES

HALE BOGGS, Louisiana  
WILLIAM S. MOORHEAD, Pennsylvania  
RICHARD BOLLING, Missouri  
WILLIAM B. WIDNALL, New Jersey  
BARBER B. CONABLE, JR., New York

SENATE

WILLIAM PROXMIRE, Wisconsin  
ABRAHAM RIBICOFF, Connecticut  
HUBERT H. HUMPHREY, Minnesota  
JACOB K. JAVITS, New York  
JACK MILLER, Iowa  
CHARLES H. PERCY, Illinois

ALAIR A. TOWNSEND, *Technical Director*

STAFF

CATERINA CAPOBIANCO  
JON H. GOLDSTEIN

IRENE COX  
ROBERT I. LERMAN

SHARON S. GALM  
JAMES R. STOREY

VIVIAN LEWIS

MARY BETH CURRY

(II)

Property of the  
Joint Economic Committee-  
Democratic Staff  
G-01 Dirksen Senate Office Bldg.

## LETTERS OF TRANSMITTAL

---

December 22, 1972.

*To the members of the Joint Economic Committee:*

Transmitted herewith is a study entitled "Welfare—An Administrative Nightmare," by Sharon Galm. This is part 1 of the volume "Issues in Welfare Administration," another in the series being prepared for the use of the Subcommittee on Fiscal Policy in its review of the Nation's public welfare programs.

This paper documents many of the current problems in welfare administration and suggests their implications for future legislation.

The views expressed in this study are exclusively those of the author and do not necessarily represent the views of members of the Subcommittee on Fiscal Policy or the subcommittee staff.

WILLIAM PROXMIRE,  
*Chairman, Joint Economic Committee.*

---

December 21, 1972.

HON. WILLIAM PROXMIRE,  
*Chairman, Joint Economic Committee, Congress of the United States,  
Washington, D.C.*

DEAR MR. CHAIRMAN: Transmitted herewith is a study entitled "Welfare—An Administrative Nightmare," prepared by Sharon Galm of the subcommittee staff. This is part 1 of the volume "Issues in Welfare Administration," which is being compiled and edited by James R. Storey and Alair A. Townsend and is another in the series being prepared for the use of the Subcommittee on Fiscal Policy in its review of the Nation's public welfare programs.

Unmanageable welfare programs do not serve the Nation well. They betray the needy and violate the public trust. The study transmitted herewith documents many of the current problems in welfare administration and suggests their implications for future legislation.

The views expressed in this study are exclusively those of the author and do not necessarily represent the views of members of the Subcommittee on Fiscal Policy or the subcommittee staff.

MARTHA W. GRIFFITHS,  
*Chairman, Subcommittee on Fiscal Policy.*

## FOREWORD

---

As the crisis in public welfare has deepened over the years, increasing attention has been given to the fact that many of the problems with welfare programs have grown out of certain administrative practices which may have outlived their usefulness in the face of changes in clientele, in administrative personnel and workloads, and in public expectations about program management and integrity. On the other hand, it is becoming more and more obvious that good management of welfare programs at all levels of government may be impossible, given the inequities and inefficiencies built into our present welfare law and the enormous administrative burden that a thorough implementation of present law would demand.

Because the administrability of welfare programs is necessarily the foundation upon which any sensible and realistic welfare reform must be based, the Subcommittee on Fiscal Policy has taken steps to insure that management problems and potential solutions are fully aired before the public. The subcommittee has already held public hearings in Washington and in three other cities to hear firsthand of the administrative problems being grappled with by agency heads and welfare caseworkers.<sup>1</sup> In this volume (*Paper No. 5, Issues in Welfare Administration*) the subcommittee is presenting the work of several authors who have analyzed these problems and considered possible alternatives for future program design that would restore effective management of public welfare funds.

*Issues in Welfare Administration* is being released in three parts. The first part, written by Sharon Galm of the staff of the Subcommittee on Fiscal Policy, discusses the many administrative problems which now beset welfare programs and the feasibility of solutions within the present program framework.

Part 2 includes four papers dealing with the difficulties prompted by the involvement of all three levels of government—Federal, State, and local—in welfare administration. These papers were written by Joel F. Handler, Irene Lurie, and Joseph Heffernan of the Institute for Research on Poverty, University of Wisconsin, and by Peter E. Sitkin of the Hastings College of the Law, University of California.

Part 3 applies the expertise acquired in administering the several Federal experiments in income maintenance to the many technical issues involved in the reform of the administrative structure of welfare programs. David N. Kershaw of Mathematica Inc., describes in a

---

<sup>1</sup> *Problems in Administration of Public Welfare Programs: Hearings before the Subcommittee on Fiscal Policy of the Joint Economic Committee, 92d Cong., 2d sess. (1972).*

comprehensive fashion the administrative structure needed to operate at a national level the type of income maintenance programs experimented with by the Office of Economic Opportunity (OEO) and the Department of Health, Education, and Welfare (HEW). Jodie T. Allen of the Urban Institute presents a detailed analysis of the implications for costs, equity, and incentives resulting from different approaches to accounting for changes in recipient income over time and the consequent adjustments in benefit levels necessitated. The third paper in part 3, by D. Lee Bawden of the Institute for Research on Poverty, University of Wisconsin, considers the special administrative problems likely to be incurred by any income maintenance program which covers large numbers of self-employed individuals.

Part 1 of paper No. 5, the study included herewith, emphasizes the depth of the current crisis in welfare. In "Welfare—An Administrative Nightmare," Sharon Galm documents the confusion, inefficiency, and lawlessness which pervade welfare operations today. The author suggests that many of the current problems in welfare administration result from faulty program design.

# CONTENTS

---

	Page
LETTERS OF TRANSMITTAL.....	iii
FOREWORD .....	v
INTRODUCTION: AN ADMINISTRATIVE IMPOSSIBILITY?.....	1
SETTING FOR CONFUSION.....	3
ADMINISTERING PAYMENTS: TASK FOR AN OMNISCIENT COMPUTER.....	5
EMPLOYMENT AND SUPPORT COLLECTION SERVICES: UNENFORCEABLE CONDITIONS OF RECEIVING FINANCIAL ASSISTANCE.....	17
CHRONIC UNDERSTAFFING.....	26
ERROR AND FRAUD UNCONTROLLED.....	35
IMPLICATIONS FOR FUTURE LEGISLATION.....	42

## WELFARE—AN ADMINISTRATIVE NIGHTMARE

By SHARON GALM\*

### INTRODUCTION: AN ADMINISTRATIVE IMPOSSIBILITY?

*Many of the problems [in welfare administration] stem from insufficient attention to reality in State and Federal legislation, regulations, and court decisions. It is finally at the local level that the ideals which prompt these [laws], regulations, and court decisions and are expressed in them, must be operationalized. . . .*

—Gilbert Dulaney, Director, Fulton County Department of Family and Children Services, Atlanta, Ga.<sup>1</sup>

In the spring and summer of 1972, the Subcommittee on Fiscal Policy of the Joint Economic Committee held hearings to inquire into the administration of public welfare programs. To learn how welfare programs operate in practice rather than theory, the subcommittee questioned welfare personnel in New York City, Detroit, and Atlanta. The caseworkers, supervisors, welfare center directors, and State and Federal officials who testified indicated that the present welfare system is not operating efficiently, and many of them doubted that, in the absence of a major legislative overhaul, it could operate efficiently.

The organizational structure of the welfare system puts local welfare administrators in the precarious position of operating fragmented programs which have incompatible rules and bearing responsibility for tasks carried out by groups not subject to their control.

Complex eligibility and budget criteria defy verification, objective evaluation, and routine determination. Intricate payment policies and procedures confuse applicants and caseworkers alike; they prevent members of the community from knowing whether they are eligible for assistance, cause some needy applicants to drop out of the application process in frustration, and bury caseworkers under mountains of paperwork. Because of the nature of present eligibility and budget criteria, accurate application procedures are not feasible, and feasible procedures are not accurate. Applications remain pending beyond the 30-day standard of promptness; eligibility reviews are cursory and infrequent; backlogs of unprocessed grant changes, permanent; and error and fraud, rampant. Requirements that welfare agencies give written notice of proposed grant changes and conduct full evidentiary hearings on request add to the paperwork which threatens to smother the system.

\* Staff legal counsel, Subcommittee on Fiscal Policy.

<sup>1</sup> *Problems in Administration of Public Welfare Programs: Hearings Before the Subcommittee on Fiscal Policy of the Joint Economic Committee, 92d Cong., 2d sess. (1972), p. 1051 [hereinafter cited as Welfare Hearings].*

Mandatory employment and support collection services are extremely difficult to provide. The lack of jobs and the work disincentives created by present welfare rules hinder the delivery of employment services. Laws which encourage evasion of the support obligation while failing to give welfare mothers obligation or incentive to cooperate in support collection activities undermine collection efforts. In addition, practical difficulties impede both the enforcement of a work requirement and the collection of support.

Not only the difficulty of the work, but also its volume reduces the quality of welfare administration. Because of the large caseloads and the complexity of processing an individual case under present welfare law, caseworkers do not have time to perform routine income maintenance and service functions properly. Constant changes in welfare statutes and regulations force staff continually to learn and implement new policies. Litigation and reorganization further disrupt routine caseworker activity. Unrealistically heavy workloads, in turn, lead to high rates of staff turnover and inadequate training and supervision.

The present welfare system—complex, subjective, inconsistent, and understaffed—guarantees inaccuracy in distributing welfare payments and does not permit systematic detection or redress. The Department of Health, Education, and Welfare (HEW) estimates that one out of four public assistance cases involves error or fraud.<sup>2</sup> Other studies suggest that the incidence of error and fraud is even greater. Of necessity, welfare agencies rely heavily on chance to discover error and fraud. There is little to deter cheating, for administrative recoupment of overpayments is difficult, and prosecution for welfare fraud is rare. Nor has the quality control system, designed to enable administrators to prevent error and fraud, been notably successful.

In sum, dysfunction—both in the sense of failure to operate and in the sense of waywardness in operation—pervades the welfare system, victimizing both the taxpayer and the needy. This paper describes current problems in welfare administration and suggests their implications for future legislation. Staffs of the New York City, Detroit, and Atlanta welfare agencies deserve special thanks for their candidness in revealing the shortcomings of their operations; they have made herculean attempts to operate a system which may be doomed to failure by its very design. In the words of John Veneman, Under Secretary of HEW, “[W]e are at best fighting a holding action in welfare administration today and . . . this state of events cannot greatly improve under existing law.”<sup>3</sup>

The present welfare system is an administrative nightmare. It may also be an administrative impossibility.

---

<sup>2</sup> See p. 35.

<sup>3</sup> *Welfare Hearings, supra* n. 1, p. 69.



## SETTING FOR CONFUSION

*The major difficulty arises from a single State agency having responsibility to administer programs coming from separate Federal departments, each with different philosophies, different purposes and goals, and different institutionalized procedures.*

*—Joseph LaRosa, Assistant Deputy Director, Income Maintenance and Community Social Services, Michigan Department of Social Services*<sup>1</sup>

The local welfare agency provides financial assistance to the needy under multiple programs, including old age assistance (OAA), aid to the blind (AB), aid to the permanently and totally disabled (APTD), aid to families with dependent children (AFDC), medicaid, food stamps, and general assistance. In addition to supplying financial assistance, the welfare agency generally distributes foodstuffs and provides extensive social, rehabilitative, and protective services.

Although it is the body ultimately charged with putting the welfare system into operation, the local welfare agency neither sets the rules nor carries them out alone. Administrative agencies of the various levels of government, and combinations thereof, which finance welfare programs supervise their operation. The Department of Health, Education, and Welfare (HEW) and the State welfare agency oversee the operation of OAA, AB, APTD, and AFDC. The Department of Labor regulates the State employment service, which participates in enforcing the work requirement under AFDC and the food stamp program. HEW, often in conjunction with the State health department, regulates medicaid. The Department of Agriculture and the State welfare agency supervise the food programs. State and local governments control general assistance. The Department of Housing and Urban Development oversees welfare operations like model cities homemaker and housing aid to the aged projects. County and municipal governments have a voice in the operation of programs to which they contribute. In addition, State civil service regulations govern the local welfare agency's personnel policies.

Policy conflicts among the various supervisory agencies hamper administration. Georgia civil service regulations, for example, have handicapped efforts in that State to make the massive personnel changes required by HEW's order to separate the administration of payments from that of services. Civil service regulations may also prevent welfare administrators from using staff to best advantage. Michigan State welfare regulations upon occasion have conflicted with

---

<sup>1</sup> *Ibid.*, p. 686.

HEW's limitation on the number of payments which an agency may make to vendors on behalf of recipients. Similarly, budgeting and verification procedures under the food stamp program do not synchronize with those of public assistance.<sup>2</sup>

The local welfare agency not only must obey the voluminous, often-conflicting commands of different regulatory agencies, but also must depend on numerous groups over which it has no control. To establish eligibility for APTD, the local welfare agency relies on outside clinics, specialists, and State review teams. To operate the medicaid program, the welfare agency needs private providers of medical services. To provide employment services, the welfare agency relies on the State labor department or employment service; to rehabilitate narcotic addicts, on treatment centers; to furnish day care and foster care, on community social service agencies; and to provide family planning services, on medical groups.<sup>3</sup> In sum, the local welfare agency is responsible for administering numerous diverse programs, yet unable to fix or implement policies on its own. This is the setting for confusion.

---

<sup>2</sup> See *Welfare Hearings*, supra n. 1, pp. 674, 684-85, 702, 1042-43, 1238-39.

<sup>3</sup> *Ibid.*, p. 139.

## VI

comprehensive fashion the administrative structure needed to operate at a national level the type of income maintenance programs experimented with by the Office of Economic Opportunity (OEO) and the Department of Health, Education, and Welfare (HEW). Jodie T. Allen of the Urban Institute presents a detailed analysis of the implications for costs, equity, and incentives resulting from different approaches to accounting for changes in recipient income over time and the consequent adjustments in benefit levels necessitated. The third paper in part 3, by D. Lee Bawden of the Institute for Research on Poverty, University of Wisconsin, considers the special administrative problems likely to be incurred by any income maintenance program which covers large numbers of self-employed individuals.

Part 1 of paper No. 5, the study included herewith, emphasizes the depth of the current crisis in welfare. In "Welfare—An Administrative Nightmare," Sharon Galm documents the confusion, inefficiency, and lawlessness which pervade welfare operations today. The author suggests that many of the current problems in welfare administration result from faulty program design.

## ADMINISTERING PAYMENTS: TASK FOR AN OMNISCIENT COMPUTER

*One result of these myriad eligibility requirements and program complexities is such a voluminous collection of manuals and supplementary directives that it is wholly unreasonable to expect staff at any level to keep abreast and to apply all of them properly with any degree of consistency. . . .*

—*R. B. Shelton, Director, Wayne County Department of Social Services, Detroit, Mich.*<sup>1</sup>

The huge volume of rules, regulations, forms, and paperwork involved in welfare administration reflects the complexity of payment policies and procedures. Local welfare agencies are supposed to follow directives which may fill a bookshelf 4 feet wide. Recipients cannot keep up with the multitude of ever-changing rules, and neither can caseworkers. To process one welfare applicant in Atlanta requires as many as 27 different forms; Detroit food stamp workers are responsible for using about 40 different forms.<sup>2</sup> The complicated forms necessitated by intricate eligibility requirements lead to inaccurate information and, as a Detroit caseworker suggested, “entice borderline fraud cases to take advantage.”<sup>3</sup> In addition, a welfare agency may keep several sets of records for the same recipient. In New York, for example, the eligibility investigation section has one case folder, income maintenance has a second, social services a third, medicaid another, and food stamps yet another.<sup>4</sup>

### DETERMINING ELIGIBILITY FOR WELFARE

*The problem is that we cannot simplify forms and streamline the eligibility process while leaving almost untouched the requirements on which they are based.*

—*R. B. Shelton, Director, Wayne County Department of Social Services, Detroit, Mich.*<sup>5</sup>

To promote administrative efficiency and preserve the applicant's dignity and self-respect, several years ago HEW recommended that welfare agencies dispense with routine verification of the applicant's statements and rely almost exclusively on a written self-declaration. HEW regulations require an interview with the applicant or verification through collateral sources only when the applicant's statements

<sup>1</sup> *Ibid.*, pp. 507–08.

<sup>2</sup> *Ibid.*, pp. 370, 413, 455–57, 484, 535, 547–48, 685, 859–954, 1042.

<sup>3</sup> *Ibid.*, p. 391. See also *Welfare Hearings*, *supra* n. 1, pp. 193, 400–08, 840–41.

<sup>4</sup> See *Welfare Hearings*, *supra* n. 1, pp. 168, 212–13.

<sup>5</sup> *Ibid.*, p. 508.

are "incomplete, unclear, or inconsistent, or where other circumstances in the particular case indicate to a prudent person that further inquiry should be made."<sup>6</sup>

Although welfare administrators' reactions to the declaration method are mixed, experience suggests that the complex eligibility requirements in present law do not lend themselves to written declarations. As a Georgia welfare official said, "Our declaration form contains six pages and [still does not provide] enough information to establish eligibility without a personal contact with the applicant [or] recipient. Furthermore, many of our clients cannot read or write and the worker eventually completes the form for the client."<sup>7</sup> Because of the complexity of the forms, it may take caseworkers more time to correct forms completed by applicants than to fill out forms for applicants in the first place.<sup>8</sup>

Welfare administrators also blame the declaration method for contributing to error and fraud. Michigan and Georgia welfare officials report that quality control results in those States indicate that the declaration method increases inaccuracy in determining eligibility; New York City's welfare director estimates that written information is insufficient in one out of five welfare cases.<sup>9</sup> Similarly, the U.S. General Accounting Office (GAO) reports that rejection rates tend to be lower under the declaration method than where caseworkers make comprehensive investigations.<sup>10</sup>

Although the declaration method might well prove more satisfactory if eligibility requirements were less complex, welfare agencies in New York City, Detroit, and Atlanta currently do not rely solely on applicants' written statements.<sup>11</sup> In New York City, caseworkers ask applicants to produce proof of identity in the form of a birth or marriage certificate, driver's license, or draft card. Documentation such as rent receipts is required to verify the applicant's address, and documentation such as recent paycheck stubs is required to confirm employment history.<sup>12</sup> When a father applies for AFDC, the caseworker questions

<sup>6</sup> 45 C.F.R. § 205.20(a) (3) (1969). The declaration method does not apply to eligibility factors for which Federal law requires additional verification procedures, such as a medical examination to determine whether an individual is blind or disabled.

<sup>7</sup> *Welfare Hearings*, *supra* n. 1, p. 1238.

<sup>8</sup> *See Welfare Hearings*, *supra*, n. 1, pp. 1033-39, 1064-65, 1238.

<sup>9</sup> *Ibid.*, pp. 243, 676, 1238. *See also Welfare Hearings*, *supra* n. 1, pp. 147, 149-51, 476, 690, 1064.

<sup>10</sup> Comptroller General of the United States, report to the Senate Finance Committee, *Comparison of the Simplified and Traditional Methods of Determining Eligibility for Aid to Families with Dependent Children*, July 14, 1971, pp. 3, 63.

<sup>11</sup> GAO reports suggest that among welfare agencies an unwillingness to rely solely on applicants' written statements is not the exception, but the rule. *See* Comptroller General of the United States, report to the Senate Finance Committee, *Comparison of the Simplified and Traditional Methods of Determining Eligibility for Aid to Families with Dependent Children*, July 14, 1971, pp. 2, 11-26, 62; Comptroller General of the United States, report to the Senate Finance Committee, *Observations of the Test of the Simplified Method for Determining Eligibility of Persons for Adult Public Assistance Programs*, August 5, 1970, pp. 2, 15-17.

<sup>12</sup> Peter Kihss, "City Will Screen 44 Relief Centers," *The New York Times*, August 11, 1972, p. 1; Francis Clines, "New Relief Plan Helps Cut Fraud," *The New York Times*, June 9, 1972, p. 38M; Peter Kihss, "State Will Check Relief Eligibility," *The New York Times*, May 17, 1972, pp. 1, 27.

him about his past employment, verifies whether he is receiving unemployment insurance benefits, and sometimes contacts his former employer. In addition, an eligibility investigation group routinely verifies eligibility factors for cases of narcotic addicts, cases where there have been previous instances of fraud, and AFDC cases where the father is absent from the home.<sup>13</sup> Prior to the implementation of the declaration method in New York City, investigation may have been no more thorough.<sup>14</sup>

Similarly, the Detroit welfare agency requires applicants to report for a personal interview and present documentary verification of shelter costs and earnings. If the applicant does not furnish paycheck stubs or a statement from his employer verifying the amount of past or present earnings, the caseworker may telephone the employer. For AFDC cases where the father is absent from the home, caseworkers attempt to contact the father.<sup>15</sup>

Applicants in Atlanta are interviewed in person, and the income reported by AFDC applicants is verified—either by a check stub or statement from the employer or agency providing the income, or by a statement from the adult probation office or absent parent who contributes child support. All work expenses deducted from the applicant's income for the purpose of determining need must be verified. In AFDC cases, caseworkers attempt to contact fathers who are absent from the home and not contributing to the support of their children. Present investigation procedures for Georgia AFDC cases may differ little from procedures followed before that State implemented the declaration method.<sup>16</sup>

*Unverifiability.*—Although welfare administrators appear convinced of the need to verify applicants' statements, thorough investigation of all eligibility criteria for all applicants—even if it were permitted by Federal regulations<sup>17</sup>—is not feasible. In the absence of a tip or other unusual circumstances, discovery of income which an applicant fails to report<sup>18</sup> is extremely difficult. And many applicants claim not to have any income.<sup>19</sup> Income received in cash is particularly hard to track down, but even earnings received by check may escape detection, for welfare agencies do not have full access to Federal records. The Social Security Administration will provide agencies with

<sup>13</sup> See *Welfare Hearings*, *supra* n. 1, pp. 116, 120–21, 161, 163, 167.

<sup>14</sup> *Ibid.*, pp. 162, 207.

<sup>15</sup> *Ibid.*, pp. 438, 441, 508, 690.

<sup>16</sup> *Ibid.*, pp. 843, 853–54, 1066–67.

<sup>17</sup> In determining eligibility, Federal regulations require welfare agencies to rely on the applicant as the primary source of information. Collateral sources other than public records are to be consulted only with the applicant's knowledge and consent. 45 C.F.R. §§ 206.10(a) (12), 205.20(a) (3) (1969).

<sup>18</sup> To qualify for welfare, an applicant may not have countable income in excess of the minimum amount which the State considers necessary to maintain a decent standard of living.

<sup>19</sup> In 1971, 60 percent of the families receiving AFDC claimed to have no non-assistance income. The corresponding percentages for recipients in the adult categories were as follows: AB, 51 percent; OAA, 31 percent; APTD, 67 percent. Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study, Part II—Highlights*, NCSS Report AFDC-2 (71) (Supplement), January 1972, p. 4; Social and Rehabilitation Service, HEW, *Tabulations from the 1970 Adult Recipient Survey*, Table 84 (unpublished data).

information on an applicant's social security benefits, but not on his employment. The Internal Revenue Service will reveal whether or not a person filed an income tax return, but not the contents of the return.<sup>20</sup>

Even full access to Federal records might not solve the problem, for checking an applicant's social security number against social security earnings records might be useless if the applicant had more than one number, as is not uncommon today,<sup>21</sup> or if the applicant had income from employment not covered by social security. And income not reported to the welfare agency might not be reported to the Internal Revenue Service or the Social Security Administration either. Moreover, social security and income tax data are usually not current.

Like unreported income, unreported assets are difficult to discover.<sup>22</sup> Real property located outside the county and personal property hidden or forgotten defy detection. According to the director of the food stamp program in Detroit, rules which deny food stamps to households having access to a nonmember's credit card or owning property such as boats, trailers, snowmobiles, or campers worth more than \$1,500 are almost impossible to enforce.<sup>23</sup>

Unreported support contributions also are likely to escape detection. Caseworkers may not assume that a man living with an AFDC family is making his income or assets available to the family unless he has a legal obligation of support.<sup>24</sup> If he has no such obligation, his resources may be counted as belonging to the family only if the agency can prove that they are in fact being made available to the family. Caseworkers may not even assume that the man is paying the rental value of his quarters. Since support contributions usually are in cash, goods, or services and vary in frequency and amount, proof of their existence is difficult to find.

Like the requirement of need, some categorical eligibility factors defy verification.<sup>25</sup> For example, a child may not qualify for AFDC unless he lacks parental support or care. An AFDC child's father who is not dead, incapacitated, or unemployed, must be "continuously ab-

---

<sup>20</sup> By the same token, welfare agencies that learn of unreported earnings may not advise the interested tax authorities. *See Welfare Hearings, supra* n. 1, pp. 376-77.

<sup>21</sup> *Ibid.*, pp. 367, 376.

<sup>22</sup> To qualify for welfare, an applicant may not have assets in excess of values set by the State.

<sup>23</sup> *Welfare Hearings, supra* n. 1, pp. 534, 542.

<sup>24</sup> *See Leavis v. Martin*, 397 U.S. 552 (1970); *King v. Smith*, 392 U.S. 309 (1968). *See also* 45 C.F.R. § 233.90(a) (1971).

<sup>25</sup> In addition to meeting the requirement of need, to be eligible for welfare an applicant must fit within the "category" of being a child who is dependent or an individual who is aged, blind, or disabled. To qualify as a "dependent child," one must be under age 18, or under 21 if regularly attending school; must lack parental support or care because of a parent's death, continued absence, or physical or mental incapacity (or, in some States, because the father is unemployed); and must live in a relative's home or in a supervised foster home. To qualify for one of the adult categories, a person must be aged 65 or older; blind; or permanently and totally disabled and age 18 or older. To be eligible for medicaid, a person must either fit within one of the above categories or meet category-related criteria.

sent" from the home, a condition hard to prove or disprove without prohibitively time-consuming investigation. To be considered unemployed, a father must be working fewer than 100 hours per month and must not have refused a "bona fide" job offer without good cause, conditions which also pose problems of proof.

*Subjectivity.*—Even when the facts relevant to an eligibility requirement are known, some requirements are so intangible that eligibility cannot be determined in a uniform manner. To determine eligibility for APTD, for example, a medical review team must decide whether the applicant has a permanent physical or mental impairment which "substantially precludes him from engaging in useful occupations within his competence."<sup>26</sup> This definition may or may not include persons so disabled that no employer will hire them and persons capable of performing no activity more strenuous than light housework in their own home.<sup>27</sup> In determining "incapacity" under AFDC, the caseworker must judge whether the parent is indeed unable to work. Determining whether or not an "absence" is "continued" may also depend on personal opinion. Similarly, evaluating assets is a highly subjective process.

*Complexity.*—Like the unverifiability and subjectivity of eligibility requirements, their complexity precludes accuracy. To be considered unemployed, for example, a father must be working fewer than 100 hours per month and must have been doing so for at least 30 days; he must not have refused a job offer without good cause; he must have worked (earned \$50 or more) six or more quarters in a 13-calendar-quarter period ending within 1 year prior to applying for AFDC, or must have been qualified to receive unemployment compensation within 1 year prior to applying for AFDC; he must be registered with the State employment office; and he must not be receiving unemployment compensation.<sup>28</sup>

Lack of parental support or care is not the only categorical condition of a child's eligibility for AFDC. Caseworkers must learn his age and, if he is 18 or over, must confirm his regular school attendance.<sup>29</sup> Caseworkers also must consider the degree of relationship between the child and the person claiming assistance on his behalf.

In addition to the complexity of determining who fits within a category, the temporary nature of some categories requires constant reclassification from one category to another or from eligible to ineligible status. Because of its arbitrary, inflexible limit on the number of hours which a father may work, the AFDC program for families with unemployed fathers creates one such category. The treatment accorded narcotic addicts under APTD may create another. In New York, for example, narcotic addicts are considered eligible for APTD only if they enroll in a treatment program. Once an addict is in a treatment program and stabilized under methadone, however, he is considered employable and therefore ineligible for APTD. He may then transfer to the State's home relief program, which requires him to report to the State employment service. If he fails to report

<sup>26</sup> 45 C.F.R. § 233.80 (1971).

<sup>27</sup> See *Welfare Hearings*, *supra* n. 1, pp. 460, 840-41.

<sup>28</sup> 45 C.F.R. § 233.100 (1969).

<sup>29</sup> Some States also require school attendance for children under age 18.

for work, and an addict is likely not to report regularly, his case is closed.<sup>30</sup> The addict may then drop out of the treatment program and reapply for APTD, setting the administrative merry-go-round in motion again.

Because general assistance (GA) programs lack Federal funding and in most States provide relatively low benefits, welfare agencies may go to great lengths to explore whether persons eligible for GA may receive federally supported assistance instead. For example, the Atlanta welfare agency takes the complete application for APTD for every applicant who claims to be disabled, including those who make it clear that they only want temporary assistance. A Georgia caseworker noted, "[W]e waste a great deal of time processing applications on applicants with gunshot wounds in the leg, sprained ankles, or headaches and dizzy spells. It seems that we could use the time and money that we spend writing reports and paying for medical examinations to give them the temporary assistance that they need."<sup>31</sup> Thus, the category system generates fruitless procedures which are extremely time consuming.

Like the categorical eligibility requirements, the rules for counting an applicant's income are extremely complex. A fixed dollar amount,<sup>32</sup> as well as income set aside for future identifiable needs of a dependent child and income necessary for the fulfillment of a blind or disabled person's state-agency-approved plan for achieving self-support, may be excluded from monthly income. The value of social security benefit increases, food stamp coupons, commodity distributions, relocation assistance, and undergraduate grants and loans is not included in unearned income. Similarly, the value of training payments and allowances, payments under the work incentive program, and income of AFDC children who are students and not full employees is excluded from earned income. Caseworkers must also disregard certain fixed portions of earnings<sup>33</sup> and deduct work expenses. Some States deduct actual work expenses, including such items as taxes, union dues, uniforms, transportation, and cosmetics, and others allow a flat work expense deduction for each employed member of the household.<sup>34</sup>

The process of evaluating an applicant's assets may be as complicated as that of counting income. For example, the caseworker may have to assess the value of the applicant's real property. Some States set dollar limits on the value of the home, and others require a judgment as to whether the value of the home exceeds that of modest homes in the community, whether it is appropriate in light of the size and needs of the family, or whether the applicant's investment in the home is substantial. Some States require that all real property other than

<sup>30</sup> *Welfare Hearings, supra*, n. 1, p. 155.

<sup>31</sup> *Welfare Hearings, supra* n. 1, p. 840.

<sup>32</sup> Up to \$5 for AFDC applicants and up to \$7.50 for applicants for the adult categories.

<sup>33</sup> For OAA and APTD applicants, a State may disregard an amount up to \$20 and half of the next \$60 of monthly earnings. For AB applicants, a State must disregard an amount up to \$85 and half of the rest of monthly earnings. For AFDC applicants, no fixed portion of earnings is disregarded in determining eligibility.

<sup>34</sup> See *Welfare Hearings, supra* n. 1, pp. 444-45, 856-57. Regarding the Georgia welfare agency's attempt to change to a flat work expense deduction, see p. 31.



the home be put up for sale; others require that the value of real property not exceed certain limits or that any "excess" value fit within a total "allowable reserve."<sup>35</sup> The caseworker may also have to assess the value of the applicant's automobile, life insurance, and liquid reserves. Moreover, in any one State the treatment of any single kind of asset may differ among the OAA, AB, APTD, AFDC, and Medicaid programs.

Welfare recipients are automatically eligible for food stamps if the needs and resources of all members of the household are considered in calculating the welfare grant, but nonwelfare households must meet separate income and resource requirements. Rules for counting income and evaluating assets under the food stamp program are significantly different from—and just as complex as—those under the public assistance programs.

In sum, the nature of present eligibility requirements prevents welfare administrators from streamlining the eligibility determination process.

#### CALCULATING WELFARE PAYMENT AMOUNT

*In states where discretion is exercised over budgets, routinizing money payments would reduce dependency by curtailing the discretionary authority of welfare officials in this area. But if routinization is taken seriously, one of the costs would be the loss of individualized treatment through the use of special grants for special needs. . . . As long as basic grant levels are low, there must be provision for emergencies and other unusual losses.*

—Joel Handler and Ellen Jane Hollingsworth, *The "Deserving Poor."*<sup>36</sup>

Once an applicant is found eligible for assistance, the caseworker begins the process of computing assistance payment amount by painstakingly budgeting the family's living expenses. To determine the family budget for items of recurring need, caseworkers in many States must consider numerous factors such as family size, age, and/or sex of family members, cost of rent and utilities, eating arrangements, and need for housekeeping services, child care, seeing eye dog, special diet, telephone, or transportation to the doctor.<sup>37</sup>

Caseworkers may also have to budget for items of nonrecurring need such as furniture, major appliances, home repairs, and special clothing such as Boy Scout uniforms. Caseworkers often have wide discretion in determining eligibility for these special allowances, as well as the specific items to be purchased and the price to be paid. Separate allowances for nonrecurring needs not only complicate administration and permit wide variation in benefit levels, but also present opportunities for false claims.<sup>38</sup>

<sup>35</sup> See Social and Rehabilitation Service, HEW, *Characteristics of State Public Assistance Plans under the Social Security Act: General Provisions—Eligibility, Assistance, Administration*, Public Assistance Report No. 50, 1971 edition.

<sup>36</sup> Markham Publishing Co. (Chicago, 1971), p. 130.

<sup>37</sup> See *Welfare Hearings*, *supra* n. 1, pp. 122–23, 153, 232, 397–98, 830.

<sup>38</sup> *Ibid.*, pp. 440–41, 452–53, 457–58, 478–79, 674.

After budgeting a family's living expenses, the caseworker must subtract the amount of the family's current income and in some States apply a percentage reduction factor or a maximum grant amount. Although not easily followed, the rules for determining current income are generally the same as those followed in determining eligibility. A notable exception is the earnings disregard under AFDC. When determining eligibility for AFDC, the caseworker may deduct only the applicant's work expenses, but when calculating payment amount the caseworker also disregards the first \$30 of monthly earnings plus one-third of the rest (but only if the family has not received AFDC within the past 4 months).

Computing food stamp benefits is a completely separate process from determining assistance payment amount. The value of a family's food stamp coupon allotment varies by family size, and the amount which the family must pay to purchase this allotment varies by family size and monthly income. Deductions and exemptions applied in counting income under the food stamp program differ from those applied under public assistance.

In sum, methods for calculating payment amount are no simpler than policies and procedures for determining eligibility.

#### RECERTIFYING ELIGIBILITY AND PAYMENT AMOUNT

*Say a review form comes back and we have some question about the honesty of it. We don't have time to go back and find out what the true things are. . . . I have fallen from 13 to two [interviews] a month. . . . [T]oo many people are just getting away from me. I don't have any control of it anymore. I tried to work it so I was scheduling one to two [interviews] a day, but I can't handle it. The emergencies, you know, people calling [because] they have no heat, they are hungry, or they have no place to live; that is important to me. . . . So, that is what I process.*

*As a result, the review forms are not done promptly. We don't have enough reviews done on our caseload so we can keep track of what they are doing, if they are working, et cetera. We leave most of it to their own honesty. . . .*

*—Shirley Mickens, Eligibility Examiner, AFDC, Wayne County Department of Social Services, Detroit, Mich.<sup>39</sup>*

After welfare payments start, the agency must keep tabs on recipients to be sure they remain eligible for the assistance they are receiving. Since recipients cannot be expected to report all changes in their circumstances, recertification by the welfare agency is absolutely necessary.<sup>40</sup> Apparently, however, recertification cannot be carried out thoroughly or frequently enough to be effective.

Even a slight change in a recipient's earnings or living situation

<sup>39</sup> *Ibid.*, p. 439. See also *Welfare Hearings*, *supra* n. 1, p. 391.

<sup>40</sup> Between periodic redeterminations of eligibility, recipients probably are more likely to report changes which have the effect of increasing their welfare payments than changes which have the opposite effect. *Ibid.*, p. 961.

may require that his welfare payment be recalculated or stopped. Because of the frequency of change in family size and income among welfare recipients, a family's eligibility status or the amount to which it is entitled may change from week to week. When a child leaves home, turns 18, or drops out of school, or when an additional relative moves into a home for which a welfare grant is paying the rent, what had been a correct welfare payment may suddenly become an overpayment. As a New York welfare official said, "Because the conditions of eligibility are at best an abstraction and are incomprehensible and fluctuate for any given family from day to day, it often happens that at any given point in time, a family which was eligible suddenly is not eligible, although it may be eligible again next week."<sup>41</sup>

If recipients reported all changes as they are supposed to, it is questionable whether welfare agencies could keep up with the paperwork generated thereby. A recipient who works a different number of hours each week and faithfully reports the changes in his earnings is a heavy burden to the welfare agency, for once or twice a month his budget must be recalculated, notification sent to the central welfare office, and the amount of the check changed.

Because of the complex rules for determining eligibility and amount of payment, at best recertification can be only a cursory review. The New York welfare agency accomplishes recertification by mailing a form to the recipient, who must then fill it out and mail it back, thereby establishing renewed eligibility. Because of the inadequacy of their routine recertification process, the New York City welfare agency has found it necessary to conduct a special recertification of the entire caseload, utilizing personal interviews on a case-by-case basis. Welfare officials expect the project to take at least a year.<sup>42</sup> The Detroit welfare agency also carries out recertification primarily by mail, with occasional contacts between caseworker and recipient by telephone or in person. Caseworkers in Atlanta recertify OAA, AB, and APTD recipients by mail but contact AFDC recipients in person. Although they verify income reported by AFDC recipients, Atlanta caseworkers—like caseworkers in other cities—do not have time to search for income which recipients fail to report.<sup>43</sup> A GAO examination of recertification procedures in several cities suggests that cases are seldom closed on the basis of data developed during recertification.<sup>44</sup>

In addition to being cursory, recertification typically is infrequent. Although HEW regulations direct the welfare agency to recertify AFDC families every 6 months and other public assistance recipients every year, AFDC cases in Detroit are reviewed only once every 7 to 11 months. One Detroit caseworker said, "About [every] 11 months if we are lucky."<sup>45</sup> In New York City, review forms returned by recip-

<sup>41</sup> *Ibid.*, p. 178.

<sup>42</sup> Peter Kihss, "Welfare Rules Tightened by City," *The New York Times*, August 4, 1972, p. 31; Peter Kihss, "State Will Check Relief Eligibility," *The New York Times*, May 17, 1972, pp. 1, 27.

<sup>43</sup> See *Welfare Hearings*, *supra* n. 1, pp. 390-91, 438-39, 829-30, 962.

<sup>44</sup> Comptroller General of the United States, Report to the Senate Finance Committee, *Comparison of the Simplified and Traditional Methods of Determining Eligibility for Aid to Families with Dependent Children*, July 14, 1971, pp. 50-53, 63.

<sup>45</sup> *Welfare Hearings*, *supra* n. 1, p. 439.

ients often are not processed promptly. In December 1971 the New York City welfare agency reported a backlog of 161,724 income maintenance transactions, including recommended grant changes and case closings. In March 1972, after spending thousands of paid overtime hours to reduce the backlog, the agency still had 35,506 unprocessed transactions.<sup>46</sup> The director of a welfare center which still had a backlog of 1,951 transactions after the special overtime project (compared to a caseload of 10,500 cases), noted that a backlog is always present:

[W]e are always trying to deal with [the problem of the backlog], but it is a finger in the dike type of thing under the present system, because as we take care of some of the situations, we are constantly building up new cases that haven't been completely processed, so they go into what we call current backlog.<sup>47</sup>

New York City's backlog is not unique. Last year, the Baltimore welfare agency had a backlog of 28,000 unprocessed review forms.<sup>48</sup> Similarly, the GAO reported that in 1969 about a third of the reviews in the county with the largest welfare caseload in Ohio were overdue.<sup>49</sup>

Nor is the existence of a backlog limited to the categorical assistance programs. A New York caseworker described the following problem in the food stamp program:

[W]hen they have to be redetermined for continuing need for food stamps, because of the lack of staff there is such a backlog that they cannot determine. So this means that the authorization is never really canceled, so that the person is still receiving the food stamps although he has been told to come in and be recertified. He may come in and what they do is, since they do not have the time to go back to the backlog, they will make a new application on this guy and send it through. So he may have two authorizations for food stamps.<sup>50</sup>

Thus, because of the complexity of determining eligibility and payment amount under the present welfare system, recertification is not sufficiently frequent or thorough to assure the integrity of public assistance programs.

#### TERMINATING WELFARE PAYMENTS

*[F]air hearing regulations mandate specific procedures for local [welfare] departments which in themselves may be good but, taken in the context of the entire department's operations, drastically and negatively affect services to other recipients.*

—Gilbert Dulaney, Director, Fulton County Department of Family and Children Services, Atlanta, Ga.<sup>51</sup>

<sup>46</sup> *Ibid.*, p. 188.

<sup>47</sup> *Ibid.*, p. 170.

<sup>48</sup> *The Washington Post*, November 12, 1971, p. A6.

<sup>49</sup> Comptroller General of the United States, Report to the Congress, *Controls over Medicaid Drug Program in Ohio Need Improvement*, November 23, 1970, pp. 7-11.

<sup>50</sup> *Welfare Hearings*, *supra*, n. 1, p. 127.

<sup>51</sup> *Ibid.* p. 1042.

Because of the intricacy of eligibility requirements and payment calculations, termination procedures designed to safeguard the rights of recipients severely complicate welfare administration. In 1970 the U.S. Supreme Court ruled that the 14th amendment's due process clause requires States to afford a recipient the opportunity for an evidentiary hearing before terminating his public assistance payments.<sup>52</sup> Under Federal regulations issued after this decision,<sup>53</sup> whenever an agency proposes to terminate, reduce, or suspend assistance, it must mail notice of the pending action to the recipient at least 15 days prior to the time of the anticipated action. The notice must give full details of the reason for the pending action, the recipient's right to a fair hearing on the proposed change, and the circumstances under which the recipient may have his assistance continued pending the fair hearing decision. When a 20-percent increase in social security benefits took effect nationwide in October 1972, a Federal district court required New York welfare agencies to mail such notices to the 85,000 recipients in that State whose grants were affected thereby.<sup>54</sup>

Regardless of the circumstances surrounding the proposed action, the recipient's assistance payments must be continued unchanged through the 15-day advance notice period. Since some welfare agencies even continue payment for 15 days after a recipient requests that his welfare check be stopped, a recipient may receive one or two checks after notifying the agency that he is no longer eligible for assistance.<sup>55</sup>

If the recipient requests a fair hearing during the 15-day advance notice period, his assistance payment must be continued unchanged until the hearing decision is rendered by a State official, unless the State agency determines that the issue is one of State agency policy and not of fact or judgment relating to the individual case. In New York City, a recipient may stay on welfare throughout fair hearing procedures even if the reason for the proposed termination is his placement in a fulltime, paying city job.<sup>56</sup> It may take several months for a welfare agency to schedule the hearing and for the referee to hold the hearing and issue his decision.<sup>57</sup>

Since the Supreme Court ruling, requests for pretermination hearings have skyrocketed. From February 1970 (the month before the ruling) through March 1972, Michigan's caseload increased 80 percent, but during the same period requests for pretermination

---

<sup>52</sup> *Goldberg v. Kelly*, 397 U.S. 254 (1970). The Court also described the procedural safeguards which must surround the pretermination hearing. The recipient must have timely, adequate notice detailing the reasons for a proposed termination and an effective opportunity to defend by confronting and cross-examining any adverse witnesses and by presenting his own arguments and evidence orally. He must be permitted to retain an attorney. The decision maker, who must be impartial, should state the reasons for his determination and indicate the evidence on which he relied.

<sup>53</sup> 45 C.F.R. § 205.10 (1971); Social and Rehabilitation Service, HEW, "SRS Program Regulation Guide on Fair Hearings," No. APA-PRG-4, May 27, 1971.

<sup>54</sup> *Almenares v. Lavine*, No. 71 Civ. 3503 (S.D.N.Y., Oct. 10, 1972); "Elderly-Aid Cuts Here Held Illegal," *The New York Times*, October 12, 1972, p. 12.

<sup>55</sup> See *Welfare Hearings*, *supra* n. 1, pp. 439-40, 518-19, 687. But see *Welfare Hearings*, pp. 1063-64.

<sup>56</sup> Peter Kihss, "Mayor Assails Relief Rule," *The Wall Street Journal*, August 14, 1972, p. 3.

<sup>57</sup> *Welfare Hearings*, *supra* n. 1, p. 518.

hearings in Michigan rose 245 percent.<sup>58</sup> In Georgia the number of hearing requests quadrupled in a 2-year period.<sup>59</sup> From April to June 1972, requests for hearings in New York City doubled.<sup>60</sup>

Because of the assistance which must be paid to recipients awaiting a hearing, pretermination procedures are expensive. In June 1972, the New York City welfare agency paid nearly \$5 million for cases marked for closing or reduction of grants, five times the amount given such cases 2 months before.<sup>61</sup> During 1971 the Michigan welfare agency held 739 negative action hearings, and Michigan officials estimate the assistance paid to recipients awaiting these hearings at about \$450,000.<sup>62</sup> In May 1972, the director of the Michigan welfare agency stated that during the latest 3-month period for which figures were available, only 8 percent of the 212 hearing decisions rendered overruled the original determination of the local welfare agency.<sup>63</sup> Thus, much of the assistance paid to recipients during the advance notice period and after the request for hearing may be money to which they are not entitled.<sup>64</sup> Most importantly, pretermination hearings and the procedures surrounding them significantly increase agency workload, thereby diminishing quality of administration.

In sum, the present policies and procedures governing the issuance and termination of welfare payments are a bewildering maze of red-tape which cannot be administered efficiently.

---

<sup>58</sup> *Ibid.*, p. 672.

<sup>59</sup> *Ibid.*, p. 1239.

<sup>60</sup> Peter Kihss, "Mayor Assails Relief Rule," *The Wall Street Journal*, August 14, 1972, p. 3.

<sup>61</sup> *Ibid.*

<sup>62</sup> *Welfare Hearings, supra* n. 1, p. 687.

<sup>63</sup> *Ibid.*, p. 672.

<sup>64</sup> Regarding the extent to which welfare agencies recover excess assistance, see pp. 38-39.

EMPLOYMENT AND SUPPORT COLLECTION SERVICES: UNENFORCEABLE  
CONDITIONS OF RECEIVING FINANCIAL ASSISTANCE

*Both Federal and State governments have mandated that the [welfare] department administratively separate eligibility from services, and the process of implementing this mandate is being completed. It is becoming apparent, however, that services are just as intimately as ever bound up in eligibility determination.*

*The primary purpose of these services is to make the client independent of welfare. . . . When employment, training, or child support services are refused, the impression which the service worker may be able to maintain of independent social services must yield to a threat of assistance termination.*

*. . . [Recipients] are justifiably suspicious of service workers whose principal interests are still connected to assistance eligibility. . . .*

*Employment, training, and child support services can, in many situations, prove to be very helpful to the clients but they should be integrated into a universally available service system based on the need of the client to be most effective. Separation must be carried to its logical conclusion: Two totally separate systems.*

*—Gilbert Dulaney, Director, Fulton County Department of Family and Children Services, Atlanta, Ga.<sup>1</sup>*

Whether administered by the same caseworkers who perform income maintenance functions or by others, employment and support collection services—which represent a major portion of mandatory services activity—are extremely difficult to provide effectively under present welfare law. Employment and support collection activities are not designed primarily to help the welfare recipient, but to reduce the Government's welfare expenditures, and recipients may not always believe it to be in their best interest to accept such services. It is impractical to make a person accept services he does not wish to accept; more importantly, it may not be possible to determine whether or not he is "accepting" them.

EMPLOYMENT SERVICES

*Chairman GRIFFITHS (Chairman of the Subcommittee on Fiscal Policy). How many cases have been closed because of employment service?*

<sup>1</sup> *Welfare Hearings, supra n. 1, p. 1044.*

*Mr. SUGARMAN (Administrator, New York City Human Resources Administration). . . . I think that the totals, in terms of any ongoing employment, are less than 1 percent of those we have sent to the employment service.*

*Chairman GRIFFITHS. Well, then, in your judgment do the savings pay for the cost of administering the program?*

*Mr. SUGARMAN. No; not as it presently stands.<sup>2</sup>*

Everyone agrees that employable welfare recipients should work, but present legislation does not achieve this result. Although an estimated 40 percent of AFDC families are headed by an employable adult,<sup>3</sup> in January 1971 only about 15 percent of AFDC families reported earnings from either full- or part-time employment.<sup>4</sup>

Federal law requires able-bodied AFDC recipients aged 16 or over<sup>5</sup> to register for employment services and provides for the denial of assistance to any such recipient who refuses without good cause to accept a bona fide offer of employment in which he is able to engage.<sup>6</sup> When jobs are not available, however, a work requirement such as this has little meaning. At present, referring welfare recipients for employment services in New York City, Detroit, and Atlanta, is largely fruitless. Jobs are not available for many—if not most—of the recipients referred, and the few jobs found by recipients may not be permanent. Of welfare recipients sent to the employment service in New York, for example, only about 8 percent are referred for jobs. According to the director of the New York City welfare agency, "The other 92 percent are told by the employment service—not the welfare department—that suitable jobs are not available to them. Furthermore, of the 8 percent that are referred, we find that a great many of those jobs last a couple of days or a few weeks, and then they are back on the rolls."<sup>7</sup> Similarly, in Illinois only about 6 percent of the welfare

<sup>2</sup> *Ibid.*, p. 242.

<sup>3</sup> This percentage includes able-bodied fathers and, generally, able-bodied mothers with no child under age 6. Senate Finance Committee, *Social Security Amendments of 1972*, Senate Report 92-1230, September 26, 1972, p. 413.

<sup>4</sup> Earnings of the mother were reported by 13.7 percent of AFDC families; of the father, by 2.8 percent. Because some AFDC families have two employed parents, only 15.2 percent of AFDC families claimed employment expenses. Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study, Part II*, NCSS Report AFDC-2 (71), January 1972, Tables 69 and 73.

While these figures suggest the percentage of AFDC families having a parent employed during one particular month, due to intermittent employment the percentage of AFDC families having a parent employed at some time while the family is receiving AFDC is undoubtedly higher.

<sup>5</sup> Except children attending school full time, persons so remote from a work incentive project that their effective participation is precluded, persons needed at home because of the illness or incapacity of another member of the household, mothers or other relatives of children under age 6 who are caring for the children, mothers (and other female caretakers of children) in homes where the father or another adult male relative has registered. 42 U.S.C. § 602(a) (19) (A) (Supp. I, 1971).

<sup>6</sup> 42 U.S.C. § 602(a) (19) (F) (Supp. I, 1971).

<sup>7</sup> *Welfare Hearings*, *supra* n. 1, p. 233. See also *Welfare Hearings*, pp. 188, 216-17, 221-22, 444, 595, 703, 1097, 1243-44.



recipients who go to the State employment service looking for jobs are placed.<sup>8</sup> As the director of the Illinois welfare agency said, "There is probably not a single employable individual you couldn't actively recruit a job for. You can always find a job. But you can't find thousands of jobs, and that is what we need."<sup>9</sup>

Like the lack of jobs, financial disincentives to work which are created by the structure of the AFDC program may undermine enforcement of the work requirement. In spite of grant levels too low to support decent standards of living, the AFDC program tends to create inequities between welfare recipients and the working poor which may discourage employment. Many families, ineligible for AFDC because the father is employed and in the home or because the mother earns somewhat more than the maximum permitted, have incomes comparable to or less than those of families on welfare. It may be unrealistic to expect people not to reduce their hours of work when to do so is profitable.<sup>10</sup>

While current earnings disregards and work expense deductions<sup>11</sup> tend to accentuate the inequities between wage-earners who qualify for welfare and those who do not, "tax" (or benefit reduction) rates imposed on welfare recipients' earnings may reach confiscatory proportions, thereby creating another employment disincentive. Welfare payments are reduced as income increases, and a welfare recipient may find that his after-tax earnings are almost totally offset by benefits lost from AFDC and other programs.<sup>12</sup>

AFDC eligibility requirements create an especially strong work disincentive for fathers. A family with an able-bodied father in the home cannot qualify for AFDC unless the father is unemployed. As the Comptroller General pointed out, "AFDC families frequently lose money when fathers go to work because AFDC payments are discontinued when fathers obtain full-time employment, regardless of their wages. . . . The immediate cutoff of welfare payments to AFDC families with working fathers is unrealistic and tends to discourage fathers from seeking employment."<sup>13</sup>

In some circumstances the AFDC program also penalizes working mothers. Unlike the needs of a recipient, the needs of an applicant are determined without exempting any portion of earnings except an amount equal to work expenses. Thus, an applicant who earns no more than an employed recipient may be ineligible for AFDC unless she loses her job.

<sup>8</sup> Patricia Koval, "Where is State Welfare Now. Five Months after Crisis?", *Chicago Sun-Times*, April 2, 1972, pp. 8, 52.

<sup>9</sup> *Ibid.*, p. 8.

<sup>10</sup> See *Welfare Hearings*, *supra* n. 1, pp. 362-63, 372, 388-89, 445-47, 600-01, 839; Comptroller General of the United States, Report to the Congress, *Problems in Accomplishing Objectives of the Work Incentive Program (WIN)*, September 24, 1971, pp. 28-32.

<sup>11</sup> See pp. 10, 12.

<sup>12</sup> See A Volume of Studies Prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee, *Income Transfer Programs: How They Tax the Poor*, Joint Committee Print, December 1972.

<sup>13</sup> *Welfare Hearings*, *supra* n. 1, p. 8. See also Comptroller General of the United States, Report to the Congress, *Problems in Accomplishing Objectives of the Work Incentive Program (WIN)*, September 24, 1971, pp. 2, 24-28.

Even if these financial disincentives to work were removed and jobs were plentiful, however, severe administrative difficulties inherent in enforcing a work requirement would remain. Determining whether or not a person is employable may be a complex process requiring investigation and evaluation of such factors as the individual's job skills, medical problems, and access to transportation and child care.<sup>14</sup> Determining the suitability of available employment is no easier. Analysts have described the problem as follows:

[S]hould a carwasher who is laid off during a rainy spell be required to take a different job? Should a factory worker who is reduced from 40 to 25 hours per week be required to train for another occupation? What should be done about an ice cream vendor in the winter? . . . [W]hat kind of job will [a mother with no previous work experience] be required to accept . . . ?<sup>15</sup>

When employed, AFDC recipients are concentrated in occupations where employment tends to be intermittent,<sup>16</sup> and many AFDC recipients who are employed work only part-time.<sup>17</sup>

In addition to difficulties in determining employability of recipients and suitability of employment, logistical problems in learning whether recipients receive job offers are substantial. Recipients are unlikely to report that they have refused employment. Even when an employer reports such a refusal, the "bona fide" nature of the offer still must be determined. Moreover, by wearing sloppy clothing or adopting an offensive manner during job interviews, a recipient who is going through the motions of seeking work can insure that he will not be offered a job.

Administering sanctions under a work requirement is also difficult. Several years ago the President's Commission on Income Maintenance Programs concluded as follows:

Inevitably, any simple test designed to withhold aid from the voluntarily unemployed will deal harshly with some of those who cannot find work. Any degree of complexity involved in the test would introduce elements of subjective evaluation to be exercised at the lowest administrative level.<sup>18</sup>

<sup>14</sup> See *Welfare Hearings*, *supra* n. 1, pp. 961-62.

<sup>15</sup> Lee Bawden, Glen Cain, and Leonard Hausman, *The Family Assistance Plan: An Analysis and Evaluation*, Discussion Paper of the Institute for Research on Poverty, University of Wisconsin (Madison 1970), pp. 31-32.

<sup>16</sup> In late 1967, the most recent period for which figures are available, the current or usual occupational class of 12.6 percent of AFDC mothers was unskilled laborer; of 13.5 percent, private household service worker; of 18.7 percent, service worker other than private household; of 4 percent, farm laborer or farm tenant. An additional 24.9 percent of AFDC mothers had never held employment, and the usual occupation of another 8 percent was unknown. Social and Rehabilitation Service, HEW, *Findings of the 1967 AFDC Study: Data by State and Census Division--Part I*, NCSS Report AFDC--3 (67), July 1970, table 41.

<sup>17</sup> In 40 percent of the AFDC families where the mother was employed in January 1971, the mother was employed only part-time. Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study, Part I*, NCSS Report AFDC-1 (71), December 1971, table 21.

<sup>18</sup> Report of the President's Commission on Income Maintenance Programs, *Poverty Amid Plenty: The American Paradox*, November 1969, p. 59.

To enforce the present work requirement, the needs of a person who has refused to register for or accept employment are not to be considered in determining the family's welfare grant. In addition, assistance for the dependent children in the family is to be paid either to another person concerned with the children's welfare or directly to persons furnishing goods or services to the children.<sup>19</sup> The Comptroller General has questioned the advisability of these sanctions, pointing out that welfare officials for good reasons have been hesitant to apply them. Termination of the refusing family member's assistance imposes hardship on the dependent children and often does not cause the refusing member to comply with the work requirement; vendor payments create voluminous, costly clerical work for the welfare agency.<sup>20</sup>

In sum, practical difficulties inherent in enforcing a work requirement, financial disincentives to employment, and lack of jobs impede the effective delivery of employment services under present welfare law.

#### SUPPORT COLLECTION SERVICES

*Most of the fathers [of AFDC families] have little or no education and are not able to find jobs that pay enough to support their families. So, in order for their families to survive, [the fathers] have to leave home so that [their families] can get public assistance. We run them off and then waste 50 percent of our time trying to find them and make them support the same family they couldn't take care of while present in the home.*

—Doretha Spencer, Caseworker, Fulton County Department of Family and Children Services, Atlanta, Ga.<sup>21</sup>

Although State law requires parents to support their children and Federal law requires welfare agencies to enforce this obligation with respect to AFDC children,<sup>22</sup> support collection activities under the AFDC program have not been notably successful. In 76 percent of the families receiving AFDC in 1971, the father was absent from the home, but only 13 percent of AFDC families reported contributions from an absent father.<sup>23</sup>

<sup>19</sup> 42 U.S.C. § 602(a)(19)(F) (1970).

<sup>20</sup> See Comptroller General of the United States, Report to the Congress, *Problems in Accomplishing Objectives of the Work Incentive Program (WIN)* September 24, 1971, pp. 32-35.

<sup>21</sup> *Welfare Hearings*, supra n. 1, p. 839.

<sup>22</sup> The Social Security Act requires welfare agencies to try to establish the paternity of illegitimate children receiving AFDC and secure support for these and all other children receiving AFDC who have been deserted by a parent. 42 U.S.C. § 602(a)(17) (1970). In furtherance of this objective, each agency must establish a separate unit to administer its support collection activities, enter into cooperative arrangements with appropriate courts and law enforcement officials, notify law enforcement officials when AFDC is furnished to a child who has been deserted by a parent, and cooperate with agencies in other States in locating parents against whom support actions have been filed and in securing compliance with support orders. 42 U.S.C. §§ 602(a)(11), (17), (18), (22) (1970).

<sup>23</sup> Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study*, NCSS Report AFDC-1 (71), p. 4; NCSS Report AFDC-2 (71), table 69.

While the success of support collection efforts depends heavily on the cooperation of the mother,<sup>24</sup> Supreme Court rulings prohibit welfare agencies from conditioning assistance payments on that cooperation. Without opinion the Court has affirmed several lower court decisions holding that, because Congress did not intend to make the mother's cooperation in collection efforts an eligibility requirement for AFDC, assistance payments may not be denied because of a mother's refusal to name the father of her illegitimate child, to sign a criminal non-support claim against the father, or to otherwise cooperate in collection efforts.<sup>25</sup>

In practice, however, welfare mothers may have reason to believe that their cooperation is mandatory. It is doubtful whether caseworkers routinely advise AFDC applicants that they have no legal obligation to furnish information about the absent parent. On the contrary, welfare agencies appear to be following procedures which suggest that such information is required.<sup>26</sup> In some Michigan counties, for example, after a mother applies for welfare she is immediately referred to staff members from the prosecuting attorney's office who are located in the welfare office itself. As a Michigan official commented, "[W]hen you wait a month and then contact her, she is often not as cooperative."<sup>27</sup> In New York City, an applicant who claims that her husband has deserted her must fill out forms regarding his whereabouts before her case is opened.<sup>28</sup> As of June 1972, the policy in Georgia was that a mother's refusal to name the father of her illegitimate child made her and the child ineligible for AFDC.<sup>29</sup> In October 1971, 15 States and the District of Columbia required some form of cooperation in support collection activities as a condition of receiving assistance.<sup>30</sup> Thus, the absence of a legal obligation to cooperate in support collection efforts may be having little practical effect.

Of greater importance may be the lack of an incentive to cooperate. As long as a family remains on welfare, it generally<sup>31</sup> receives no financial benefit from reported support contributions. If the father makes support payments through the welfare agency, the amount of

<sup>24</sup> For the 31 percent of AFDC children who are illegitimate, the mother is virtually the only means of identifying the father; for many AFDC children, the mother is the only source of information regarding the father's whereabouts.

<sup>25</sup> *Carleson v. Taylor*, 404 U.S. 980, *aff'g mem. Taylor v. Martin*, 330 F. Supp. 85 (N.D. Cal. 1971); *Weaver v. Doe*, 404 U.S. 987, *aff'g mem. Doe v. Swank*, 332 F. Supp. 61 (N.D. Ill. 1971); *Juras v. Meyers*, 404 U.S. 803, *aff'g mem.* 327 F. Supp. 759 (D. Ore. 1971); *Shapiro v. Doe*, 396 U.S. 488 (1970) *dismissing appeal from Doe v. Shapiro*, 302 F. Supp. 761 (D. Conn. 1969).

<sup>26</sup> In effect, the Social Security Act places an affirmative obligation on welfare agencies to take steps necessary to secure support for AFDC children. See n. 22.

<sup>27</sup> *Welfare Hearings*, *supra* n. 1, p. 694.

<sup>28</sup> *Ibid.*, p. 116.

<sup>29</sup> *Ibid.*, pp. 955, 1070.

<sup>30</sup> These States were Alabama, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Missouri, New Mexico, Ohio, Pennsylvania, Rhode Island, and West Virginia. See Social and Rehabilitation Service, HEW, *Characteristics of State Public Assistance Plans under the Social Security Act: General Provisions—Eligibility, Assistance, Administration*, Public Assistance Report No. 50, 1971 edition.

<sup>31</sup> In the 16 States which apply a percentage reduction factor or a maximum grant amount, support contributions in some cases have the effect of increasing the welfare family's total income.

support collected or not collected does not affect the size of the family's welfare grant. If he makes the payments directly to the mother, her welfare payment is reduced by the amount of support received (or expected to be received). Thus, in either case, reported support contributions do not increase the welfare family's total income. Moreover, a mother's cooperation in support proceedings may be discouraged by her fear that such cooperation would subject the family to abuse from the father or lead to the loss of unreported payments already being received.

Like the absence of incentives to cooperate, the presence of disincentives to contribute support may hamper collection. By enabling married persons to maximize their incomes by separating and unmarried persons to maximize their incomes by not marrying, Federal welfare law may be encouraging avoidance of the support obligation. In 27 States, a father who is able-bodied must leave home in order for his family to receive AFDC. In other States he must either leave home or be unemployed. On the other hand, since the income of a man who has no legal obligation to support a family cannot be deducted from that family's welfare grant unless he actually contributes support and such contribution is reported or proven, a mother can live with a man who is not—or claims not to be—the father of her children and still have her own independent income from welfare.

As a senior research associate at the Urban Institute wrote, "[T]he practical effect of this [incentive for creation of female-headed families] is not known, but it is striking that low-income female-headed families with children increased by over 11 percent between 1969 and 1970 and by almost 8 percent between 1970 and 1971."<sup>32</sup> The percentage of AFDC families with the father absent from the home grew from 68 percent in 1961 to 76 percent in 1971,<sup>33</sup> and during the same period the percentage of AFDC children who were illegitimate rose from 24.5 to 31.4 percent.<sup>34</sup>

In addition to these obstacles to support collection, unavoidable practical difficulties impede enforcement of support obligations. Regardless of the law, in practice a mother's cooperation cannot be assured, for caseworkers cannot always ascertain whether she has in fact cooperated; if a mother claims not to know the father's identity or whereabouts or if she describes as the father a person who does not exist, it is unfair to assume—and often impossible to prove—that she is not telling the truth. Caseworkers are largely dependent on the recipient's word.

Even when the father's identity is known, the process of locating him may not be an easy task. Social security and Internal Revenue Service records are available to obtain the addresses of only those

<sup>32</sup> Jodie Allen, "A New Look in Welfare: McGovern Takes the Middle," *Washington Post*, August 31, 1972, p. A22.

<sup>33</sup> Social and Rehabilitation Service, HEW, *Study of Recipients of Aid to Families with Dependent Children, November-December 1961: National Cross-Tabulations*, table 1; Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study*, NCSS Report AFDC-1 (71), table 15.

<sup>34</sup> Social and Rehabilitation Service, HEW, *Study of Recipients of Aid to Families with Dependent Children, November-December 1961: National Cross-Tabulations*, table 53; Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study*, NCSS Report AFDC-1 (71), page 4.

deserting fathers against whom support orders have been issued.<sup>35</sup> Even these records are useless if the mother cannot provide the father's social security number, as is not uncommon,<sup>36</sup> or if the father has not filed a tax return. Social security and income tax data often are not current; the Social Security Administration rejects requests for information where the date given for the absent parent's last known address is less than 8 months old.<sup>37</sup> Moreover, the use of Federal records usually involves a processing delay of about 2 months.<sup>38</sup> According to the California State Social Welfare Board, the system for extracting information from Federal records available to aid in locating absent nonsupporting parents is "cumbersome" and "not effectively used."<sup>39</sup> And even if the father is located, the practical difficulties in establishing paternity in court still stand in the way of collecting support.

Support collection activities may also be hampered by doubts about their profitability. Reports differ widely with respect to the dollar return on collection efforts. In some California counties, costs are claimed to run as low as 10 percent of collections.<sup>40</sup> (This may include collections for both welfare and nonwelfare families.) In Washington, a State with a relatively successful support enforcement program,<sup>41</sup> costs of collection were 19 percent of collections (for both current and former AFDC recipients) in fiscal year 1970 and 16 percent in 1971.<sup>42</sup> (These percentages, however, are based on costs which do not include the salaries of law enforcement officials, and legal action may be used in up to 40 percent of Washington's child support cases.)<sup>43</sup> In Michigan, on the other hand, each dollar spent on salaries for prosecutors who enforce support obligations brings about \$3 in collections.<sup>44</sup>

<sup>35</sup> 42 U.S.C. §§ 610, 1306(c) (1970).

<sup>36</sup> See *Welfare Hearings*, *supra* n. 1, p. 847.

<sup>37</sup> Touche Ross & Co., *A Child Support System for the State of Georgia*, Report submitted to the Georgia Department of Family and Children Services, Atlanta, February 1972, p. 39.

<sup>38</sup> *Ibid.*

<sup>39</sup> California State Social Welfare Board, California Department of Social Welfare, *Final Report of the Task Force on Absent Parent Child Support*, January 1971, p. 37.

<sup>40</sup> California State Social Welfare Board, California Department of Social Welfare, *A Perspective on the Child Support Provisions of the Welfare Reform Act of 1971*, November 1971, p. 15. This report states, but does not document, the claim.

<sup>41</sup> In 1971, 13.4 percent of AFDC families nationwide received support contributions from an absent father; 18.8 percent of AFDC families in Washington received such contributions. The average monthly support payment received by all AFDC families nationwide was \$11.33; the amount received by all AFDC families in Washington was \$16.66. The average monthly support payment received by AFDC families nationwide who received such payments was \$84.89; the corresponding amount received in Washington was \$88.52. Contributions from an absent father comprised 17.6 percent of the total nonassistance income of AFDC families nationwide; such contributions represented 33.9 percent in Washington. Social and Rehabilitation Service, HEW, *Findings of the 1971 AFDC Study, Part II*, NCSS Report AFDC-2 (71), January 1972, tables 69, 55, 56, and 54B.

<sup>42</sup> Comptroller General of the United States, report to the House Ways and Means Committee, *Collection of Child Support under the Program of Aid to Families with Dependent Children*, March 13, 1972, pp. 9-10.

<sup>43</sup> *Ibid.*, pp. 14-17.

<sup>44</sup> *Welfare Hearings*, *supra* n. 1, pp. 692-93.

In contrast, the director of the New York City welfare agency reports that collecting support is generally "not a very fruitful process. Even if the father is located, the amount of funds which can be obtained from him are very minimal, and probably do not even justify the cost of the investigation."<sup>45</sup> According to a Georgia welfare center director, legal authorities in that State contend that "it costs more to run these fathers down and start them to paying than its worth."<sup>46</sup> Thus, doubts about the profitability of support collection activities may impede their progress.

In sum, because of practical difficulties inherent in the support collection process, as well as the presence of perverse incentives and the absence of positive incentives, under present welfare law support collection services—like employment services—are extremely difficult to provide.

<sup>45</sup> *Ibid.*, p. 229.

<sup>46</sup> *Ibid.*, p. 1062. There is a dearth of information on the incomes of absent fathers. However, in 1970, the California State Social Welfare Board's Task Force on Absent Parent' Child Support conducted an informal study of new child support cases in several California counties. The task force cautions that the study was not designed to meet the criteria for scientific sampling methods and the sample size was such that the results are not valid for reliable projection. The study found the incomes of fathers absent from the welfare families studied (presumably as reported by the mothers) to be as follows:

Item	Welfare	
	Number	Percent
Approximate monthly income of absent father:		
None.....	72	13
Under \$200.....	11	2
\$200 to \$399.....	32	6
\$400 to \$599.....	58	11
\$600 to \$799.....	52	10
\$800 to \$999.....	13	3
\$1,000 to \$1,199.....	9	1
\$1,200 to \$1,399.....	-----	-----
\$1,400 to \$1,599.....	1	1
\$1,600 and over.....	1	1
Unknown.....	278	52
Total.....	527	100

California State Social Welfare Board, California Department of Social Welfare, *Final Report of the Task Force on Absent Parent Child Support*, January 1971, app. 3C.

## CHRONIC UNDERSTAFFING

*One cannot emphasize too strongly the effect of sheer numbers on administration. The major elements of [welfare] administration—eligibility determination, budget, and social services (including employment)—assume individualized treatment, but individual attention requires time and energy, commodities which public assistance caseworkers simply do not possess. With large numbers of applicants, there is no time to go into detailed and complicated questions concerning the possibilities of support by relatives or the employment of the mother or even the whereabouts of the father. For most clients there is no close supervision of budget expenditures, no careful exploration of special needs (unless the client raises the issue), no investigation of earned income, [and] no meaningful social service programs. . . .*

—Joel Handler and Ellen Jane Hollingsworth, *The "Deserving Poor."*<sup>1</sup>

In addition to the difficulty of the work, its volume reduces the quality of welfare administration. From 1966 to 1972 the number of public assistance recipients (OAA, AB, APTD, and AFDC) jumped from about 7 million to over 14 million.<sup>2</sup> Because a disproportionate amount of this caseload growth occurred in AFDC cases, which by mandate and client need require the greatest amount of caseworker attention, the actual administrative workload more than doubled. In 1966, AFDC recipients represented 62 percent of the public assistance caseload; in 1972, they represented 77 percent.<sup>3</sup> In Atlanta, for example, from July 1965 to July 1971 the total number of public assistance cases increased by 104 percent, but the number of AFDC cases increased 492 percent. According to the director of the Atlanta welfare agency, even if the size of the welfare rolls had remained relatively stable (which was not the case), the rise in proportion of AFDC cases would have increased the workload for eligibility functions in his agency by 30 percent and for service functions by 38 percent.<sup>4</sup>

As with public assistance, participation in the food stamp program has climbed in recent years. From less than 4 million in January 1970, the number of persons receiving food stamps exceeded 12 million in

<sup>1</sup> Markham Publishing Co. (Chicago, 1971), p. 201.

<sup>2</sup> Social and Rehabilitation Service, HEW, *Trend Report, 1969*, NCSS Report A-4 (69), p. 27; Social and Rehabilitation Service, HEW, *Public Assistance Statistics, May 1972*, NCSS Report A-2 (5/72), table 1.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Welfare Hearings, supra* n. 1, pp. 1045, 1047.



July 1972.<sup>5</sup> In Michigan, for example, "[f]rom less than 3 percent of the total State caseload 2 years ago, food stamps now ranks second only to ADC as the largest single direct assistance program in Michigan."<sup>6</sup> Because of the operational differences between the food stamp and public assistance programs, growth in the food stamp program has far-reaching administrative consequences.

The rate of caseworker staff expansion has not matched the growth in the welfare caseload. HEW reports suggest that from 1966 to 1971 caseworker staffs less than doubled in size.<sup>7</sup>

#### ROUTINE CASEWORKER DUTIES

*The problems of administering the welfare program form a circular pattern of cause and effect; welfare rolls go up, but not the number of experienced social workers, which means heavy caseloads resulting in mistakes that add to the work and the costs, which lower morale, causing a high turnover which contributes to inefficiency—and the rolls keep going up.*

—Patricia Koval, Chicago Sun-Times.<sup>8</sup>

*Ever since the 1962 amendments there has been pressure for the States to reduce the caseload for the workers, and this is one of the ways by which they can get an increased Federal share of the administrative costs.*

*But the States have problems with their own budgets. They have problems with personnel turnover. A lot have not been able to achieve the levels of personnel that they wanted.*

—Gregory Ahart, Deputy Director, Civil Division, General Accounting Office.<sup>9</sup>

Caseworkers do not have time to perform routine income maintenance and service functions properly. The experience of the Atlanta welfare agency suggests that under the present welfare system even a caseworker-to-case ratio of 1:112<sup>10</sup> is not low enough to make work-

<sup>5</sup> Food and Nutrition Service, U.S. Department of Agriculture, *Food Stamp Program: Statistical Summary of Operations, January 1971*, p. 1; Food and Nutrition Service, U.S. Department of Agriculture, *Food Stamp Program: Statistical Summary of Operations, July 1972*, p. 1.

<sup>6</sup> *Welfare Hearings*, supra n. 1, p. 686.

<sup>7</sup> In June 1966, welfare agencies employed about 48,000 caseworkers who had case responsibility; in June 1970, about 66,000. The best estimate for June 1971, is 90,000. (Since child welfare services are so closely identified with the AFDC program, caseworkers providing these services are included.) Social and Rehabilitation Service, HEW, *Public Welfare Personnel, Fiscal Year 1966*, May 1968, table 3; Social and Rehabilitation Service, HEW, *Public Welfare Personnel Annual Statistical Data, Fiscal Year 1970*, NCSS Report E-2 (fiscal year 1970), September 1971, table 3; Social and Rehabilitation Service, HEW, *Public Welfare Personnel and Staff Development, Fiscal Year 1971*, July 1972, table 3 (unpublished data).

<sup>8</sup> "Efficiency—County Welfare's Big Need," *Chicago Sun-Times*, April 3, 1972, p. 18.

<sup>9</sup> *Welfare Hearings*, supra n. 1, p. 62.

<sup>10</sup> As of January 1, 1972, the Atlanta welfare agency employed 282 caseworkers and casework aides. At the same time the agency had 31,507 active public assistance cases; of these, 8,504 were OAA cases, 407 AB, 4,881 APTD, and 17,715 AFDC. *Ibid.*, pp. 1045-46.

loads manageable. Caseworkers in Atlanta who are responsible for making original eligibility determinations cannot keep up with the volume of applications received. In the words of the agency director, staff expansion "has not been accomplished to a satisfactory degree, as evidenced by the existence of applications pending beyond standards of promptness."<sup>11</sup>

Nor has the agency been able to bring the caseloads of workers charged with determining continued eligibility down to 42 redeterminations a month, the level which the department considers "realistic." (Assuming that a caseworker had no other responsibilities, which is rarely the case, a schedule of 42 redeterminations per month would permit him to spend only about half a day on each case, hardly enough time for extensive investigation.) At present, eligibility workers in Atlanta are responsible for conducting 50 to 60 redeterminations per month. In addition, each month they are expected to process 25 to 35 miscellaneous changes, such as grant adjustments for recipients who report income or address changes, and to make five determinations of employability regarding recipient mothers who do not have children under age three. Service workers, who are responsible for such tasks as locating absent fathers and providing employment services, also have heavy caseloads. In contrast to HEW's pre-1969 limit of 60 cases per service worker, service workers in Atlanta have an average caseload of 225 cases.<sup>12</sup>

In Detroit, AFDC eligibility caseloads range from 200 to 350 cases,<sup>13</sup> with each worker therefore responsible for handling the steady flow of 200 to 350 families' emergencies while making up to 58 redeterminations per month. In contrast to this responsibility, the actual expectations of administrators appear to be more practical. According to a Detroit caseworker, "They ask at least we should [review] between 25 and 30 every month."<sup>14</sup> Apparently caseloads of medicaid workers are no lighter, for the medicaid worker who testified before the subcommittee in Detroit was responsible for handling over 600 OAA- and APTD-related cases.<sup>15</sup>

Similarly, in New York City a team of five caseworkers with responsibility for determining original and continued eligibility and payment status of AFDC families has an average caseload of between 1,000 and 1,200 cases.<sup>16</sup>

A caseworker with continuing income maintenance responsibility for over 200 AFDC cases may have hardly enough time to keep recipients' checks coming and help families cope with emergencies, let alone redetermine eligibility and payment amount every six months. The frequent changes of address by AFDC families, for example, involve caseworkers in extensive paperwork. When a welfare family moves from one apartment to another, Detroit caseworkers must process a statement by the landlord regarding rent owed and the return of the security deposit. In New York City, internal files must be

<sup>11</sup> *Ibid.*

<sup>12</sup> See *Welfare Hearings*, *supra* n. 1, pp. 1043, 831, 961-62, 1047.

<sup>13</sup> *Ibid.*, pp. 390, 411, 414, 509, 594.

<sup>14</sup> *Ibid.*, p. 439.

<sup>15</sup> *Ibid.*, p. 410.

<sup>16</sup> *Ibid.*, pp. 137, 146-47.

checked to determine whether the housing unit to which the family proposes to move has code violations. To direct checks to a new address, caseworkers generally must send written instructions to the central welfare office. When checks arrive at the old address after the family has moved—as not infrequently happens—if the check is returned to the welfare agency, the caseworker must contact the recipient and see that he receives it; if the check does not turn up, various lost check affidavits must be filed.<sup>17</sup>

Lost and stolen welfare checks themselves are a heavy administrative burden. Since most welfare agencies distribute their checks through the mail and few stagger their mailings, everyone “in the street” knows when the welfare checks are due. Some checks fail to arrive. Some that arrive are stolen before they can be cashed. The proceeds of others are stolen before they can be spent. And some are cashed and spent by the proper recipient, then reported as stolen. New York City has been losing over \$5 million a year because of welfare check duplications.<sup>18</sup> When a recipient reports a check as lost or stolen, the caseworker must complete various forms and, if appropriate, arrange for the issuance of a replacement check. If it later turns out that the recipient cashed both the original and the replacement, recoupment proceedings must be started.<sup>19</sup>

Like address changes and lost and stolen checks, potential evictions sometimes keep income maintenance workers running in circles. When a New York City recipient fails to pay his rent and is threatened with eviction, in order to avoid having to pay for higher priced housing the welfare agency may pay the rent and recover the amount from the recipient by deducting it from later welfare checks.<sup>20</sup> As one caseworker explained, this policy generates an endless cycle of extra work:

We are bogged down in this rent situation constantly because [recipients] . . . know if they come in and they have an excuse, that we are going to pay this back rent to keep them from being evicted. Because of lack of places to move. [W]e are going to recoup the money from them. [Loss of money] is not the idea. It is still the same game over and over and over.<sup>21</sup>

After a recipient fails several times to pay his rent, the welfare agency may put his rental allowance on “restricted payment;” that is, instead of issuing one monthly check made out to the welfare recipient, the agency issues two monthly checks—one to the recipient in an amount which does not include an allotment for rent, and another payable to both the recipient and his landlord in the amount of the rental allowance. Separate rent checks are an administrative burden. Federal

<sup>17</sup> *Ibid.*, pp. 95–101, 414, 436–37, 451.

<sup>18</sup> *Ibid.*, p. 185. See also New York State Comptroller, *Audit Report on a Review of Procedures Concerning Lost and Stolen Checks*, New York City Department of Social Services, Report No. NY-St-2-72, September 15, 1971.

<sup>19</sup> See *Welfare Hearings*, *supra*, n. 1, pp. 113–15, 129–30, 185–86, 208–10, 330, 479–80, 967–68, 1084.

<sup>20</sup> *Ibid.*, p. 364.

<sup>21</sup> *Ibid.*, p. 101.

limits on the use of such checks<sup>22</sup> are also a burden, for they require increased accounting activities and lead to frequent reversal in payment procedures for an individual recipient.<sup>23</sup>

Income maintenance workers may also be drawn into such recipient problems as electricity and gas turnoffs; foreclosures; dental problems; children running away; drugs; alcoholism; fires; husbands assaulting wives; alleged stepfather rape cases; and lack of refrigerators, stoves, and washers.<sup>24</sup> Thus, because of the large caseloads and the intricacy of processing an individual case under present welfare law, applications and reviews are not processed promptly or thoroughly, telephone contact with recipients is limited, investigation of collateral sources minimal, and home visits rare.

#### DISRUPTION OF ROUTINE CASEWORKER FUNCTIONS

*During the past year I would estimate that over 25 percent of the staff time of State and local administrators in New York has been spent in implementing new programs or modifying old ones. Some of these . . . have been well worth the effort. Many, however, have had little [beneficial] impact on welfare administration or poverty and seem designed solely to justify the existence of a large group of bureaucrats.*

—Barry Van Lare, Acting Commissioner, New York State Department of Social Services<sup>25</sup>

Frequent interruptions of routine income maintenance and service activities further overburden caseworkers. The perpetual changes in welfare law keep administrators and caseworkers off balance, requiring them to constantly learn and relearn. When asked how often rules are changed, a Detroit caseworker answered, "Every time you put your pencil down. As soon as you make a change, a change has been made on what you just changed."<sup>26</sup> An Atlanta caseworker agreed: "[W]e get so many manual transmittals with so many changes that it's impossible to stay on top of everything."<sup>27</sup> Changes are so frequent that agencies cannot keep manuals up to date. Sometimes the welfare system appears to operate on the basis of trial and error, for pro-

<sup>22</sup> The number of individuals for whom protective or vendor payments are made who may be counted as recipients for Federal financial participation in any month is limited to 10 percent of the number of other AFDC recipients in the State for that month. In computing such 10 percent, individuals with respect to whom protective or vendor payments are made for any month because of their refusal to accept employment (see p. 21) are not to be counted. 42 U.S.C. § 603 (a) (5) (1970); 45 C.F.R. § 234.60 (b) (2) (1969). In addition, when protective or vendor payments continue—or are likely to continue—beyond a year, the welfare agency must seek judicial appointment of a guardian for the child and terminate such payments when the appointment has been made. 45 C.F.R. § 234.60 (a) (8) (1969). When protective payments are made for an aged, blind, or disabled recipient, at least every 6 months the welfare agency must reconsider the need for such payments and the way in which the protective payee's responsibilities are being carried out. 45 C.F.R. § 234.70 (a) (6) (1969).

<sup>23</sup> See *Welfare Hearings*, supra n. 1, pp. 101–03, 266, 364–65.

<sup>24</sup> *Ibid.*, p. 391.

<sup>25</sup> *Ibid.*, p. 268.

<sup>26</sup> *Ibid.*, p. 456.

<sup>27</sup> *Ibid.*, p. 840.

cedures may be changed several times and then returned to their original form.<sup>28</sup>

Changes such as a rise in the standard of need, an adjustment in the percentage of need paid, or an increase in social security benefits may require case-by-case review of the entire caseload. From 1968 through 1971, for example, the Atlanta welfare agency reviewed its entire caseload for AFDC, medicaid, and/or the adult categories 11 times. In addition, during the same period the agency found it necessary to review substantial portions of its caseload<sup>29</sup> 17 times. A rural Georgia welfare agency found it necessary to review its entire food stamp caseload three times in early 1972. Since system changes, studies, and other causes of mass caseload reviews often have tight deadlines for completion, they may bring the bulk of the welfare agency's routine activity to a virtual halt.<sup>30</sup>

Even minor legislative changes may have far-reaching effects on administration. Last year, for example, the New York State Legislature mandated the use of photographic identification cards for welfare recipients. According to the Director of the New York City welfare agency, this change meant that an additional 500,000 people would have to go to the city's drastically overcrowded welfare centers each year.<sup>31</sup>

Some changes appear to be pointless. For example, in 1967, Congress directed the States to adjust grant levels to reflect increases in the cost of living. However, since court decisions permitted States to accompany the required increases in need standards with counterbalancing changes in accounting devices for reducing payment levels,<sup>32</sup> in some States the legislation produced what a Georgia official called an administrative "exercise in futility."<sup>33</sup>

Litigation also disrupts routine income maintenance and services functions. "The problem as we see it," said Georgia's director of assistance payments, "is not so much whether we win or lose in court, but the severe strain which litigation places on the State's assistance payments system."<sup>34</sup> Litigation means that caseworker time which would normally be spent serving recipients must be spent gathering data for the courts. Loss of a court fight means adjusting operations to comply with the court order.

Acting on the basis of quality control reports, the Georgia welfare agency last year scrapped its policy of itemizing work expenses and instituted a standard work expense deduction. However, a Federal court ruled that the flat work deduction conflicted with the Social Security Act and ordered reinstatement of the old policy.<sup>35</sup> As a Georgia welfare official complained, "Nine times out of 10 we find that

<sup>28</sup> *Ibid.*, pp. 695, 843.

<sup>29</sup> Such as foster care or child abuse cases, adult cases certified during a 3-month period, or AFDC cases receiving less than a certain amount.

<sup>30</sup> See *Welfare Hearings*, *supra* n. 1, pp. 1048-50, 1067.

<sup>31</sup> *Ibid.*, p. 215.

<sup>32</sup> See *Hall v. Villa*, 406 U.S. 965 (1972), *vacating Villa v. Hall*, 6 Cal. 3d 227 (1971); *Jefferson v. Hackney*, 406 U.S. 535 (1972); *Rosado v. Wyman*, 397 U.S. 397, 413 (1970).

<sup>33</sup> *Welfare Hearings*, *supra* n. 1, p. 1238.

<sup>34</sup> *Ibid.*, p. 1240.

<sup>35</sup> *Ibid.*, pp. 1240, 1276-77, 1284-85.

we are being sued in court because of the changes being made and we're having to go back and reinitiate the same policy that was causing the error in the first place."<sup>36</sup>

Steady staff expansion and reorganization also plague welfare administrators. Growing caseloads force welfare agencies to increase staff and open new branch offices, which in turn require reorganization of personnel and caseload. Policy changes may also generate profound administrative restructuring; the administrative separation of eligibility from services, for example, has forced welfare agencies to re-vamp their entire operational plan at both the State and local levels.<sup>37</sup>

In sum, the constant legislative changes, litigation, and internal reorganization contribute greatly to dysfunction in welfare administration. The frequency of change in welfare law suggests a certain desperation in legislators' attempts to make the welfare system work. The frequency of litigation reflects the complexity and vagueness of the legislation. Moreover, the frequency with which courts strike down agency practices suggests a willingness on the part of welfare administrators to disobey the law—a recklessness that may spring from a knowledge that welfare programs are out of control.

#### CASEWORKER EXPERIENCE, TRAINING, AND SUPERVISION

*[The new caseworkers] that are coming along now, they get this 2 weeks' training downtown talking about forms. If they knew how to sit with confidence and look a person dead in the face and say, "If you cashed this check, I am going to have to take the money back," . . . they would have less trouble.*

*But the [clients], first thing, they are afraid. They—clients—say, "I didn't cash the check. You better not take no money back from me."*

*If [caseworkers] are not equipped, or not prepared, they are going to say, "He said he didn't cash the check," and they will never set that up to take it back or close the case.*

*If people threaten [new caseworkers], they are not prepared.*

*Our basic problem is they [caseworkers] are not prepared to cope with this job that we need now. Those of us that have been in a long time, we are like veterans.*

—Sara Brown, Supervisory Clerk, Clinton Center, Brooklyn, N.Y.<sup>38</sup>

Caseworker inexperience and inadequate training and supervision compound the negative effects of unrealistically heavy workloads. High caseworker turnover, which has been correlated with high rates of use of AFDC among the poor,<sup>39</sup> prevents welfare agencies from

<sup>36</sup> *Ibid.*, p. 1284.

<sup>37</sup> *Ibid.*, pp. 508–09, 1050–51.

<sup>38</sup> *Ibid.*, pp. 109–10.

<sup>39</sup> HEW and the New York State Department of Social Services, *Report of Findings of Special Review of Aid to Families with Dependent Children in New York City*, House Ways and Means Committee Print, September 24, 1969, pp. 50–51.

keeping positions filled and building up staff expertise. Inadequate training and supervision further weaken staff resources.

Welfare staffs tend to be young and inexperienced. An observer of welfare administration in Wisconsin concluded as follows:

For the most part, [caseworkers] are quite young, are college graduates with only modest professional training, are not members of professional social work organizations, have been with the agencies only a very short time, lack field experience elsewhere, and do not expect to be in public assistance work very long. In short, they view their jobs as way stations, and this is borne out by their very high turnover.<sup>40</sup>

In 1969 HEW reported that in 11 cities studied, more than half of the caseworkers had been in their jobs less than 2 years.<sup>41</sup> The highest median age of caseworkers in any one of the cities was 31.<sup>42</sup>

Caseworker turnover<sup>43</sup> reaches epidemic proportions. With an annual staff growth rate of about 16 percent, in 1971 the Atlanta welfare agency hired new employees to fill about 50 percent of its caseworker positions.<sup>44</sup> For fiscal year 1970 HEW reported an accession rate of almost 35 percent for casework positions nationwide and a separation rate of almost 31 percent.<sup>45</sup> In 1969 HEW reported that out of 11 cities studied, the lowest caseworker turnover rate was 21 percent; five of the cities had rates higher than 40 percent.<sup>46</sup>

The consistently high rate of caseworker turnover appears to result from the nature of present welfare programs themselves. The complexity of income maintenance functions, the difficulty of providing services, and the size of the workload make the caseworker's job extremely demanding. Welfare personnel have suggested that the frustration of seeing what needs to be done but not having time to do it leads to the excessive staff turnover. Caseworkers often lack not only the time, but also the means to help those who come to them in such desperate need—especially service workers, who spend much of their time making fruitless referrals. The threat of physical danger also lowers caseworker morale. Caseworkers in New York report physical assaults by recipients. Apart from the difficulty, frustration, and pressure inherent in the job, low salaries contribute to caseworker dissatisfaction. A caseworker's income may be lower than a working recipient's total income; in fact, some recipients who are hired as caseworkers remain eligible for welfare. Because local welfare agencies are relatively small,

<sup>40</sup> Joel Handler and Ellen Jane Hollingsworth, *The "Deserving Poor"*, Markham Publishing Co. (Chicago 1971), pp. 201-02.

<sup>41</sup> HEW and the New York State Department of Social Services, *supra* n. 39, p. 91.

<sup>42</sup> *Ibid.*, p. 92.

<sup>43</sup> Turnover rate is the number of caseworkers who leave a welfare agency during the year as a proportion of the total number of caseworkers in the agency at the beginning of the year.

<sup>44</sup> See *Welfare Hearings*, *supra* n. 1, p. 1046.

<sup>45</sup> Social and Rehabilitation Service, HEW, *Public Welfare Personnel Annual Statistical Data, Fiscal Year 1970*, NCSS Report E-2 (fiscal year 70), September 1971, table 6.

<sup>46</sup> HEW and the New York State Department of Social Services, *supra* n. 39, p. 90.

they cannot establish outstanding career systems to attract and keep skilled personnel. Thus, the structure of the present welfare system makes the caseworker's job so undesirable that high turnover is guaranteed.<sup>47</sup>

Typically, caseworkers lack not only experience, but also relevant training. Because of the high rate of attrition and the net staff expansion, welfare agencies must regularly train large numbers of new staff. The frequency of policy and procedural changes also requires periodic training for all staff. As a result of the complexity of what must be taught and the lack of training staff and facilities, training tends to be minimal, often leaving caseworkers unprepared for the responsibilities they must assume. Caseworkers in New York and Detroit reported receiving training which consisted of 1- to 2-week orientation periods supplemented by on-the-job experience.<sup>48</sup>

Supervision of caseworkers also tends to be inadequate. A Detroit intake supervisor reported that she was responsible for supervising 31 caseworkers, each of whom handled about 20 applications per week.<sup>49</sup> Although income maintenance supervisors in New York are each responsible for supervising a group of only five caseworkers, one center director expressed the opinion that the supervisor's responsibilities were too great as a result of the large group caseload size, which in her center averaged 1,200 cases.<sup>50</sup> HEW's 1969 study of the AFDC program in New York City indicated that program demands obliged supervisory personnel to spend most of their time "approving case actions regarding the money payments, responding to emergencies, reassigning cases and caseloads, transferring cases as recipients moved from one location to another, authorizing replacement . . . of lost and stolen checks, and responding to the increasing demands of recipients stimulated by organized groups in the neighborhoods."<sup>51</sup> In other words, caseworker supervisors did not have time to supervise.

---

<sup>47</sup> See *Welfare Hearings*, *supra*, n. 1, pp. 68, 110, 131-32, 457, 461, 465, 836, 1026, 1043, 1045, 1053.

<sup>48</sup> *Ibid.*, pp. 104-06, 150, 449, 465, 525-26.

<sup>49</sup> *Ibid.*, p. 438.

<sup>50</sup> *Ibid.*, p. 147.

<sup>51</sup> HEW and the New York State Department of Social Services, *supra* n. 39, p. 146.



## ERROR AND FRAUD UNCONTROLLED

*The consequences of these major administrative handicaps became painfully evident last April when HEW conducted a national quality control check among welfare agencies.*

*We found one out of every 20 welfare recipients getting checks they were ineligible for that month. And one out of four were being paid the wrong amount—either too much or too little. . . .*

*If that survey indicated anything, it showed that it is not welfare recipients cheating the system that constitute our big problem. It is a chaotic do-it-yourself system that is cheating the whole Nation.*

*—John Veneman, Under Secretary of the Department of Health, Education, and Welfare.<sup>1</sup>*

Complex, inconsistent, and understaffed, the present welfare system is a breeding ground for error and fraud. Although the intricacy and subjectivity of welfare policies have so far prevented accurate measurement of rates of ineligibility and incorrect payments, estimates run high. A HEW survey of March 1972 welfare records suggests that about 28 percent of AFDC families nationwide and 20 percent of adult category cases are ineligible or receiving incorrect payment amounts.<sup>2</sup>

Other sources indicate that inaccuracy is even more pervasive. A GAO review suggests that the quality control (QC) system,<sup>3</sup> of which HEW's March 1972 survey was part, may tend to underestimate rates of ineligibility and incorrect payment.<sup>4</sup> Similarly, the New York State Welfare Inspector General has criticized the lack of thoroughness in QC reviews. In contrast to the ineligibility rate of about 3 percent then reported by New York City's quality control system, the inspector general testified in April 1972 that "original applicant

---

<sup>1</sup> *Welfare Hearings, supra n. 1, p. 68.* The Under Secretary was referring to a HEW survey of April 1971 welfare records. See Office of the Secretary, HEW, press release, January 3, 1972.

<sup>2</sup> The HEW survey indicates that 6.8 percent of AFDC families and 4.9 percent of aged, blind, and disabled recipients were totally ineligible for benefits received in March 1972. Of eligible recipients who received payments of incorrect amount, almost twice as many recipients were overpaid than underpaid. Office of the Secretary, HEW, press release, December 4, 1972, p. 2. (Note that overpayments and underpayments of less than \$5 are not considered defects and are not included in percentages of incorrect payment.)

<sup>3</sup> The quality control system has the dual function of measuring rates of ineligibility and incorrect payment and pinpointing the causes of error and fraud. See pp. 40-41.

<sup>4</sup> Comptroller General of the United States, report to the Congress, *Problems in Attaining Integrity in Welfare Programs*, March 16, 1972, pp. 19-22. See p. 41.

ineligibilities appear to be running at anywhere from 17½ to 26 percent.”<sup>5</sup> (Note that the rate of ineligibility does not include overpayments and underpayments to persons who are eligible.) The New York State Comptroller has also challenged the adequacy of New York City’s QC system. New York City’s 1969–70 quality control program measured ineligibility rates at 0.9 percent for the adult categories and 1.6 percent for AFDC; in contrast, the Comptroller concluded that “a conservative estimate of the actual rates of ineligibility within the [New York City] caseload at any given point in time” was 2.5 percent for the adult categories and 7 percent for AFDC.<sup>6</sup> The Comptroller General of the United States estimated that in late 1968 and early 1969, 10.7 percent of New York City’s AFDC families were ineligible, an additional 34.1 percent received overpayments, and an additional 14.9 percent were underpaid.<sup>7</sup>

Findings of the staff of the Joint Economic Committee’s Subcommittee on Fiscal Policy also indicate a high rate of ineligibility and incorrect payment. In a study of State and local welfare rules which is to be published in the future, almost all of the 92 subcommittee questionnaires so far returned by the States contain errors in payment computation. In several of the questionnaires, the mistakes would result in incorrect payments in more than half of the cases considered. Since the questionnaire is almost completely limited to cases under one program (AFDC) and represents “laboratory conditions,” the extent of error in the responses is startling. In short, estimates suggest that error and fraud permeate the operation of welfare programs, costing the Nation millions of dollars each month.

#### DETECTION

*The past week we have been getting the notices from the New York City Housing Authority about the 7 percent [rent] increase automatically for welfare clients. The majority of our clients are mothers with children. There is no indication [of] fathers and yet every one of these notices—most of those notices—have a male and female name on it. Very interesting. They would not issue those forms to them unless there is a man in the house.*

*It says Mr. and Mrs. Jones, for argument’s sake, or Mary and John Smith, on the increase, and they are sending us a*

<sup>5</sup> See *Welfare Hearings*. *Supra* n. 1, pp. 376–79. See also Office of Welfare Inspector General, *First Annual Report of the Office of Welfare Inspector General*, 1971–72, New York, February 18, 1972.

<sup>6</sup> New York State Comptroller, *Audit Report on Quality Control Reviews of Public Assistance Cases Performed by the New York State and New York City Departments of Social Services, 1964 to 1971*, report No. NY-NYC-8-72, January 12, 1972, pp. 4–5.

<sup>7</sup> Comptroller General of the United States, *Report to the House Ways and Means Committee on Monitoring of Special Review of Aid to Families with Dependent Children in New York City*, Committee Print, October 17, 1969, p. 4. See also Comptroller General of the United States, report to the Senate Finance Committee, *Comparison of the Simplified and Traditional Methods of Determining Eligibility for Aid to Families with Dependent Children*, July 14, 1971, pp. 54–61, 63.

*copy of the notice and we only have, say Mary Smith with her children on the budget.*

—Sara Brown, Supervisory Clerk, Clinton Center, Brooklyn, N.Y.<sup>8</sup>

The nature of the present welfare system not only generates error and fraud, but also prevents their systematic detection. As the U.S. Comptroller General has said, "It is not administratively feasible to thoroughly investigate all eligibility factors of all applicants for welfare, and still produce proper and timely eligibility decisions."<sup>9</sup> If thorough investigation is not feasible for new applicants, it is not likely to occur for the entire caseload every 6 or 12 months.

Because of the lack of thoroughness in determining and recertifying eligibility and payment amount, welfare agencies rely heavily on chance discovery of error and fraud. A jealous neighbor may complain. A recipient who has been kept waiting in line for a long time may tell his caseworker that he is in a hurry because he has to take his wife to work, forgetting that he had not reported his wife's income. A caseworker may notice that a large number of applications one month list twins, or that several checks are being mailed to the same address. Mail returned to the welfare agency marked "addressee unknown" is another indication of fraud or error; when this happens, checks may be deliverable while other mail is not. For example, the director of the Connecticut welfare agency described the following occurrence:

A. . . . Let me tell you about an experiment we ran. We mail our welfare checks on the first and fifteenth of the month. We mailed an announcement on the tenth of the month concerning our rent policy. Of the 30,000 rent letters that went out, 1,500 came back marked "addressee unknown."

Q. Who's getting the checks then?

A. We're not sure.<sup>10</sup>

Tips are an additional means of detection. A study of welfare fraud in Cook County, Ill., reported that in nine out of 27 cases of excess assistance studied, the original source of information was a tip. Six of the nine tips were anonymous, one was from an out-of-State investigator, and two were from relatives of the recipient.<sup>11</sup> In short, error or fraud is likely to go unnoticed unless something happens to make the case unusual.

#### REDRESS

*There is a backlog in the whole area of fraud prosecution. There is a substantial problem in that, by the very nature of*

<sup>8</sup> *Welfare Hearings*, supra n. 1, p. 130.

<sup>9</sup> *Ibid.*, p. 7. See pp. 12-20.

<sup>10</sup> "Interview with Henry C. White, Commissioner, Connecticut State Welfare Department," *U.S. News & World Report*, October 25, 1971, p. 68.

<sup>11</sup> Alexander Aikman and Bruce Berger, "Prosecution of Welfare Fraud in Cook County: The Anatomy of a Legal System," 45 *Journal of Urban Law* 287, 290-91 (1967).

most welfare frauds, it is a relatively small dollar amount at any point in time . . .

. . . And the district attorneys have run into very serious staffing problems. This, I understand, makes it highly unlikely that a case, even when it is discovered and documented, is going to be successfully prosecuted.

There is no doubt in my mind that this is known to the welfare client and that it's an element, if you want to cheat, that you take into account—just as when you go to bet at the track, you take into account the odds.

—Barry Van Lare, Acting Commissioner, New York State Department of Social Services.<sup>12</sup>

Once the existence of error or fraud is clear, the welfare agency may attempt to recover excess assistance by administrative means or, in the event of fraud, may refer the case for prosecution. Neither administrative recoupment nor prosecution has been notably successful.

Theoretically, welfare recipients are expected to repay any excess assistance which they receive. In practice, however, they cannot repay money which they do not have; excess assistance is quickly spent, and most recipients need their next welfare check to buy food and pay the rent.<sup>13</sup> During fiscal year 1971, of those cases where welfare agencies found facts sufficient to support a question of fraud, less than 30 percent of those not referred to law enforcement officials were not referred because voluntary reimbursement was made; only about 20 percent of those referred but not prosecuted were not prosecuted because reimbursement was made.<sup>14</sup> Although the Federal share of OAA, AB, APTD, and AFDC payments in fiscal year 1971 was almost \$5.2 billion,<sup>15</sup> the total Federal share of payments recovered—including, but not limited to, repayments because of fraud, support contributions from absent parents, and amounts recovered from estates—was less than \$30 million.<sup>16</sup>

In the absence of fraud, Federal regulations forbid welfare agencies to reduce a recipient's current assistance payments because of prior overpayments "unless the recipient has income or resources currently available in the amount by which the agency proposes to reduce payment."<sup>17</sup> In other words, an agency may not dock the welfare check of a recipient who has spent excess assistance received and who remains as impoverished as ever. Even where the overpayment resulted from

<sup>12</sup> *Welfare Hearings*, *supra* n. 1, p. 368.

<sup>13</sup> By the same token, welfare agencies probably make relatively few corrective payments to recipients who have been underpaid. See *Welfare Hearings*, *supra* n. 1, p. 844.

<sup>14</sup> Social and Rehabilitation Service, HEW, *Disposition of Public Assistance Cases Involving Questions of Fraud, Fiscal Year 1971*, NCSS Report E-7 (fiscal year 71), June 1972, table 2.

<sup>15</sup> Office of Management and Budget. *The Budget of the United States Government, 1973*, January 1972, p. 157.

<sup>16</sup> See *Welfare Hearings*, *supra* n. 1, p. 87. See also *Welfare Hearings*, pp. 197, 484, 1084.

<sup>17</sup> 45 C.F.R. § 233.20(a) (3) (ii) (d) (1970).

recipient fraud, the agency may not have the right to reduce the current assistance payments of one who is without resources to meet present needs. Reasoning that Congress has established only need and dependency as eligibility conditions for AFDC, courts have forbidden welfare agencies to reduce AFDC payments solely because of parental misconduct.<sup>18</sup>

Although the incidence of fraud appears to be considerably less than that of error,<sup>19</sup> much public debate about "cleaning up welfare" focuses on the use of prosecution. Few States, however, vigorously prosecute persons suspected of welfare fraud. In fiscal year 1971, welfare agencies referred to law enforcement officials only 23 percent of the cases reported as involving a question of recipient fraud.<sup>20</sup> Excluding California and New York, welfare agencies referred only 18 percent.<sup>21</sup> Of those cases disposed of by law enforcement officials during fiscal year 1971, slightly less than half were prosecuted. Of cases prosecuted, about 40 percent were prosecuted by California and most of the rest by only nine other States.<sup>22</sup>

To state the facts somewhat differently, during fiscal year 1971 two states and two territories reported no cases of suspected fraud. Four more States referred no cases of suspected fraud to law enforcement officials. An additional seven States prosecuted no cases of welfare fraud, and 14 more plus Puerto Rico prosecuted less than 10.<sup>23</sup> In short, in 27 States prosecution for welfare fraud is virtually non-existent.

Insufficient evidence is a primary reason for the lack of referral to law enforcement officials and the lack of prosecution.<sup>24</sup> Strong proof of fraud is difficult and expensive to obtain, for intent to defraud must be shown. Some kinds of fraud occasioned by the structure of the present system are especially difficult to prove. If a recipient lets

---

<sup>18</sup> See *Holloway v. Parham*, 340 F. Supp. 336 (N.D. Ga. 1972) (Unless the excess assistance is currently available, a State may not reduce a family's AFDC payments in order to recover money which the mother obtained by cashing her absent husband's APTD checks.); *Cooper v. Laupheimer*, 316 F. Supp. 264 (E.D. Pa. 1970) (A State may not seek restitution of duplicate assistance payments—whether mistakenly or fraudulently obtained—by reducing AFDC payments required to meet the recipient's current needs.); *Evans v. Department of Social Services*, 22 Mich. App. 633, 178 N.W. 2d 173 (1970) (AFDC payments may not be denied because of the recipient's noncompliance with a restitution order resulting from conviction for welfare fraud).

<sup>19</sup> In contrast to the high estimated rates of ineligibility and incorrect payments (see p. 35), in fiscal year 1971 State welfare agencies reported that about 51,000 cases, or less than 1 percent of the caseload, involved a question of recipient fraud. Social and Rehabilitation Service, HEW, *Disposition of Public Assistance Cases Involving Questions of Fraud, Fiscal Year 1971*, NCSS Report E-7 (fiscal year 71), June 1972, table 1.

<sup>20</sup> Social and Rehabilitation Service, HEW, *Disposition of Public Assistance Cases Involving Questions of Fraud, Fiscal Year 1971*, NCSS Report E-7 (fiscal year 71), June 1972, table 1.

In 55.5 percent of the cases involving a question of recipient fraud, welfare agencies found the facts "insufficient to support a question of fraud," a phrase undefined in the report.

<sup>21</sup> *Ibid.*, table 3.

<sup>22</sup> These nine States were Colorado, Connecticut, Illinois, Maryland, Michigan, New Jersey, New York, Pennsylvania, and Wisconsin. *Ibid.*, table 5.

<sup>23</sup> *Ibid.*, tables 3 and 5.

<sup>24</sup> See n. 20. *Ibid.*, table 1.

someone else cash his welfare check for him and then claims that it was stolen, evidence of his deception is hard to find. Receipt of undisclosed support contributions is also difficult to establish. Similarly, if an employable recipient avoids job offers by "acting dumb" during interviews, it is hard to find evidence of intentional avoidance of the work requirement.

In addition to insufficient evidence, the small dollar amount involved in the average case discourages prosecution. Cases of welfare fraud seldom involve more than \$200 or \$300, and many people convicted of welfare fraud could not satisfy an order of restitution anyway.<sup>25</sup> A 1966 study of the prosecution of welfare fraud in Cook County, Ill., suggested that welfare agencies generally recovered less than \$45 as a result of a conviction for welfare fraud.<sup>26</sup> Even a recovery amount higher than \$45 might well be less than the cost of obtaining the conviction. Prosecution might also be avoided in cases where special hardship exists or voluntary reimbursement is made.

#### PREVENTION

*[The States] all have some form of quality control. The question is do they have an adequate [form] and to that I have to answer "No."*

—John Twiname, Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare.<sup>27</sup>

Since comprehensive detection of error and fraud is not feasible under present welfare law, it is important to thoroughly review a sample of cases in order to spot problem areas so that corrective measures may be taken to prevent future error and fraud. This is what the quality control system is supposed to do.

Unfortunately, however, QC suffers from various operational problems. Present payment policies and procedures make it as difficult for QC reviewers to achieve accuracy as for caseworkers. The subjectivity in determining the existence of such eligibility conditions as "incapacity" also contributes to the unreliability of QC. As one observer wrote, "[S]ince the beginning of the Federal Quality Control program, there has never been enough reduction of the variation or 'errors' in the process to say: 'We now have reached the point where we know at what level of error our process can be considered in control.'" <sup>28</sup>

Even within the limits of what is theoretically possible, QC does not appear to be functioning well. The complexity of welfare policies and procedures makes review procedures so arduous and time-consuming that States have difficulty reviewing a sufficient number of cases to produce statistically reliable results. States are expected to review a

<sup>25</sup> See *Welfare Hearings*, *supra* n. 1, pp. 368, 1085; Lacey Fosburgh, "132 on Welfare Accused in Thefts of Funds Here," *New York Times*, July 18, 1972, pp. 1, 39.

<sup>26</sup> Aikman and Berger, *supra* n. 11, pp. 316-17.

<sup>27</sup> *Welfare Hearings*, *supra* n. 1, p. 84.

<sup>28</sup> William Copeland, *An Operational Concept for a Public Assistance Ongoing Evaluation System for the Pennsylvania Department of Public Welfare*, Book 1, Institute for Interdisciplinary Studies (Minneapolis 1969), p. 66.

full sample of cases every 6 months, but the most current data available—from the June–December 1971 State reports—show that 18 States reviewed less than 85 percent of the required sample of adult cases and 21 States reviewed less than 85 percent of the required sample in AFDC.<sup>29</sup>

Like sample size, the thoroughness of investigation during QC reviews may be inadequate. On the basis of its 1971 examination of QC reviews conducted in eight States, the GAO reported as follows:

We found that, for the most part, when recipients made statements that they had no savings or earnings—called negative responses—their reaffirmation of this in interviews was accepted by the reviewers without verification. These responses constituted merely reaffirmations of the recipients' original statements at the time they had applied for assistance.

The problem of inadequate verifications is not limited to negative responses. When recipients declare savings or earnings, verifications usually are obtained only for the amounts of savings or earnings that recipients declare. In most cases quality control reviewers do not attempt to independently determine whether additional resources or incomes exist.

Because of the inadequate verifications of eligibility and payment factors, the results obtained from the quality control reviews, which were considered by the States to be complete, are questionable.<sup>30</sup>

Even when QC succeeds in isolating causes of error and fraud, welfare agencies cannot always take corrective action. Welfare administrators do not have complete freedom to hire additional staff or even to reassign existing staff.<sup>31</sup> Nor, as Georgia's experience with the standard work deduction shows, may they always modify offending policies.

Thus, although the QC system is not useless, it appears to be relatively ineffective in enabling welfare administrators to prevent error and fraud.

<sup>29</sup> Office of the Secretary, HEW, Press Release, Dec. 4, 1972, p. 3.

In January 1972, the New York State Comptroller General reported that none of New York City's quality control review projects had ever been completed. New York State Comptroller, *Audit Report on Quality Control Reviews of Public Assistance Cases Performed by the New York State and New York City Departments of Social Services, 1964–1971*, Report No. NY–NYC–8–72, Jan. 12, 1972, p. 3 of managerial summary.

Similarly, of eight States which together spent about 50 percent of all Federal welfare funds in fiscal year 1971, none was able to review the assigned number of cases for October–December 1970. Comptroller General of the United States, report to the Congress, *Problems in Attaining Integrity in Welfare Programs*, Mar. 16, 1972, pp. 16–17. See also Comptroller General of the United States, report to the Congress, *Ineffective Controls over Program Requirements Relating to Medically Needy Persons Covered by Medicaid*, July 28, 1971, pp. 33–38; Staff Report to the Senate Committee on Finance, *Medicare and Medicaid: Problems, Issues, and Alternatives*, committee print, Feb. 9, 1970, pp. 226–28.

<sup>30</sup> Comptroller General of the United States, Report to the Congress, *Problems in Attaining Integrity in Welfare Programs*, Mar. 16, 1972, pp. 19–20, 22.

<sup>31</sup> See *Welfare Hearings*, *supra* n. 1, pp. 145, 147, 1043.

## IMPLICATIONS FOR FUTURE LEGISLATION

[M]any, if not most, of the problems [in welfare administration] are the direct result of a failing system with overwhelming structural weaknesses that cannot be solved under existing law.

—John Veneman, Under Secretary of the Department of Health, Education, and Welfare.<sup>1</sup>

Public assistance programs are not being managed efficiently, for they cannot be. The present welfare system may have worked well in the small communities of the past, where welfare recipients were few and caseworkers knew everyone in town.<sup>2</sup> But, in today's large cities, where anonymity is the rule, welfare administrators who attempt to comply with all provisions of the law face an impossible task.

Unmanageable welfare programs do not serve the Nation well. Delays in processing applications, rules too complex for recipients to understand, and eligibility conditions which encourage family dissolution wreak havoc in the lives of the poor. Dysfunction in the welfare system also has profound consequences for taxpayers. Public assistance programs cost the Nation about \$17.6 billion in fiscal year 1971 and will cost about \$24 billion in 1973.<sup>3</sup> About 7 percent of the total population is on welfare.<sup>4</sup> In some urban areas, the percentage receiving welfare is considerably higher; in New York City, for example, it is 16 percent.<sup>5</sup> Welfare recipients not only drain public funds, but also represent lost production, lost income, and lost taxes paid. Thus, unmanageable welfare programs betray the needy and violate the public trust.

As long as welfare programs are fragmented and incompatible, they cannot function smoothly. As long as eligibility conditions are unverifiable, intangible, or inordinately complex, they cannot be properly enforced. As long as employment and support collection services confront perverse incentives and lack supporting incentives and opportunities, they will remain relatively ineffective. As long as the welfare

<sup>1</sup> *Ibid.*, p. 67.

<sup>2</sup> Even today, welfare administrators in less populous counties probably exercise greater control over welfare operations than their counterparts in large cities. *Ibid.*, p. 1084.

<sup>3</sup> Total expenditures under OAA, AB, APTD, and AFDC were \$9.8 billion in fiscal year 1971 and are estimated to be \$13.5 billion in fiscal year 1973; under food stamps, about \$1.6 billion in fiscal year 1971 and \$2.3 billion in fiscal year 1973; and under medicaid, about \$6.2 billion in fiscal year 1971 and \$8.2 billion in fiscal year 1973. Office of Management and Budget, *The Budget of the U.S. Government, 1973—Appendix*, January 1972, pp. 452, 204.

<sup>4</sup> Social and Rehabilitation Service, HEW, *Public Assistance Statistics, December 1971*, NCSS Report A-2, (12/71), table 14.

<sup>5</sup> See Social and Rehabilitation Service, HEW, *Public Assistance Statistics, February 1971*, NCSS Report A-2 (2/71), p. 5; Peter Kihss, "City Finds Relief Too Big a Burden," *The New York Times*, November 21, 1972, p. 1.



system is so complex that it requires armies of caseworkers, agencies will remain starved for staff. As long as welfare programs are conducive to error and fraud and not amenable to their detection, redress, or prevention, welfare payments will be misdirected.

To solve the problems in welfare administration, a hunt-and-peck method of legislating will not work. In fact, legislative tinkering may be counterproductive, for keeping welfare law in a constant state of flux tends to paralyze welfare administration.<sup>6</sup> As New York State's welfare director said, "[W]e do not have the luxury of continuing to tamper with the system on a piecemeal basis."<sup>7</sup> To achieve administrative control, comprehensive, carefully planned legislative reform is needed.

The possibilities for simplifying and coordinating functions within and among programs should be explored. Organizational structure should be reviewed. The purposes of the category system should be re-evaluated, and some categorical eligibility conditions eliminated wholly or in part. Policies for determining need and budgeting payments should be simplified and standardized. In providing employment and support collection services, emphasis should be shifted from negative requirements to positive incentives. Changes such as these would make adequate staffing levels more attainable by reducing the amount of caseworker attention required for each case and permitting increased use of computers. They would also promote accuracy in distributing payments.

Recently Congress has made some progress toward streamlining the administration of public assistance payments for the aged, blind, and disabled. The Social Security Amendments of 1972 consolidate organizational and program structure by providing for Federal administration and eliminating food stamps and commodities for recipients in the adult categories. Subject to the complications of optional State supplementation, the amendments also establish uniform, simplified rules for calculating payments.<sup>8</sup> Even with these improvements, however, many of the current problems will continue to plague administration of assistance payments for the aged, blind, and disabled. Most importantly, the amendments do not affect the AFDC program, which involves the majority of welfare recipients and the bulk of welfare expenditures.

In addition to the streamlining of public assistance programs, the possibilities for coordinating and combining public assistance programs with other income maintenance programs should be explored. Various programs have essentially the same purpose and method as public assistance; indeed, they serve many of the same people.<sup>9</sup> In addition to AFDC, OAA, AB, APTD, medicaid, and food stamps, numerous Federal programs provide assistance in cash or in-kind on

<sup>6</sup> See pp. 30-32.

<sup>7</sup> *Welfare Hearings*, *supra* n. 1, p. 268.

<sup>8</sup> These legislative changes will take effect January 1, 1974. Social Security Amendments of 1972, Public Law 92-603, §§ 301, *et seq.*

<sup>9</sup> See James R. Storey, a study prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee, *Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt*, Joint Committee Print, April 1972.

the basis of need, and others provide assistance to persons with reduced earning power.<sup>10</sup> The process of counting income is common to all programs which base eligibility on need. Other processes such as administering a work requirement, reimbursing providers of medical services, and determining extent of disability are common to several programs.<sup>11</sup> The process of writing thousands of checks each month and distributing them nationwide is common to many.<sup>12</sup> Efforts to cope with error and fraud are common to all.

Before the administration of public assistance programs can be integrated successfully with that of other programs, however, welfare programs must be made amenable to efficient administration. A major overhaul is needed, for the present welfare system functions haphazardly at best. The current crisis in welfare administration is deep.

*I see no hope but to start from the bottom and rebuild the [welfare] system for we have allowed things to get too far out of hand to hope that a few changes here and there will make the system work. We must start with our laws and regulations because that is where the trouble begins. Many of them are outdated, unrealistic, and discriminatory and have assisted in the continuous inflating of welfare rolls.*

*. . . We are helping to make public assistance a way of life for generation after generation for many families. Invariably, it is those who are in need and are trying to help themselves who are denied assistance. Many of those whom we can reach and can possibly help to pull out of their ruts, we turn our backs on. Those whom we will never reach or really help, we continue to play games with.*

*—Dorthea Spencer, Caseworker, Fulton County Department of Family and Children Services, Atlanta, Ga.<sup>13</sup>*

<sup>10</sup> Among programs providing assistance on the basis of need are the following: Food distribution; pensions for veterans with non-service-connected disabilities; pensions for widows and children of veterans; veterans' health assistance; general assistance to Indians; assistance to Cuban refugees; national school lunch program; public health services; public housing; section 235 homeownership assistance; section 236 interest reduction payments; rent supplements; Job Corps; and OEO legal services. Among other programs providing assistance to persons with reduced earning power are the following: Old-age, survivors, and disability insurance; railroad retirement, disability, and survivor's insurance; unemployment insurance; trade readjustment allowances; compensation to veterans with service-connected disability; compensation to veterans' dependents for service-connected deaths; special benefits for disabled coal miners; medicare; Indian health services; and housing assistance for veterans. For details on these programs, See Irene Cox, a study prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee, *Handbook of Public Income Transfer Programs*, Joint Committee Print, October 1972.

<sup>11</sup> Like AFDC and food stamps, the unemployment insurance program includes a work requirement. Like medicaid, medicare reimburses doctors and hospitals for health care provided. As under APTD, under the social security disability insurance, railroad disability insurance, veterans' compensation, veterans' pensions, and black lung benefits programs, eligibility depends on disability.

<sup>12</sup> Like public assistance programs, social security and other retirement programs have an extensive checkwriting function.

<sup>13</sup> *Welfare Hearings, supra*, n. 1, pp. 838-39.

RECENT PUBLICATIONS OF THE SUBCOMMITTEE ON  
FISCAL POLICY

---

Preceding Papers in the Series: *Studies in Public Welfare*

- Paper No. 1. "Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt," April 10, 1972.
- Paper No. 2. "Handbook of Public Income Transfer Programs," October 16, 1972.
- Paper No. 3. "The Effectiveness of Manpower Training Programs: A Review of Research on the Impact on the Poor," November 20, 1972.
- Paper No. 4. "Income Transfer Programs: How They Tax the Poor," December 22, 1972.
- 

Hearings in the Series: *Problems in Administration of Public Welfare Programs*

- Part 1. March 20, 1972, Washington, D.C.; and April 11, 12, and 13, 1972, New York City, N.Y.
- Part 2. May 3, 4, and 5, 1972, Detroit, Mich.
- Part 3. June 6, 7, and 8, 1972, Atlanta, Ga.