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City University of New York, Ph.D., 1976
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WHO NEEDS SOCIAL SERVICES?

The Impact of Differential Perceptions of Need for Social Services on the Development of Service Programs for Welfare Recipients in New York City From 1969 to 1973.

by

JUDITH DENTON JONES

A dissertation submitted to the Graduate Faculty in Sociology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York.

1976

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Aug. 16, 1976
date

James M. Beshers
Chairman of Examining Committee

Aug 24 1976
date

Bogdan Denitch
Executive Officer

Supervisory Committee

The City University of New York

PREFACE

In the early 1960s, poverty was not a national issue. Michael Harrington's pioneering work, The Other America, described the poverty of 40-50 million people as "invisible" because it had become physically and culturally separated from middle and upper class Americans.[1] In spite of Social Security and a few welfare programs, most government programs did not include the poor; minimum wages and other labor programs did not encompass the poor, nor did unions; and educational, medical and other services available to the poor were often of poor quality.

Harrington asserted in addition that poverty had become a problem of "aspiration," a lack of will that often prevented poor persons from taking advantage of the occasional opportunities or changed situations that did occur.[2] He stressed the importance of a comprehensive program to reduce poverty, which would also have to be national in scope, i.e., including all levels of government, all races and all social classes.[3]

The civil rights movement and the "war on poverty" programs of the 1960s addressed many of these issues. What have been the results so far? We suggest

that few major changes have been made in the social institutions devoted to reducing poverty in this country. Many of the programs of the 1960s were either not funded sufficiently to achieve their stated goals, or their design did not lead to significant resources being devoted to reducing poverty. While additional proposals to deal with these issues continue to be debated in Congress, the "welfare system" is still the primary set of institutions that deal with poverty directly. Within this system the changes that have occurred in the public sector are of most importance. Because of their continued reliance on the psychiatric approach to social work, the potential of most private charitable organizations for reducing large-scale poverty is even less now than when Harrington dismissed this potential as negligible.[4]

In spite of intense controversy over the past decade, major structural reform of public assistance programs has not yet occurred. Non-structural changes that have taken place include important extensions of coverage, such as higher benefits and higher rates of utilization. However, a small but potentially significant structural change culminated in the early 1970s--the introduction of "supportive social services" in addition to cash support as a major component of the welfare

system. Following legislation in 1962 and 1967, federal expenditures for these services increased from less than $300 million in 1968 to over $1.6 billion in 1973, an increase of more than five times, compared to a doubling of federal expenditures for cash assistance during the same period.

Such supportive services range from day care for the dependent young and old, to homemaker services, employment counseling, legal aid, and many others. Proponents of supportive services assert that they are needed to break the "vicious circle" of poverty by addressing the multiple problems that poor families and individuals have, which simple cash assistance cannot. New legislation institutionalizing service programs was passed by Congress in December 1974--Title XX to the Social Security Act.

In New York City, the combination of increased federal funds and the appointment in 1970 of a strong advocate of the service approach as the Administrator of the Human Resources Administration (New York City's welfare "superagency"), created the conditions for a first substantial test of this approach. New York City had begun experimenting with broader social service programs in the mid-1960s, and this study is based on an analysis of the development of these programs from 1969

through 1973. It is assumed that understanding the problems first encountered in New York City will help us to anticipate problems likely to be encountered as other states expand their social service programs.

The purpose of our study is to try to assess the likelihood that widespread social service programs might contribute to the reduction of poverty in this country. Our major contention is that the attitudes, perceptions, and actions of the persons directly involved in the operation of these service programs will largely determine the real impact of the programs. Because the perceptions and attitudes of various groups in the welfare system differ, conflicts arise between the goals and implementation of these programs. We will examine conflicting interpretations of the nature of the "welfare problem" and of causes of poverty held by different groups in the welfare system. We will then relate such differing perceptions to four sets of factors which have influenced the development of social services programs. These factors are: a) changes in "need" for such services by the poor; b) conflicting perceptions of "need" for services resulting from continuing cleavages in American social structure; c) organizational dynamics within and among welfare agencies, and d) the effects of political rivalries.

While all four sets of factors have influenced recent development of social services, our study clearly shows the importance that two factors, socio-economic and racial cleavages in American society and organizational dynamics within and among welfare agencies, have had on the development and implementation of the social services approach to reducing poverty. As Myrdal indicated thirty years ago, "social distance"[5] preferences will seriously affect public policies involving realignment of social and racial relationships.[6] While social service programs have the long-run potential of altering class and race relations, at the present time the delivery of service programs tends to reflect, and sometimes reinforce, current social patterns. Because of these factors, we are pessimistic as to the likelihood that service programs developed under the new Title XX legislation will have a significant impact on reducing poverty in the United States in the near future.

PREFACE FOOTNOTES

[1]Michael Harrington, The Other America, Poverty in the United States (New York: The Macmillan Co., 1962), Chapter 1.

[2]Ibid., p. 10.

[3]Ibid., pp. 167-174.

[4]Ibid., p. 171.

[5]The concept of "social distance" was first specified by E. S. Bogardus, "Social Distance in the City," in Ernest Burgess, ed., The Urban Community (Chicago: University of Chicago Press, 1926), pp. 48-54. Bogardus indicated that "social relationships, arranged...in order of decreasing fellow-feeling and understanding, may be indicated as follows: (1) To admit to close kinship by marriage; (2) to have as "chums;" (3) to have as neighbors on the same street; (4) to admit as members of one's occupation within one's country; (5) to admit as citizens of one's country; (6) to admit as visitors only to one's country; and (7) to exclude entirely from one's country." Pp. 48-49.

[6]Gunnar Myrdal, An American Dilemma, The Negro Problem and Modern Democracy (New York: Harper and Row, 1944). He lists the "white man's rank order of discrimination" as: (1) the bar against intermarriage; (2) the bar against equal behavior in personal relations; (3) discrimination in the use of public facilities; (4) political disenfranchisement; (5) discrimination by courts and public service institutions; and (6) discrimination in securing land, credit, jobs, and in securing public welfare. Summarized from pages 60-71. Also see Chapter 29, "Patterns of Social Segregation and Discrimination," pp. 605-639.

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INTRODUCTION

Since no society distributes its benefits equally among its citizens, some are always poorer than others. But countries vary greatly in the extent to which an unbalanced distribution of income and resulting poverty are defined (by the standards of the time and place) as social problems.[1] The communist ideal envisages equality of benefits in relation to needs: "From each according to his ability; to each according to his needs." In practice, contemporary centrally-planned economies employ combinations of financial incentives, legal constraints, social pressures, and working conditions to foster economic growth, resulting in continuing inequalities in incomes among their citizens.[2]

The socialist political parties of many Western European democracies include a more equal income distribution as one of their goals, but a goal which they expect to achieve slowly, (primarily because of the negative effects on work incentives that equal pay for all is likely to have under present social conditions). Under the leadership of its Social Democratic Party, Sweden has achieved the least unbalanced income distri-

bution among Western European countries and the United States.[3]

Proponents of modern industrial capitalism recognize the tendency of market mechanisms to distribute benefits unevenly. And although American tradition includes a strong emphasis on equality, "poverty" rather than skewness of income distribution per se has become a major social issue. Concern about poverty has developed at two levels. First, most people recognize that substantial poverty persists in spite of the egalitarian ideals and great affluence of the United States. Second, most people feel that many other contemporary problems--crime, drug abuse, illegitimacy, lack of education and skills, desertion, and unemployment -- are somehow caused by or linked to poverty. Complicating this reasoning, however, are several factors, including (1) awareness by many people that some of these problems are not always linked to low incomes, for example, drug addiction and child abuse, and (2) some people's tendency to attribute poverty-related problems to other causes, such as individual character defects or alleged racial characteristics.

Most people in the United States today are generally agreed that "something should be done" to help the poor, in order to reduce both the existence and the

assumed consequences of poverty. There is, however, little agreement about the causes of poverty or ways to combat it.

Part of the basic philosophy of western capitalism has been that income derives principally from jobs, and that jobs are available for everyone. The shock of the 1930 depression resulted in the first massive federal assistance programs, both to supplement the supply of jobs and to provide substitute income when jobs disappeared or individuals were unemployable.

Neither principle--direct government provision of jobs in times of economic stress or general income support programs-- has been fully accepted in the U.S. While the federal government is committed to trying to manage the economy to achieve "full employment," direct government provision of jobs, such as through the WPA during the 1930s, was controversial and limited during the record unemployment rates of the 1974-5 recession. Direct income support payments have been limited to certain groups, often called "the deserving poor:" the aged, disabled, blind, and families with one parent and dependent children. Men and women between the ages of 18 and 64 are not eligible for income support if unemployable for some reason other than severe health disability.

Because of the tremendous increase in income support payments to families with dependent children (the AFDC program) over the past decade, the nature of welfare programs has become a major public issue. In addition to the proposals that (1) the way to reduce welfare costs is to make everyone work, and (2) society should provide some income support for those who cannot work, a third point of view has been spreading in the U.S. recently. This view asserts that job programs and/or income support will not reduce poverty by themselves. In this view, "supportive social services" are also needed to help persons overcome specific difficulties, such as lack of skills and education, child care problems, poor housing, health and nutrition deficiencies, etc. Such services represent in-kind assistance--the government provides the services directly or through contracts--rather than cash assistance.

Proponents argue that services are needed to overcome both the effects of social discrimination against certain groups, which is usually also reflected in lessened access to markets, and the effects of the market's tendency to discriminate against the poor. These are problems which would not be solved by providing limited additional income to poor families. Let us examine more closely the aspects of modern society that contribute to

the persistence of poverty in the U.S.

A. Economic Causes of Low Income

In the present system of modified industrial capitalism that exists in the U.S., there are three major causes of low incomes among individuals and families ("low income" is whatever is considered inadequate by the standards of the time). Our economic system distributes the means of existence through jobs, but inadequacies in the number, distribution, and amount of income derived from jobs underlie the persistence of poverty.

First, unemployment persists; there are not enough jobs for everyone. Often called "structural unemployment," a certain number of unemployed persons is so expected that "full employment" is now considered to be achieved when 4% of the labor force is unemployed. Not only does the economic system not provide enough jobs, but there is also considerable differentiation in access to the job market based on class, race, sex, and age considerations. Because of the value patterns in the U.S., this differential access has led to concentrations of unemployment in certain minority groups, among women, and among older workers.

Second, our economy causes persons to be unemployable for numerous reasons, including inability of society

to adapt its skill-training mechanisms quickly to changing job needs, and job-caused injuries, incapacities, and deaths. Titmuss suggests that among the "socially caused diswelfares, the losses involved in aggregate welfare gains," are:

> the obsolescence of skills, redundancies, premature retirements, accidents, many categories of disease and handicap, urban blight and slum clearance, smoke pollution, and a hundred-and-one other socially generated disservices.[4]

Third, the market system inevitably produces an uneven distribution of benefits and therefore of incomes, given the concentrating effects of the progressive accumulation of capital. Although this process has not resulted in the polarized distribution of income between a few "capitalists" and an impoverished "mass of workers" predicted by Karl Marx, economists today recognize the basic tendency of market mechanisms to favor those who have enough resources to express their demands through existing markets.

The economic system in the United States today thus continues to produce poverty by its tendencies to generate (1) persistent unemployment, (2) persons who are unemployable, and (3) an unbalanced distribution of income.

B. Weaknesses in Social Relations that Contribute to Poverty

One of the major sources of dynamism and increased productivity in industrial capitalism is the increasing division of labor through greater and greater specialization. Durkheim emphasized the divisive effects this increasing specialization could have on communications among groups in society. He warned of the weakening of group solidarity that would occur when biases in the social structure distorted what he termed the "spontaneous" division of labor, i.e., that based on natural talents and inclinations.[5] The weakening of social ties underlies many conditions which we call "social problems;" Durkheim carried this point furthest in his demonstration of the "social causes" of suicide.[6]

Increasing specialization weakened traditional "extended" family structures by requiring the absence of parents for work in industrial and bureaucratic organizations. To compensate, society has taken over many of the family's traditional functions, particularly the economic, educative, and protective functions.[7] There has also developed an increasing division of labor within families, as the male role has specialized in economic support while females have specialized in child-rearing and conspicuous consumption.[8] Both the economic and psycho-

logical consequences for the male of unemployment or low income have become more severe than under previous systems of more self-sufficient households. The limitation of roles for females has also had psychological consequences, which are complicated when the absence or failure of a male adds the necessity of providing economic support as well.

One of the major elements of the "welfare state" concept is the need for social support systems to assist families that break up under these stresses. The European tradition emphasizes collective responsibility, while the American individualistic tradition focuses on individuals rather than families as the unit of society and therefore on individuals' responsibility for failure. Our continued debate over the extent of society's responsibility for family break-up is reflected in contemporary arguments over the roles of "neighborhood" and "community" in supporting individuals and families.

C. Tendency of Urban Life to Weaken Social Solidarity

Along with industrialization, western societies experienced rapid urbanization during the last century. The classic sociological view of urban life emphasized the city's impersonality, the dominance of secondary group associations compared to primary groups in the

social, business, and political lives of cities, the dominance of economic transactions, and the general reserve and isolation of many city inhabitants. While Simmel in his classic essay pointed up the enormous potential freedom these aspects of urban life give city dwellers, most sociologists and others have emphasized the negative consequences of the transition from more-or-less idealized rural and small community-based social structures.[9]

The impersonal and divisive effects of large-scale urbanization were also emphasized by the sociologists of the "Chicago School," who also applied the American empirical tradition in their studies of the distribution of businesses and residential populations in cities. Their studies showed the effects of "social distance" evaluations on the geographic distribution of different ethnic and racial groups in cities.[10] Not only did social distance preferences reduce communication among groups in urban areas, but these social barriers were reinforced by the geographic separation and segregation of different groups. These divisions created neighborhoods with distinct ethnic and cultural characteristics, some of which have persisted for several decades.

A few recent sociologists have challenged the classic view that impersonality, isolation, and even

hostility are the dominant characteristics of urban life. Jacobs and Gans studied areas in New York and Boston which they found emanated a "sense of community" and patterns of mutual assistance and cooperation.[11] Other studies, principally of low income and slum areas, have also shown the existence of ethnic solidarity and identification with local areas.[12]

On the other hand, other studies attempting to identify the elusive elements of "community" have shown that middle and upper class areas, rather than poor areas, have large numbers of "community organizations" that not only constitute a major part of local social life, but also provide means of expressing local needs and influencing the distribution of political largesse.[13] During the 1960s, the push for "community control" came mostly from black and Spanish-speaking groups struggling for a voice in urban political life. Today some white ethnic groups have taken up the concept of community control as a means of protecting their interests. Thus, the roles local communities may play within large metropolitan political systems vary, depending on the mix of ethnic and socio-economic groups involved. We do not yet know what effects community control and decentralization movements may have on different groups' attitudes towards their collective responsibility for the social welfare of all of a city's

residents.

Most concepts of "community" include both social and geographic elements, i.e., spatial proximity of ethnically, racially, culturally, and/or economically related individuals. Defining "communities" in metropolitan areas today is particularly difficult because of the high rate of mobility among urban residents. Approximately 28% of urban dwellers changed residence at least once during 1970-1974.[14] While a few neighborhoods have retained their peculiar flavor, many have experienced major character changes in the course of a few years. In the face of rapidly changing neighborhoods, traditional patterns of social interaction disintegrate, with negative effects on communication and trust among groups.

Three major problems result from these trends. First, in increasingly heterogeneous urban areas there is only occasional coincidence between (a) residential proximity and (b) mutual ties among individuals and groups, whether due to race, ethnicity, age, or occupational, educational or personal interests. Second, the less the congruence between residence and mutual interests, (a) the greater the potential for conflict among residents in any given area, and (b) the less the potential for effective representation of "community" interests in the larger urban context. Third, the greater the

diversity of individual "needs," the more difficult it is to determine "community" "needs," and therefore to develop programs to meet those "needs."

D. Coincidence of Economic and Social Causes of Poverty

A society's value patterns determine the social ranking of different groups. Among stigmatized groups, negative social evaluations reinforce the psychological consequences of economic failure. Where there is consistent discrimination, the incidence of economic failure is likely to be much higher among stigmatized groups, since these are most affected by lessened access to job markets and to upwardly social mobile occupations.

Social support mechanisms, such as community help organizations, relatives with money, social insurance and unemployment benefits, and other supportive services, are also likely to be less available for poorer groups. Many are ignorant of existing services, and unstable job histories make many ineligible for job-related benefits.

One of the results of the concentration of economic, family, and individual difficulties contributing to poverty in certain socially-stigmatized groups is that other groups in society tend to confound these causes of poverty. Because some individuals who are poor also lazy or drunkards, the generalization is made that all

poor are lazy, etc. Because many poor families are broken families, it has been said that, for example, blacks are poor because they tend to have weak family structures.[15] Because many of the poor do not have jobs or the skills needed for work, it has been suggested that lack of jobs and/or training are the major reasons for poverty.

The first of these views might be called the "individualistic" explanation of poverty. The other two have been termed the "cultural" and "situational" theories of poverty, respectively.[16] The cultural view provides a ready explanation for the persistance of poverty among groups over generations, since it emphasizes the weaknesses of the socialization patterns of poor families.[17] The "situational" theory also suggests an explanation for intergenerational poverty, when the same situations of low educational and economic opportunity are confronted by members of successive generations.

Further complicating difficulties in sorting out these theories is the phenomenon of "psychological maiming," the "complete demoralization of an individual as a result of repeated failure in the main institutions of society."[18] In such cases, even where the underlying causes might be primarily those of the situation confronting individuals, the effects of failure in meeting

society's standards may make individuals incapable of responding to subsequent improvements in the social context. The effects of psychological maiming on behavior may be so similar to those resulting from "cultures of poverty," that in practice they cannot be distinguished. Confusion over the relative importance of varying causes of poverty, and their interrelationships, remains high.

E. Persistence of Different Perceptions of Causes of Poverty

One of the results of the confounding of many causes of poverty is that different groups in society continue to hold opposing views about the nature of poverty and therefore maintain different perceptions of the needs of the poor. Because these differing perceptions are often based on conflicting interests, the formulation of public policy to alleviate poverty is extremely difficult.

Class, race and ethnic stratification patterns influence which view of poverty an individual or group is likely to hold. It is in the interests of privileged groups to view poverty as resulting from individual and/or cultural causes, since this perspective does not challenge their dominance in society or require diversion of substantial resources to alleviate poverty. On the other

hand, it is not surprising that poor groups would see the situation, the "system," as at fault for not providing enough jobs, income, and services.

Much social science research has been devoted to devising "objective" measures of welfare that would enable us to describe conditions of life without the distorting effects of subjective perceptions. Both modern "welfare economics," derived from Pareto's "social welfare function," and censuses and sample surveys represent efforts to find objective measures of social welfare. Sociologists have also studied factors underlying differential perceptions among groups, and the consequences of these different perceptions for political action.

For our study, the important result of these differences is the split that has developed between advocates of an income support strategy to relieve poverty, and advocates of a supportive services strategy.

F. Income Support vs. Supportive Services Strategies

Those who view the causes of poverty as primarily related to low incomes generated by distortions in the economic system usually favor programs of income support. Whether in the form of a "negative income tax" or some kind of "guaranteed annual income," such programs would

involve direct transfers of resources from wealthier to poorer groups via the government. Economists like Milton Friedman favor income support programs on the grounds that they interfere with the market only to correct a perceived deficiency in the market's tendency to distribute benefits, while maximizing "consumer sovereignty" and individual choice in spending the money.

The chief disadvantage of income support programs is their negative effect on work incentives. Support levels would have to be set low enough in relation to prevailing wage rates so that individuals will benefit from working, while high enough to keep unemployed and unemployable persons out of poverty. Such distinctions are difficult to make, the evidence of the New Jersey Negative Income Tax Experiment notwithstanding.[19]

Income support strategies have both the advantage and disadvantage of being extremely simple. While seeming to interfere minimally with market mechanisms and personal choices, income support by itself would not enable many individuals and families to meet their needs and get out of poverty. First, not all needs can be expressed through markets, especially needs resulting from social deprivation and isolation. Second, since some people will always make bad choices, increasing slightly the incomes of the poorest groups will not

necessarily result in eliminating poverty. Third, income support programs would not affect many of the psychological and social aspects of poverty and social discrimination.

The strategy of supportive social services stems from the socialist ideal of collective responsibility for both the benefits and disadvantages of economic progress. This strategy usually includes elements of both income redistribution in favor of more equality and also universally available social services to encourage individual opportunity and group solidarity in the Durkheimian sense. This approach is based on the principle that certain minimum needs for "healthy" and "productive" citizens should be met through government action to ensure that none suffer too much according to the standards of the society. Thus, in addition to income support for the destitute and dependent, expenditures for health, nutrition, housing, education, and child care are considered essential for maintaining individual opportunity and social harmony. Many Western European nations provide, for example, universal health services and pensions; financial support for the unemployed, handicapped, and dependent; free or partly subsidized clothing and vacations for children; housing; child care services, and family planning and family

counseling services, among others.

The disadvantages of large-scale public service programs include (1) the almost inevitable development of complex bureaucratic procedures, especially if "means tests" for eligibility are established; (2) difficulties in ascertaining the true prices of services in the public sector; and (3) difficulties in maintaining high quality public services given the usual cost constraints.

Further, depending on the comprehensiveness of coverage and number of services, the cost of publicly subsidized service programs can be quite high. Proponents of universally available services claim that universal access without fees is necessary to ensure that everyone who needs help receives it. Otherwise, it is claimed, the implementation of means tests inevitably results in the social stigmatization of the poor who qualify, and the stigma associated with the services prevents many who are needy from using them.

For the United States perhaps even greater hindrances than cost to the large-scale development of supportive services are (1) our emphasis on individual responsibility and (2) our pluralist political system. The American emphasis on individualism and work-related benefits is reflected in the structure of our welfare programs. Social security pensions are tied to prior

earnings. Disabled adults and dependent children are eligible for public assistance, not destitute families per se. Counseling, mental health, and health facilities focus primarily on individuals rather than on families or community problems.

Our local political systems foster fragmentation among different socio-economic, ethnic and racial groups as they compete for power at local levels. Trust is lacking among many of the different ethnic and racial groups in our large cities; without it there is little cooperation in pursuit of common goals and "equal opportunity."

These two factors interact to produce a complex structure of pension, health, education, and public assistance programs which reflect compromises among the interests of many different groups. These often-competing interests affect the content of service programs and who receives what within the eligibility rules.

G. Development of Services in the United States

Social services in the U.S. have developed haphazardly. Some elements of a service strategy have been adopted, such as universal public education through grade 12, health care for the poor and aged, unemployment and disability benefits for fulltime workers, and work-related pensions for the elderly. Universal health insurance is

still being debated. Other services include free lunches for school children, surplus food and food stamp programs, and some public housing.

The food and housing programs and most other services besides education are directed at the lowest income groups, and means tests are used to determine eligibility. These services are in practice part of the "welfare" program. They are authorized, except for food stamps and housing, by the Social Security Act of 1935 and its amendments. Until very recently these services were authorized as part of the sections establishing the income support, "welfare," programs for the aged, blind, disabled, and families with dependent children. The services typically offered by states include employment counseling, day care for working mothers receiving welfare, legal aid, services and meals for the indigent elderly, family planning, individual counseling, etc.

In December 1974, Congress amended the Social Security Act to create a new Title XX which specifically authorizes service programs, gives state governments broad latitude in deciding what services to offer, and extends eligibility to families not on welfare and with higher incomes than were previously eligible. (See Chapter 2 for a detailed analysis of these new provisions.)

In the debate in 1973-4 over social services

policy prior to the creation of Title XX, arguments over the value of a service strategy were raised, but few issues were resolved. Advocates of a comprehensive services program that would represent acceptance of a general obligation to make such services universally available did not prevail; but neither did advocates of pure income support programs. Congress did retain the $2.5 billion annual ceiling on federal expenditures for these services, a figure which is five times the size of federal expenditures in 1970, but far less than that proponents assert is necessary to meet "needs" for such services. The relationship between service and income support programs is even less well defined than before, and it is difficult to interpret the implications of Title XX for the future of publicly subsidized services in the U. S. In order to try to make such an assessment, our study explores the development of social service programs during the past several years, trying to isolate the most important factors that contributed to their expanded size and scope.

H. Thesis of the Study

The major contention of our study is that the attitudes, perceptions, and actions of the persons directly involved in the operation of service programs

largely determine the real impact of these programs. To understand the current nature of supportive service programs then, we must analyze not only (a) the changing "needs" of welfare recipients for services, but also (b) the influence that perceptions of program administrators and service deliverers have on program implementation. These perceptions are determined largely by the differing social positions of these groups, causing discrepancies between the goals and practical import of service programs. It is also suggested that the development of service programs has further been influenced by (c) the organizational dynamics of welfare agencies, especially competition and conflict within and among them; and (d) by political rivalries at local, state and national levels.

After examining certain problems in defining "need," in Chapter 1, we summarize the history and development of social service programs in the United States, focussing on the period of rapid fiscal expansion from 1969 to 1973 (Chapter 2).

In order to understand the way programs have actually been implemented, we made a detailed study of New York City's social service programs. We tried to determine what services were actually provided, to whom and at what costs during the years 1969 to 1973. We

then compared actual services delivered with various measures of "need" for services (Chapter 3).

In Part II we attempt to assess the factors that contributed to the expansion of the size and scope of service programs. Did they expand in response to changing needs for service among poor groups? Did these programs expand in response to changing perceptions of need on the part of those who made policy decisions, those who administered, and/or those who actually delivered the social services? What was the importance of organizational conflicts within welfare agencies? Were there exogenous political conflicts that affected the development of social service programs?

In Chapter 4 we examine the growth and changing demographic characteristics of the welfare caseload over the past 20 years in order to see if significant changes occurred that can be related to changing "needs" for social services. In Chapter 5 we examine the changing perceptions of welfare recipients' needs that occurred among key groups in the welfare system. And in Chapter 6 we examine the roles of organizational conflicts and political rivalries in the recent development of social service programs.

We conclude our study by attempting to assess the importance of these factors for the continued

development of social service programs in the United States. What relationships do service programs now have to income support programs? Who benefits from expansion of service programs as they are currently constituted? What conceptions of the causes of poverty underlie current service programs? Are service programs developing into a broad strategy to aid the poor in the United States, similar to their scope in Europe?

I. Methods Used

A combination of several approaches was required to carry out the study, perhaps best characterized as applied social research. First, it was necessary to investigate several levels and types of governmental action, including both policy and planning processes as well as actual implementation of programs. The case study of service programs in New York City provided the detailed information essential for understanding actual patterns of service delivery.

This case study was possible because of my participation in the joint Human Resources Administration-Department of City Planning "pilot project" on services planning in 1972-3. As a member of the team that developed indicators of "need" for services from census data and welfare agency data, I was able to develop working relationships with key persons responsible for

expanding HRA's service programs. We designed and produced census-tract color-coded maps of the location of target populations, as well as frequency distributions and other statistical indicators of groups probably needing services. (See Chapter 3 for methodological details.) I also became acquainted with related planning efforts being carried out by HRA, and was able to gather the additional information on perceptions needed for the study through extensive interviewing of HRA personnel.

The second major approach of the study was to combine analysis of both "objective" and "subjective" measures of "need" and their interaction, recognizing that each is necessary but insufficient by itself for understanding the complexities of social action. The potential use of objective measures in the formation of subjective perceptions and eventually policy is social science's basic rationale for trying to improve these so-called objective measures. And conversely, it is important to examine the effects of "value-laden" perceptions on the research process, both in choosing subjects for study and in formulating "objective" measures of the variables being studied.

In order to develop better "objective" measures of "need" for services, a variety of national and local

census and survey materials were used, in addition to the data derived from the "pilot project" for planning services described above, as well as data from New York City's welfare agency and Bureau of the Budget. Changes in "subjective" assessments by key groups of poor persons' "needs" for welfare and services were studied through interviews and by examining public statements, proposed and actual legislation, and reviews of actual practice. As indicated above, Goodwin's model of four key groups in the "welfare system" was adopted--"donors," "administrators," "deliverers," and "recipients." Analyzing welfare recipients' perceived "needs" for services was difficult, since they so seldom speak on their own behalf, but some public statements as well as attitude surveys are available.

Relevant organizational and political conflicts in New York City were studied by a combination of participation and participant observation resulting from several years as a part-time consultant with the New York Department of City Planning. Information on national politics was derived from review of HEW documents, Congressional materials, and interviews with public and private officials concerned with social service programs.

INTRODUCTION FOOTNOTES

[1]In 1972, for example, 7% of the U.S. population, 6.3% of the Swedish population, and 8.4% of the population in Great Britain received welfare benefits, although only in the U.S. is the "welfare crisis" a major public issue. See Martin Rein and Hugh Heclo, "What Welfare Crisis?" The Public Interest 33 (Fall 1973): 61-83.

[2]See J. D. Wiles and Stefan Markowski, "Income Distribution under Communism and Capitalism--Some Facts About Poland, the UK, the USA, and the USSR," Soviet Studies 22 (January and April 1971):344-369 and 487-511. For a discussion of some of the tensions resulting from the conflict of the egalitarian ideal and current practices, see Phillip Weitzman, "Soviet Long-term Consumption Planning: Distribution According to Rational Need," Soviet Studies 26 (July 1974):305-321, and the "Program of the Communist Party of the Soviet Union," A Summary of the Draft, USSR 60 (September 1961):1-5.

[3]Martin Schnitzer, The Economy of Sweden (New York: Praeger, 1970), pp. 155-6.

[4]Richard Titmuss, Commitment to Welfare (New York: Random House, 1968), p. 133.

[5]Emile Durkheim, The Division of Labor in Society (New York: Free Press, 1933), Book III, "Abnormal Forces."

[6]Emile Durkheim, Suicide (New York: Free Press, 1951).

[7]Alva Myrdal, Nation and Family (Cambridge, Mass.: MIT Press, 1968; published originally in 1941), pp. 4-6.

[8]Ibid., Chapter 2.

[9]Georg Simmel, "Mental Life in the Metropolis," in The Sociology of Georg Simmel, translated and edited by Kurt Wolff (New York: Free Press, 1950), pp. 409-424. For the latter view, see Ferdinand Tönnies, Community and Society, translated and edited by Charles P. Loomis

(New York: Harper and Row, 1957, 1965), and Oswald Spengler, The Decline of the West, Volume 11, translated by Charles F. Atkinson (New York: Knopf, 1928).

[10]Edward S. Bogardus, "Social Distance in the City" in Ernest W. Burgess, ed., The Urban Community (Chicago: University of Chicago Press, 1926), pp. 48-54, and Robert E. Park, "The Urban Community as a Spatial Pattern and a Moral Order," in Burgess, pp. 3-18.

[11]Jane Jacobs, The Death and Life of Great American Cities (New York: Random House, 1961); Herbert Gans, The Urban Villagers (New York: Macmillan Co., 1962).

[12]See, for example, Elliot Liebow, Tally's Corner (Boston: Little, Brown and Co., 1967), Oscar Lewis, La Vida (New York: Random House, 1966), W. H. Whyte, Street Corner Society (Chicago: University of Chicago Press, 1955) 2nd edition.

[13]For a summary of relevant research see Dennis E. Poplin, "Community Action and Community Leadership," Chapter 6 in Communities: A Survey of Theories and Methods of Research (New York: Macmillan Co., 1972), pp. 180-209.

[14]Between 1970 and 1974 approximately 54.7 million persons moved within, among, and in and out of SMSA's at least once. U.S. Bureau of the Census, Statistical Abstract of the U. S. 1975, 95th edition (Washington, D.C.: 1975), Table 44.

[15]Daniel Patrick Moynihan, The Negro Family: The Case for National Action (Cambridge, Mass.: MIT Press, 1968).

[16]For example, see Seymour Spilerman and David Elesh, "Alternative Conceptions of Poverty and Their Implications for Income Maintenance," Social Problems 18 (Winter 1971):358-373.

[17]For example, see Charles A. Valentine, Culture and Poverty (Chicago: University of Chicago Press, 1968).

[18]Spilerman and Elesh, p. 366.

[19]"Income Maintenance Experiments," Materials submitted by the U.S. HEW to the Senate Finance Committee, February 18, 1972, 143 pp. Committee print, 92 Congress, 2nd Session; Joseph A. Pechman and P. Michael Timpane, Work Incentive and Income Guarantees: The New Jersey Negative Income Tax Experiment (Washington, D.C.: The Brookings Institution, 1975).

PART I

DEVELOPMENT OF SERVICES

CHAPTER 1

ISSUES IN DEFINING "NEED" FOR SUPPORTIVE SOCIAL SERVICES

What do we mean by "need?" Are "needs," "wants," and "demands" all the same thing? "Needs" are presumed to represent conditions essential to the physical and mental functioning of human beings, whether or not they are consciously recognized or expressed. "Wants" are expressions not only of needs, but also of desires for things not considered as essential as "needs." "Demands," on the other hand, are those "wants" which can be expressed in market terms.

Although human needs are both "absolute" and "relative," we are concerned with socially-defined "needs," which are therefore relative to time and place. Socially-defined "needs" vary with the norms of a society and within each society over time. Because discrepancies frequently occur between actual deprivation and perceptions of deprivation, attempts have been made to develop both "objective" and "subjective" measures of "need." The consequences of differing perceptions of "need" for political action also vary, and social scientists continue

to study the varying relationships between absolute and relative deprivation. Let us examine these issues more closely.

A. Absolute vs. Relative Need

To say that something is "needed" implies that its acquisition is essential to the functioning of the entity being discussed. Human needs have long been recognized to include physical, psychological and social elements, for example, that both food and the presence of a nurturing person are essential to the growth of a child.

Attempts to define the needs of adult human beings strictly in physical terms focus on what is necessary for survival as an organism. The standards developed by Rowntree and Bowley, English surveyists in the early twentieth century, have been criticized because they referred "only to the minimum expenditure needed to maintain physical health, and [made] no allowance for those items of expenditure for which the ordinary man or woman will, in practice, postpone the purchase of certain necessaries."[1]

An important aspect of these efforts was the attempt to define the limits of a state's responsibility for its citizens. Western social philosophers in the early

twentieth century were acutely aware of the dislocations caused by the transition from rural feudal societies to highly urbanized and industrialized societies. The extent of the responsibility of the nation-state, which had become the dominant form of political and social organization in Europe and the Americas, to remedy these problems was hotly debated. Alternative forms of social organization, principally socialism, were being strongly advocated in Europe well before the 1917 revolution in Russia.

The theoretical organizing principle of socialism as formulated by Marx and Engels was, "From each according to his means; to each according to his needs." Participation presupposed a mutual set of rights and obligations: the socialist society would guarantee physical and social support to its members in return for their contribution to the maintenance of its economic and social systems. The obligations of the state to its citizens were conceived much more broadly under a socialist than under a market system.

A few turn-of-the-century social thinkers in the capitalist countries had tried to limit the state's responsibility for individual welfare to physical survival. By mid-twentieth century, however, the meeting of an

absolute minimum standard of physical need was no longer proposed as a principle of public policy in capitalist nations. The principle had been accepted that "the State" had fundamental obligations to ensure the rights of all citizens to participation in the economic, social, and political life of the nation. An "adequate" income, defined in terms of prevailing norms of consumption, was understood to be necessary to achieving such participation, at least as an ideal, if not yet achieved in practice.

The general, but usually unstated, acceptance of this idea was highlighted by the rediscovery of poverty in the United States in the early 1960s. Attention was focused on the fact that not only were some persons living in situations threatening to life itself, but also that many persons were without the means for a "decent" standard of living.[2] A "decent" standard of living was defined in terms of the expectations of the majority. The issue then becomes one of defining the norms of the particular society. For example, one author has suggested that, "The need for housing can be met in a number of ways, but at this time these would presumably not include living in shacks, mud-huts, tents, crumbling houses, and the like."[3]

A variety of measures of "need" reflecting prevailing social norms have been developed in the United States.

The Department of Agriculture's concept of the "market-basket" represents the "amounts needed by families of different size and composition to purchase nutritionally adequate diets at minimum cost."[4] Then, assuming that food costs of poor families represent approximately one-third of total household expenditures, a dollar-figure measuring a "poverty level income" is calculated. This amount is three times the current costs of the "market-basket" of food, depending on family size, type, and urban or rural residence.

By 1970, the U. S. Bureau of the Census had adopted this concept of the poverty level. The Census Bureau classified all respondents to the 1970 census as "above" or "below" the poverty level, using information reported on income and family size and characteristics. Rather than a single, dollar cut-off point, the poverty level is a many-celled matrix in which families are stratified by residence (rural/urban), income, sex of head of household, and number of dependents. Chart 4.7 shows the matrix used in 1970. The actual dollar amounts used in determining whether a person's or family's income is above or below the poverty level change each year depending on fluctuations in the Consumer Price Index.

Given its formulation, the poverty level concept is clearly an imprecise measure of need, since it merely

reflects the assumption that many needs remain unmet at low income levels. It is an attempt to measure relative need: people are considered "needy" when they lack an income judged sufficient to provide them with a range of goods and services available to most members of the society. The ambiguity of the census poverty level underlines the difficulty of identifying and measuring levels of need.

B. Objective vs. Subjective Measures of Need

The poverty level concept described above represents an attempt to devise an "objective" measure of need, i.e., a measure based on information acquired from sources other than the persons described as needy. "Subjective" definitions of need are based on assertions of need by individuals. There are several difficulties in interpreting subjective perceptions of need:

> The individual may feel deprived even if others consider he has no cause to feel like this and even if there appear to be no objective criteria to justify his feeling. Equally, he may deny any need whatsoever and yet be destitute, ill or live in squalor.[5]

Subjective claims of need may be difficult to ascertain, both because an objective measure of asserted need is lacking, and because needs may not be claimed, even when other evidence seems to indicate that they exist. "There are social rules and situations which govern whether

or not and when... [subjective deprivation] will be expressed."[6]

However, it is also often difficult to find acceptable objective measures of need. In addition to constructs such as the "poverty level" mentioned above,[7] one approach is to identify "conventional or social definitions of needs and standards of service."[8] These standards can be found by examining the laws, regulations, administrative and unspoken practices of a country's public service agencies.

Other approaches have been taken to develop objective measures of need. The poverty level concept, the definitions of "poor" and "near poor" developed by the Social Security Administration, and the Bureau of Labor Statistics' "lower living standard" all use total income as a summary indicator. The assumption is that total income is a measure of the likelihood that a person or family will achieve expected levels of physical and social well-being. Such summary measures are convenient and economical. They can be estimated from small samples and the regular decennial censuses, eliminating the costs of large special purpose surveys.

Townsend suggests that more detailed studies could produce better descriptions of the kinds of needs people have and where needy people are to be found.

> The interconnections between the concepts of inequality and deprivation provide the best answer. Inequality has two aspects. There is inequality of resources... Through rigorous comparison between regions and communities as well as individuals and families the inequalities in the distribution of resources can be revealed in elaborate detail... There is also inequality of social integration: individuals, families and ethnic communities fall into vertical categories according to the degree of isolation or segregation from society. People vary in the density and range of their household, family, community and social networks...
>
> Complementing these two measures of inequality would be measures of deprivation. In descending the scale of income or of other resources, such as assets, there is a point at which the individual's or the family's participation in the ordinary activities, customs and pleasures of the community is likely to fall off more sharply than the reduction of income. His opportunities to share in the pursuits and meet the need enjoined by the culture become grossly restricted... If he is someone isolated from the community..., he may not be put in touch with health and welfare services at necessary times, may remain unaware of social developments... and become deprived and perhaps liable to exploitation even if not deprived beforehand.
>
> The interaction of the two kinds of inequality--poverty of resources and isolation--can have devastating consequences for some sections of the population during periods of rapid technological and institutional change.[9]

Most attempts to measure need have concentrated on measuring inequalities of resources, and those primarily of financial and educational resources and their consequences. A recent series of studies in this vein are those of designated "poverty areas" in major U. S. cities by the Census Bureau.[10]

Studies of social isolates have most often been carried out by local public and private service agencies, using a variety of techniques, such as sample surveys, neighborhood surveys, and observations by local personnel. Unfortunately, the results of these studies have seldom been comparable to other such studies, because of conceptual and methodological inconsistencies. One social work researcher concluded that: "Studies of very similar problems in varying communities rarely enhance our fund of general knowledge. ...unfortunately, the findings of a local study are seldom presented in such a way that they can be compared with similar surveys in other communities."[11]

While these studies and observations generally support our expectations that certain kinds of persons are more likely to be socially isolated--those living by themselves, the old and the handicapped, drug addicts and alcoholics--neither systematic ways of finding such persons nor means of improving their social integration have been well developed.

A related manifestation of the problems of social isolation is the general lack of knowledge about available services that seems to exist. When they need assistance, many non-poor as well as poor persons have little idea of where to turn for help. A recent study by a major consultant on social services emphasized the problem of

lack of information about and access to services on the part of many local residents.[12] A national study of handicapped youth also emphasized this point strongly.[13]

C. The Phenomenon of Relative Deprivation

The interdependency of objective and subjective measures of need are evident in the phenomenon of "relative deprivation." While persons can often be shown to be in fact deprived of some good or service, in comparison with others, they may not feel themselves so deprived, perhaps because they compare themselves with other, less-well-off groups. The theory of "relative deprivation" refers to the kinds of discrepancies that may occur between personal perceptions and objective measures of deprivation.[14] A key to understanding the possible social effects of feelings of relative deprivation is the identification of the "reference" groups to which persons compare themselves, and how and when individuals and groups change their reference groups.[15]

The social and political effects of feelings of relative deprivation are complex. For example, aid to poor persons has often been justified (explicitly or not) on the grounds of keeping them just well enough off to prevent threats to the prevailing order. However, it is now recognized that it is seldom the poorest in a society that revolt, but rather those who have had some taste of

better living conditions and who are willing to struggle to maintain or increase their gains.

Varying perceptions of deprivation affect the actions of all the actors in the welfare system--donors and administrators as well as recipients. For example, poor persons may not feel deprived of certain goods and services of which (a) they can be shown to suffer or (b) they are believed to suffer by those who make decisions concerning the availability of these goods and services. If poor persons are felt by those who make decisions concerning the nature of the welfare system to suffer from a lack of willingness to work, whereas in fact they do not lack this willingness, then it can be expected that programs designed by the former to encourage development of work interest among the latter group will not have the intended effects.[16] Let us examine in more detail ways in which social structure divisions may affect perceptions of need and therefore the political actions of different groups.

D. Impact of Cleavages in Social Structure on Perceptions of Need

Social issues vary in the degree to which they are affected by major structural divisions in society. Focusing on the fundamental importance for families of controlling

marriage patterns, and thus the intergenerational distribution of social status and material wealth, Beshers has suggested that,

> ...as the probability that a community conflict affects intermarriage increases, then the probability that factions reflect the social structure increases. Thus, we would expect that matters of symbol acquisition such as income distribution or interracial marriage would reflect cleavages in the social structure to a greater degree than would floridation of water.[17]

Since social service programs have traditionally been associated with public assistance, one of our largest income transfer programs, and since the recent substantial increase in public funds has been spent for a wider and wider range of services, it is not surprising to find that conflicts over social service policies reflect many basic social cleavages.

Social structure cleavages are reflected in the policy-making process in a variety of ways: recruitment of persons from primarily white, middle to upper class backgrounds for government positions; domination of the production and dissemination of information and ideas on certain political issues by members of these groups; class and race patterned differences in education and economic opportunities, access to wealth, status, business and professional careers; and ethnic divisions, to name a few.

Individuals' perceptions of problems and solutions

are influenced by their cultural, racial and class backgrounds, by their occupational and organizational affiliations, and by their political interests. Social scientists have studied the development, and persistance, or change, of individuals' perceptions through the processes of family socialization, ethnic and racial identification, peer-group pressures, and occupational and interest group affiliations, among others.

Given the emphasis placed on success in our society, people usually try to maintain their status in the class hierarchy, particularly against threats from below, while minimizing their differences from the classes above.[18]

Redistribution of benefits from richer classes to poorer classes is usually viewed as threatening by the former, with certain exceptions discussed below. Such conflicts, however, will be lessened to the extent that there is general adherence to democratic values of equal opportunity and equal treatment before the law.

Privileged classes can be expected to perceive needs of poorer classes in terms which do not threaten their control of either (a) the means of resource distribution, or (b) the resources themselves. As long as the total benefits available to the society are increasing (usually measured by growth of the Gross

National Product at the national level and expanding urban economy at the local level), additional resources can be made available to the poor without cutting into those available to the rich. Responses to demands for, say, increased unemployment benefits or welfare grants, would be favorable in such situations.

However, in order for privileged classes to maintain their control of the distribution system, recipients of these benefits will be made to acknowledge an inferior social status, i.e., being on welfare or unemployed, in order to qualify for the benefits. The long-standing conception of welfare as charity and the continued emphasis on work requirements for recipients are variations on this principle. By such means the hierarchy of social statuses is maintained, and the legitimacy of the distributive power of privileged classes is reinforced.[19]

Among poor groups, perceptions of need for welfare are derived both from general societal values and from the experience of being poor. Rodman has termed the effects of this phenomenon the "lower class value stretch."[20] Many welfare recipients accept the general societal value placed on work at the same time that they accept welfare and the appropriateness of welfare regulations. One HEW study of AFDC mothers concluded that,

> AFDC women subscribed to the work ethic regardless

> of their employment status... They believed that employment would bring independence and pride to them and a better standard of living to their families. They considered work a stimulus to self-esteem... Thus the study findings refute the myth of the welfare mother who would rather sit and collect her welfare check than go out and earn a paycheck.[21]

In our study of the perceptions of need for supportive social services we have adopted Goodwin's schema of four principal groups in the welfare system, the "donor," "administrative," "delivery," and "recipient" groups. In Chapter 5 we examine ways in which the first three groups have influenced the policies and implementation of social service programs for the fourth group, welfare recipients. We also examine the ways in which these groups perceive needs for services, and how their perceptions changed, either in response to changing conditions, or because their membership changed, introducing different attitudes.

The members of these four components of the welfare system usually have very different social backgrounds, greatly affecting the kinds and amounts of communication they have with each other. And the less the communication and the more formal it is, the greater the probability of misunderstanding and misperceptions.[22]

We have already suggested that members of the donor system, who usually come from middle to upper class backgrounds and are white, will tend to perceive needs of

the poor in such a way as to minimize potential threats to their control over the distribution of resources in society. One social work theorist suggests that the recent popularity of the "services strategy" among some members of the donor system stems from their implicit recognition that significant expansion of services is less likely to affect existing social relationships than significant expansion of income support programs. While real income distribution might lead fairly quickly to threats to existing power relationships, services can be provided on the basis of "a characteristic that distinguishes them [the recipients] as a social category of low status," for example, children, the aged, the very poor, minority groups.[23]

Stigmatization, and other techniques such as scapegoating, seem to be potent means of social control when exercised by privileged classes on behalf of the status quo. Stigmatization of services by restricting them to welfare recipients has effectively both (a) reduced demand since many persons do without rather than accept the stigma that accompanies them, and (b) controlled the political attitudes of many of those who have accepted services. Not only are class differences reflected in the eligibility requirements for welfare and social services, but low status is assigned to those who meet the requirements.

These factors may help to explain why a service program with a large income support element, such as Medicaid, could be established before a universal national health insurance program had been adopted in the U. S. As long as people have to accept the stigma of being labeled lower class and/or welfare recipients to qualify for these benefits, there is little danger that the income transfer involved will seriously affect class relationships. Change in such a situation may result from events exogenous to the welfare system, from changing experiences and perceptions of those in the system, and from the interaction of these processes. To trace such changes in perceptions of need for social services requires a combination of research strategies such as we have undertaken.

Summary

We have suggested that "needs" are defined socially and thus vary among societies and within societies over time. "Needs" for supportive social services seem to be caused by deprivation--lack of resources, and by isolation --lack of social integration. The political salience of deprivation seems to depend more on perceptions of deprivation, relative to individuals' "reference groups," than on absolute levels of deprivation.

The extent to which different perceptions and

and assertions of deprivation become social issues seems to depend a great deal on whether such assertions challenge existing social structure relationships. If public response to assertions of need would require redistribution of economic resources, probabilities of intermarriage among diverse groups, or political prestige, the level of social conflict would be likely to increase sharply.

To the extent that recipients of welfare and social service assistance are thereby assigned low status, existing social structure relationships will be reinforced rather than disturbed by the resource transfers that may occur.

In order to try to understand the nature of "need" for supportive services, we have to study both "objective" and "subjective" meanings of need. "Objective" measures attempt to describe needs people have according to the existing standards of society. "Subjective" perceptions of need include assertions made by individuals and groups concerning both their own and others' needs. Analysis of subjective perceptions must take into account the social status and background of those making the assertions, their interests as individuals and members of various social groups, and the extent of their acquaintance with the conditions that produce the asserted needs.

Keeping in mind these issues concerning the definition and political salience of assertions of "needs" for supportive services, let us briefly recount the recent development of social service programs in the U. S.

CHAPTER 1 FOOTNOTES

[1]A. L. Bowley and A. R. Burnett-Hurst, Livelihood and Poverty (London: G. Bell and Sons, Ltd., 1915), p. 38; refers to B. S. Rowntree, Poverty - a study of town life (London: Macmillan, 1901). Also see Rowntree's subsequent surverys in 1936 and 1950, Poverty and Progress (London: Longmans, 1947) and Poverty and the Welfare State (London: Longmans, 1951).

[2]Michael Harrington, The Other America, Poverty in the United States (New York: Macmillan, 1962); John Kenneth Galbraith, The Affluent Society (Boston: Houghton-Mifflin, 1960)

[3]David Harvey, "Social Justice," in Richard Peet, ed., Geographical Perspectives on American Poverty, (Worcester, Mass.: Antipode Press, 1972), p. 92.

[4]Mollie Orshansky, "Recounting the Poor--A Five-Year Review," Social Security Bulletin 29 (April 1966): 20.

[5]Peter Townsend, "The Objectives of the New Local Social Service," in Peter Townsend, ed., The Fifth Social Service: A Critical Analysis of the Seebohm Proposals (London: The Fabian Society, 1970), p. 8.

[6]Ibid.

[7]Charles Booth first developed the concept of a poverty "line" in his study of Life and Labour in London. See H. W. Pfautz, ed., Charles Booth--On the City: Physical Pattern and Social Structure (Toronto: University of Toronto Press, 1962), p. 29.

[8]Townsend, Fifth Social Service, p. 8.

[9]Ibid., pp. 9-10.

[10]For example, see the 1970 Employment Profiles of Selected Low-Income Areas, U.S. Summary-Urban Areas. Final Report PHC(3)-1. (Washington, D.C.: Government Printing Office, 1972); also, Department of Labor, Bureau of Labor Statistics, reports on the "Urban Employment Survey of 1968 to 1970."

[11]Genevieve W. Carter, "Measurement of Need," in Norman A. Polansky, ed., Social Work Research (Chicago: University of Chicago Press, 1960), p. 201.

[12]Booz-Allen and Hamilton, Inc., "Final Report: Assessing Needs and Resources," HEW Contract SRS-72-66, June 30, 1974.

[13]James S. Kakalik, et al., Improving Services to Handicapped Children, with Emphasis on Hearing and Vision Impairments. (Santa Monica, Calif.: RAND Corporation, 1974).

[14]W. G. Runciman, Relative Deprivation and Social Justice (Berkeley: University of California Press, 1966). See p. 10 for definitions.

[15]For example see Herbert Hyman and Eleanor Singer, eds., Reference Group Theory and Research (New York: Free Press, 1968).

[16]Leonard Goodwin, "Bridging the Gap Between Social Research and Public Policy: Welfare, a Case in Point," Journal of Applied Behavioral Science 9 (January 1973): 85-114.

[17]James M. Beshers, Urban Social Structure (New York: Free Press, 1962), p. 164.

[18]Ibid., p. 130.

[19]For example, Cloward and Piven assert that, in the 1960s, increases in welfare benefit levels could be attributed to the desire of the upper classes to damp down riots by giving more resources, but via the traditional mechanisms, which maintained their control over distribution. Regulating the Poor: The Functions of Public Welfare (New York: Random House, 1971).

[20]Hyman Rodman, "The Lower-Class Value Stretch," Social Forces 42 (December 1963): 205-215.

[21]Betty Burnside, "The Employment Potential of AFDC Mothers in Six States," Welfare in Review (Washington, D.C.: HEW, July-August 1971) p. 4. Also see Bradley R. Schiller, "Empirical Studies of Welfare Dependency: A Survey," The Journal of Human Resources 8 Supplement (1973): 19-32.

[22]Leonard Goodwin, "How Suburban Families View the Work Orientations of the Welfare Poor: Problems in Social Stratification and Social Policy," Social Problems 19 (Winter 1972):337-348; and Do the Poor Want to Work? (Washington, D.C.: The Brookings Institution, 1972).

[23]Hagith R. Shlonsky, "Welfare Programs and the Social System: A Conceptual Examination of 'Social Services' and 'Income Maintenance Services,'" Social Service Review 45 (December 1971):424.

CHAPTER 2

LEGISLATIVE BACKGROUND AND RECENT HISTORY OF SOCIAL SERVICES IN THE U. S.

A. The Link to Public Assistance (Welfare)

Federal support of public assistance programs began with the passage of the Social Security Act in 1935. While the major purpose of this act was to provide retirement and disability assistance for workers, several programs were also established to assist other categories of "needy" persons, primarily homeless and dependent children, persons unable to work, and the indigent elderly. Strict income and employability standards were set, as these programs were supposed to assist the "deserving poor." Since 1935, many extensions of coverage and improvements in benefit levels have been made.

While the core of public assistance has remained the provision of cash for living expenses, in-kind assistance, for example, surplus foods and public housing, has sometimes been made available to welfare recipients through federal and state programs. Supportive services, principally counseling and referral, were also offered by many caseworkers as their workload permitted. Determination of type and quantity of services provided is difficult,

since caseworkers did not report these activities separately. Quality and attitudes toward services are even more difficult to evaluate, since caseworkers controlled both eligibility determination for cash assistance and services. It has often been asserted that recipients felt that acceptance of services was a prerequisite to receiving financial assistance. On the other hand, large caseloads and much required paperwork seems in general to have prevented most caseworkers from spending significant amounts of time providing services. (See Chapter 5 for further discussion of these points.)

Following World War II the characteristics of welfare recipients began to change. Recipients under Title IV of the Social Security Act--Aid to Families with Dependent Children--were less and less poor widows with children and more and more unmarried and deserted mothers. The geographic balance was shifting, as the number of recipients in urban areas increased along with the general urbanization of American society. The racial makeup of AFDC recipients was also changing, as more blacks applied for assistance, particularly in northern cities. (Discrimination against blacks in providing welfare was prevalent in the south until the 1960s.

Observing these trends and experiencing difficulty in assisting urban black mothers to get out of poverty with the limited cash assistance provided by the welfare

programs, social workers, social work administrators and academics began to push for providing more "social services" for welfare recipients. In addition to counseling, conceptions of services were broadening to include, for example, housing assistance, health and nutrition assistance, employment counseling, day care for working mothers, legal aid, etc.

1. Establishment of Federal Support for Services--1956

The 1956 amendments to the Social Security Act first authorized federal reimbursements to state governments for their social service activities. At this time, only staff members of state welfare agencies were authorized to provide services that were federally reimbursable. Federal matching of state funds was set at 50%, i.e., $1 of federal money for each dollar of state funds. The new authorization followed the procedure of the other programs authorized by the Social Security Act and was "open-ended," that is, no annual limit was put on federal expenditures since they flowed automatically in response to state expenditures.

In order to qualify for the 50% federal reimbursement, states were required to offer two kinds of services. Recipients of Old Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled (Titles I, X, XIV, and XVI of the Act) were to receive services in order

"to help them attain self-support or self-care."[1] Under the AFDC program, both parents and relatives responsible for children receiving support were to be offered services aimed at the "protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent."[2] These services were to be made available by state welfare agencies in "areas predominantly rural and other areas of special need."[3]

During the next several years states seem to have made little use of these federal matching funds. Since services were reimbursed on the same basis as other case-worker activities, eligibility determination, grant supervision and administrative tasks (from which they were often not easily distinguished), funds for services were included in federal reimbursements to states for "administrative" costs. From 1957 to 1960, the ratio of administrative costs to cash grants paid by the federal government varied little, nor did significant increases in federal expenditures occur which can be related to increases in services. (See Table 2.1 below.)

A report in 1961 to the Secretary of HEW recommended that, "States must be encouraged to provide services. ...When States provide them, the formula should include additional Federal funds for such effort. Overhead administrative costs, i.e., office rent, should continue to

Table 2.1

Federal and State Expenditures for Administrative Costs, Including Social Services, of Public Assistance, 1954 to 1970

Sources: NCSS Report F-5 (FY36-70) "Expenditures for Public Assistance Payments and for Administrative Costs, by Program and Source of Funds: Fiscal Years 1936-1970." (HEW, July 6, 1971).

Fiscal Year	Administrative Costs, Including Social Services			
	Federal (000)	Percentage Increase	State (000)	Percentage Increase
1954	86,008	5.2	74,535	5.9
1955	90,477	7.6	78,961	5.1
1956	97,380	8.1	82,894	8.0
1957	105,307	9.7	89,553	10.5
1958	115,506	8.2	98,933	8.7
1959	125,009	6.9	107,497	7.2
1960	133,621	6.6	115,194	9.5
1961	142,397	15.3	126,136	11.3
1962	164,197	17.7	140,389	2.8
1963	193,197	24.1	144,315	10.4
1964	239,716	22.5	159,345	9.5
1965	293,530	22.9	174,519	15.7
1966	360,812	23.1	202,200	25.2
1967	444,318	21.9	253,177	16.8
1968	541,603	30.1	295,766	18.5
1969	704,617	28.8	350,363	26.6
1970	907,385		443,487	

be reimbursed on a 50% matching basis."[4]

In addition to the lack of specific encouragement for services, other weaknesses in the 1956 legislation included the lack of specific lists of services and the lack of adquate reporting and enforcing mechanisms.

> It is extremely difficult to assess the effects of this [1956] legislation. Some States did take stock of their services and at least evaluate the feasibility of extending their services to ADC families. Some tried to expand short-term services in areas of health, employment, housing, family relations, and children's problems. ... Most States, however, faced problems of limitations of staff, time, and money and provided few, if any, new services, beyond what they could to during regular contacts with those eligible for ADC.[5]

2. Expansion of Federal Support for Services --The 1962 Amendments

In 1962 another series of amendments to the Social Security Act expanded the authorization to provide services. State agencies were required to "make available to applicants for or recipients of assistance...at least those services to help them attain or retain capability for self-care which are prescribed by the Secretary [of HEW] ..."[6] Federal financial reimbursement was increased to 75% for both services and staff training, i.e., $3 of federal funds for every $1 of state funds. "Purchase of service" arrangements with other state agencies were authorized in order to permit these agencies to make available services which the state welfare agency could not

provide directly itself.

Other amendments emphasized the federal interest in services and broadened coverage of public assistance benefits in several ways. One observer commented:

> Welfare specialists left the impression that the so-called services amendments enacted in 1962 with their enthusiastic support would have a restraining effect on the growth of public assistance. Hearings records were filled with accounts of success stories in demonstration programs attributable to intensive services by skilled workers;... Proponents of the services amendments viewed them as a way of overcoming the tendency of the cash relief function to dominate in any welfare situation where cash is part of the agency's armamentarium. For a good many States, however, the services amendment simply provided a way of getting more federal money for doing pretty much the same thing they had been doing in the way of services.[7]

B. The Move to Separate Services from Cash Assistance

Following the 1962 amendments federal welfare officials attempted to define services more clearly. HEW's Bureau of Family Services issued a 100+ page letter to state welfare departments defining services and conditions for federal reimbursement.[8] Some of the difficulties encountered have been summarized as follows:

> For several reasons, service giving is hard to define in terms that can precisely and effectively guide state and local conduct. It is extremely decentralized, being a task principally for caseworkers, the lowest-ranking and most numerous class of employee excepting clerks and typists. It is also highly discretionary, in practice and according to social work doctrine. The individual caseworker is presumed to use his judgment in adapting service to the individual needs of the client, always guided of course by professional principles and knowledge. Finally, service giving is not discrete; it is hard

> to distinguish from other types of activity that may be carried on by workers in association with it.[9]

In 1966 the American Public Welfare Association, under a grant from OEO, began an intensive study of how to improve public welfare services. One of their fundamental recommendations was that social services and financial assistance activities should be separated.[10]

Momentum for separation of services from financial aid was also growing within HEW in the late 1960s. After consultation with state welfare agencies and many drafts, a program regulation mandating separation was issued by HEW in June 1972.[11]

New York City's welfare administrators were early convinced of the need to separate the administration of services from cash payments, and began in 1969 to try to implement the recommendations of their 1968 "Task Force on the Separation of Income Maintenance and Social Services." The following excerpt from the Task Force's report illustrates key assumptions behind the organizational recommendations.

> "To the extent possible, services should be completely separated from income maintenance.
>
> "Social services should be available on the basis of need and not economic level. However, initially the target group for services should be those in receipt of income maintenance.
>
> "For other than mandated functions and protective services, all services should be voluntary, with the

> consumer having the option to accept, reject, or to terminate contact at any time.
>
> "The thrust of the service program should be to effect situational change, rather than personal or intrapsychic change, except in limited and defined situations...
>
> "Emphasis should be given to the concrete, specific environmental services needs...
>
> "Many of the services as defined here need not be given in the context of a casework relationship...
>
> "Services will be goal-oriented and time-limited.
>
> "Service effectiveness should be measured to the extent possible."[12]

The second of these principles illustrates some of the reasons for persisting difficulty in separating services from cash assistance. Services were to be offered on the basis of "need" rather than "economic level," although the initial target group was to be those receiving income maintenance. How are persons "needing" services to be identified? Which "needs" are to be recognized as appropriate for state response? How are service programs to meet those needs to be designed and implemented? Most definitions of need include reference to low economic level, either directly as in the Census Bureau's "poverty level," or indirectly as here, by using eligibility for public assistance as the criterion for eligibility for services. If, in fact, a state welfare agency targets services only at welfare recipients, it would be difficult to effectively "separate" services from income maintenance.

These and related issues concerning definitions of need and of "goal-oriented" and "time-limited" services will be discussed further in Part II of the study.

C. Expansion of Services Amidst Rising Welfare Rolls--The 1967 Amendments

The 1967 amendments to the Social Security Act were passed in an atmosphere of great concern with the growing numbers of persons receiving public assistance, particularly with the great increase in the number of cases under the AFDC program, which had grown from about 3.5 million persons in 1962 to more than 5 million persons in mid-1967. Whatever services had been provided by states under the inducements contained in the 1962 amendments seemed to have had little impact on "reducing dependency" if judged by the size of the welfare caseload (although, as always in the case of social programs, it is impossible to say whether the situation might not have been even worse without service programs).

Congress agreed to expand the kinds of services eligible for federal reimbursement, but much greater emphasis was also placed on work and training programs for all "appropriate" recipients, specifically including for the first time mothers in female-headed families. In extending the WIN (Work Incentive Program) to women as well as men, Congress stated two basic objectives:

a) to assure that recipients would enter the work force, and b) to prevent or reduce births out of wedlock.[13] Three incentives were authorized for women only: a) free child care, b) an allowance for work-related expenses, and c) a $30 disregard for earned income in computing the welfare grant.

The 1967 amendments also listed nine specific types of services which states were required to offer in order to qualify for federal matching funds. In addition to WIN, the nine mandated services for Title IV A (AFDC) were:

- Foster care;
- Prevention or reduction of births out of wedlock;
- Family planning;
- Services to meet particular needs of families and children, for example, homemaking and money management, educational opportunities for children;
- Protective services for children and cooperation with children's courts;
- Services related to health needs;
- Legal services;
- Child welfare services;
- Community planning.[14]

Optional services states could provide included "Services to a family or any member thereof for the purpose

of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence."[15]

The optional and required services to be offered to recipients of assistance in the adult categories--the disabled, aged and blind--were:

Required:

- Information and referral services;
- Protective services;
- Services to enable persons to remain in or to return to their own homes or communities;
- Services to meet health needs;
- Self-support services for the handicapped;
- Homemaker services;
- Special services for the blind;
- Community planning.

Optional:

- Services to individuals to improve their living arrangements and enhance activities of daily living;
- Services to individuals and groups to improve opportunities for social and community participation;
- Services to individuals to meet special needs;
- Other services.[16]

Support for the 1967 amendments concerning services came from a Congress concerned with rising welfare costs that perceived work and work training supported by day care as a means of reducing the number of mothers on welfare, and from a federal administration in HEW that perceived services as a means of ameliorating the unsettled and hazardous conditions of living on welfare.[17] Another Congressional objective was to increase the states' involvement in trying to reduce what were seen as the two major causes of the rise in AFDC cases--increases in desertion and illegitimacy. Work training, counseling, educational services, and day care were to be greatly expanded by states in an effort to slow these trends.

The effect of the increased federal emphasis on social services is reflected in federal reimbursements beginning in FY 1968. (See Table 2.2.) While both federal and state social service expenditures increased rapidly after the 1967 amendments, federal expenditures not only increased more rapidly, but also by such large jumps that concern began to develop over the magnitude these programs might reach under their open-ended appropriation.

Table 2.2

Estimates of Federal Expenditures for Social Services, 1967-1975 ($ million)

Fiscal Year	Estimate of March 1972	Percentage increase	Estimate of Sept. 1972	Percentage increase	Estimate of May 1973	Percentage increase	Estimate of Aug. 1973	Percentage increase
1967	282		--		236		-	
		(23:1)				(22.2)		
1968	347		230		288		-	
		(2.3)		(53.9)		(34.5)		
1969	355		354		387		-	
		(47.3)		(51.1)		(78.3)		
1970	522		535		672		-	
		(32.7)		(39.4)		(10.3)		
1971	692		746		741		-	
		(87.1)		(56.0)		(131.1)		
1972	1296		1696*		1712		-	
		(-2.3)		(21.6)				
1973	1266		2162**		-		1664	
								(7.6)
1974	-		-		-		1801	
								(3.2)
1975	-		-		-		1860	

* This was one of three estimates for 1972 given by Veneman and was the "HEW estimate based on latest expenditure reports." $838 million had been estimated in the President's budget, and $1363 million had been the "Official May State estimates."

** This was the "Official May State Estimate" according to Veneman. The President's budget had estimated $1.241 billion, while unofficial State estimates of July 1972 had totaled $4.693 billion.

Table 2.2 Sources

March 1972 Estimate: Phillip Rutledge, Deputy Administrator, SRS, HEW, statement submitted pursuant to request of the Subcommittee of the House Committee on Appropriations, in hearings on the Departments of Labor and Health, Education and Welfare Appropriations for 1973: Part 5: Social Security Administration, Social and Rehabilitation Service, Office of the Secretary, March 27, 1972, p. 239.

September 1972 Estimate: John Veneman, Under-secretary of HEW, Open-Ended Federal Matching of State Social Service Expenditures Authorized Under the Public Assistance Titles of the Social Security Act, Hearings before the Subcommittee on Fiscal Policy of the Joint Economic Committee, September 12, 1972, p. 6.

May 1973 Estimate: Caspar Weinberger, Secretary of HEW, Social Services Regulations, Hearings before the Committee on Finance of the U. S. Senate, May 8, 1973, p. 6.

August 1973 Estimate: HEW, Community Services Administration, Congressional Record, November 30, 1973, p. S 21536.

D. Federal Efforts to Restrict Social Service Expenditures

1. Retrenchment by the White House

As several states began expanding dramatically their claims for social service reimbursements in 1969 and 1970, the Nixon administration in 1970 requested Congress to limit increases in federal funds for services to 10% over the previous year's reimbursements. Congress refused the Administration's requests both in 1970 and 1971.[18] The change in the Administration's attitude grew primarily out of the Bureau of the Budget's "generalized concern with 'controlling the uncontrollables' in the HEW budget."[19] Although Nixon's proposed Family Assistance Plan (FAP) to replace the welfare program, first proposed in 1969, was in effect a guaranteed minimum income plan and therefore represented adoption of a cash assistance strategy to alleviate poverty rather than a services strategy, this philosophical approach does not seem to have directly affected the Administration's early treatment of services, which were encouraged in 1969 and 1970.

Efforts by HEW Secretary Richardson in 1970 to persuade Congress to limit the open-ended appropriation for services were unsuccessful. Opposition by the House Appropriations Committee occurred because:

> Many of the State welfare agencies have expressed opposition to this provision [the 10% ceiling]. The

> committee has not included it in the bill, because by fixing a rigid ceiling on each State based on a percentage of 1970 expenditures it appears to discriminate unfairly against those States which have been slow in developing their programs but are now ready to expand them.[20]

By 1972, however, the Administration was also reluctant to push too hard for limiting federal funds for social services, because of the political pressures from the States then receiving the largest chunks of funds: California, Illinois, and New York (all of which also had Republican governors).[21]

2. Congressional Concern Finally Aroused--1972

By the summer of 1972, the increasing size and rapidity with which estimates of FY 1973 federal reimbursements for services were being revised caused some observers to take notice. An article in the National Journal in June high-lighted Congressional lack of action on Nixon's request to limit federal funds for social service expenditures.[22] During the July meeting of the National Conference of Governors, several of the governors released new estimates of proposed social service expenditures that their states intended to make during FY 1973. (See Table 5.2.) The new estimates totalled over $4.7 billion and helped stir Congress to action.[23]

Congress had approved the FY 1973 appropriations bill for the Departments of HEW and Labor on August 9 without a ceiling on federal funds for social services.

The bill was vetoed by President Nixon on August 16, primarily because Congress had appropriated more than his budget request, but he also criticized the bill for failing to limit the federal commitment for social services.[24]

The controversy over whether to limit federal funds for services continued over the summer. An amendment to the Social Security Act imposing a $2.5 billion ceiling was finally attached to the General Revenue Sharing Act which was passed by the House on October 12. New York lost its effort to have the distribution formula afford each state at least as much money as it had received the prior year. New York State's quota under the formula is $223 million, compared to the $497 million it had received in FY 1972 and the $850 million it had been expected to receive in FY 1973.[25]

3. HEW Attempts to Restrict Services by Revising Regulations

The Social Security Act authorizes the Secretary of HEW to establish the regulations needed to implement social service programs. This includes authority to establish program guidelines, reimbursement criteria, and fiscal accounting guidelines.

Following the passage of the 1967 amendments, HEW began keeping separate accounts of federal expenditures

for social services. HEW also began more formal reviews of the required "state plans" for services which were the basis for federal reimbursements. Through the 1960s HEW had accepted whatever the states published as their welfare regulations as the "state plan." In 1969 a pre-printed form on which states were to submit their plans for rehabilitation services was devised. In 1971 states were required to submit a "plan" that showed proposed programs and expenditures for social services for each year.[26]

HEW's requirement in June 1972 that services be separated from cash assistance payments was part of the Department's effort to improve the administration of welfare at state and local levels. In November 1971 the Social and Rehabilitation Service (SRS, the division of HEW responsible for welfare), had set up five task forces to work on defining key aspects of the "separated" system. The task forces focussed on: 1) program and financial planning for social services, 2) defining each service, 3) designing information systems, 4) defining "purchase of service" arrangements, and 5) designing procedures for separating services from income maintenance operations.

The work of these task forces was reflected in several documents published by the Community Services Administration (the division of SRS that monitors social

services), particularly the "Draft Manual" on social services circulated in mid-1972.[27] This manual set forth the overall concept of "goal-oriented" services (GOSS), and proposed several inter-related information, cost, and financial planning systems designed to help states provide services more effectively. Unfortunately, the planning techniques proposed by CSA were more complex and comprehensive than the capabilities of most state welfare agencies to implement.

Following Congressional imposition of the $2.5 billion annual ceiling on federal service expenditures in October 1972, HEW attempted to reorganize and modify its regulations concerning social services, including the information reporting and planning requirements mentioned above.

On February 16, 1973, HEW published a "Notice of Proposed Rule-Making" in the Federal Register which contained significant alterations in existing social service regulations. Among the most important changes were the following.

a) The definitions of "former" and "potential" recipients who were to be eligible for services were reduced, from 6 to 3 months as the time within which "former" recipients must have received income maintenance, and from 5 years to 6 months as the period within which a "potential" recipient's condition was expected to deteriorate

so as to make the person eligible for welfare.

b) Services provided on a "group eligibility" basis were to be eliminated; for example, certain services to young and old residents of officially-designated low income neighborhoods regardless of whether they were receiving welfare as individuals.

c) The number of services states were required to make available was reduced from 9 to 3, and federal matching was restricted to 17 defined services.

d) Comprehensive planning and information reporting requirements were imposed.

e) Written agreements subject to HEW approval were to be required for all purchase of service arrangements, i.e., services provided by other public and private agencies under contract to the local welfare agency.

f) The use of donated private funds to meet state matching requirements was prohibited.[28]

Such a large volume of critical response resulted from these proposed regulations--200,000+ letters, calls, and telegrams--from state governments and welfare agencies and private charity groups, in the first month after their issuance, that HEW issued revised and slightly less restrictive regulations in May 1973. However, the interest of Russell Long, Chairman of the Senate Finance Committee, which oversees Social Security legislation, had been aroused.

4. Congressional Response to HEW's Proposed Regulations

The Senate Finance Committee held hearings on the proposed regulations from May 8-17, 1973.[29] The Committee members concluded that HEW's proposals were so restrictive that they were likely, if implemented, to deny services to persons Congress had intended to receive them. Senator Long pushed through an amendment to the Extension and Renegotiation Act (Public Law 93-66) postponing the date on which the revised regulations were to become effective from July 1 to November 1, 1973.

Over the summer, the Finance Committee developed a series of alternative measures on social services which they introduced in the fall as amendments to the Social Security Act.[30] Their proposals were controversial, and the Committee finally agreed to withdraw them for the sake of allowing Congress to pass other, more urgent, amendments to the Social Security Act. But the Committee insisted that HEW's proposed regulations again be postponed, this time until January 1, 1975.[31] In sum, the result was to maintain in effect the regulations existing prior to HEW's proposed revisions of February and May 1973. The substance of the Finance Committee's proposals will be discussed in Chapter 5.

5. Removal of the Aged, Disabled, and Blind from "Welfare "

The Supplemental Security Income (SSI) program became effective on January 1, 1974. The SSI program transferred funding and administration of income maintenance programs for the disabled, aged, and blind from the states to the federal Social Security Administration. Cash payments to these groups are now made directly by the Social Security Administration, although out of general revenues as for public assistance, not from social security retirement and disability funds. Services to these persons, however, remain the responsibility of state and local welfare agencies.

Problems encountered in the administration of the SSI program illustrate some of the conceptual and practical difficulties involved in separating services from income maintenance. Conceptually, the problem of defining what activities constitute "services" was left up to the states. Also, the disabled, aged, and blind clients are generally considered the "deserving poor," which is why the federal government could politically afford to take over their assistance grants. Since services were left the responsibility of state and local agencies, however, as with AFDC, it is difficult to specify what role in relation to the cash assistance programs services were expected to play.

Practically, two problems resulted. First, complex

arrangements and formulas had to be devised to ensure that no DAB client received a smaller grant under the federal SSI program than had been received previously in states whose payment standard had been higher than the new federal maximum. Second, it has been difficult to achieve the close coordination between federal, state and local agencies required to ensure (1) continuation of services to former DAB recipients, and (2) determination and provision of needed services to new SSI recipients.[32]

E. New Social Services Legislation--Title XX

During 1974, after Congress had postponed implementation of HEW's proposed regulations on social services until January 1975, a coalition of individuals and organizations interested in social services worked to put together a compromise that would be acceptable to Congress, HEW, state welfare departments and private social service organizations. The members of this coalition are shown in Table 4.1 of Chapter 4. Their efforts resulted in a new section, Title XX, of the Social Security Act, which specifically deals with social services. Congress approved Title XX as part of the amendments to the Social Security Act passed on December 20, 1974.[33]

Interpretation of Title XX, "Grants to States for Services," has just begun; the provisions took effect on October 1, 1975.[34] Many of the limitations of the prior

regulations were eliminated by Title XX, such as the categories of "former" and "potential" recipients, the 90/10 provision, and "mandated" vs. "optional" services.

Under Title XX services are to be made available to all low-income persons, but fees will be charged depending on income and relationship to other welfare programs. For example, services are to be provided without charge to a) AFDC recipients, b) SSI recipients, and c) families with incomes up to either (1) 80% of the median income for a family of four in each state, or (2) the national median income for a family of four, whichever is lower. Column 1 of Table 2.3 gives estimates of this standard for each state.

Services may also be furnished--if fees are charged--to certain low-income families who do not meet the three above criteria. These families are those whose gross monthly income is between 80% and 115% of the state's median income for a family of four. Column 2 of Table 2.3 shows the estimated income cut-offs for providing services to these persons by state. (States are expected to adjust these levels for family size.)

If states were to provide services with fees to families with incomes up to the cut-off points shown in column 2, a good portion of the lower and middle classes would be eligible. Nationally, 39% of 4-person families

Table 2.3

Limits on Eligibility for Social Services for Non-Recipients on Welfare

(for 4-person families)

State	Social Services May Be Provided to Families with Incomes Up To:*	
	Without fee**	If fee is charged
Alabama.....	$ 9,530	$13,699
Alaska	12,908	18,555
Arizona	10,904	15,675
Arkansas	8,830	12,694
California	12,004	17,256
Colorado	10,959	15,754
Connecticut	12,604	18,118
Delaware	11,402	16,391
District of Columbia	10,711	15,397
Florida	10,462	15,039
Georgia	10,190	14,648
Hawaii	12,398	17,823
Idaho	9,928	14,272
Illinois	11,999	17,249
Indiana	11,222	16,132
Iowa	10,608	15,249
Kansas	10,422	14,982
Kentucky	9,349	13,569
Louisiana	9,569	13,755
Maine	9,641	13,859
Maryland	12,060	17,336
Massachusetts	11,816	16,986
Michigan	12,034	17,298
Minnesota	11,293	16,233
Mississippi	8,730	12,549

(Table 2.3 continued)

State	Social Services May Be Provided to Families with Incomes Up To:*	
	Without fee**	If fee is charged
Missouri	$10,691	$15,369
Montana	9,939	14,288
Nebraska	10,190	14,649
Nevada	11,722	16,850
New Hampshire	10,987	15,794
New Jersey	12,434	17,874
New Mexico	9,616	13,824
New York	11,792	16,952
North Carolina	9,752	14,019
North Dakota	9,458	13,596
Ohio	11,417	16,412
Oklahoma	9,844	14,151
Oregon	10,980	15,783
Pennsylvania	11,429	16,430
Rhode Island	11,046	15,879
South Carolina	9,620	13,829
South Dakota	9,335	13,419
Tennessee	9,494	13,646
Texas	10,468	15,047
Utah	10,397	14,946
Vermont	10,266	14,757
Virginia	10,674	15,344
Washington	11,583	16,650
West Virginia	9,280	13,341
Wisconsin	11,289	16,228
Wyoming	10,442	15,010

Congressional Record--Senate (S 22525) December 20, 1974

(Table 2.3 continued)

* Source: House Report on H.R.17045. According to the House Report: "This is illustrative only, as there are a number of statistical mechanisms which should be explored." The limits specified in the bill (80 percent and 115 percent of State median income) are not available on a year-by-year basis. Accordingly, the amounts would have to be projected from 1970 census data. The bill does not specify the method of projection or the year to which they are to be projected. The figures in this table were developed by the Department of Health, Education and Welfare by adding to the 1970 census data for each State the dollar amount of the increase in national median income between 1969 and 1973. Another illustrative table issued by the Department uses the procedure of increasing 1970 census data by the percentage increase in national median income between 1970 and 1973.

** Limited to 100 percent of national median income, which for 1973 was $13,710.

had incomes up to 80% of the national median for such families. An additional 16% of such families had incomes approximately 15% greater than the national median.[35]

To guard against the possibility of federal funds going disproportionately for services to these groups rather than to the very poor (since the $2.5 billion annual ceiling on federal expenditures was maintained), Title XX requires that each year a state must spend an amount equal to at least 50% of the federal payments for services that year for providing services to persons in the following groups:

a) AFDC recipients or persons eligible for AFDC;

b) Individuals whose needs are taken into account in determining the needs of AFDC recipients, or who are eligible to have their needs considered for someone receiving or eligible for AFDC;

c) SSI recipients or individuals eligible for state supplementary payments;

d) Individuals whose income and resources are taken into account in determining the amount of SSI or state supplementary payment made to another individual;

e) Individuals who are eligible for medical assistance under the state's Title XIX plan.

Further requirements of Title XX of importance

to our study concern the planning of social service programs. A state's proposals for its "comprehensive annual services program" is to be made available to the public with at least 45 days allowed for comment. Each state plan is to contain: the objectives of the service programs; the services to be provided; categories of persons to whom services will be provided; the nature and amount of services to be provided by geographic areas; a description of the state's planning, evaluation and reporting activities; sources of funds; description of the organizational structure including use of public and private agencies and volunteers; plans for coordination with related service programs; estimated expenditures by type of service, categories of recipients, and geographic areas; and finally, a description of the steps taken "to assure that the needs of all residents of, and all geographic areas in, the State were taken into account in the development of the plan."[37] As usual, however, methods which states are to use in assessing "need" were not specified.

Summary

Until October 1975, state welfare agencies were authorized to offer a variety of services to current, "former," and "potential" welfare recipients. These services included a wide range of activities, from counseling to providing day care, temporary homemaker services,

etc. Allowable expenditures were reimbursed by the federal government on a 3-to-1 basis. Until October 1972 there was no limit on the amount of federal money which could be spent for these services, and expenditures increased geometrically from 1968 through 1972 as states increased their claims for service funds. Congress imposed a $2.5 billion annual ceiling on federal expenditures in October 1972.

Little is presently known about the kinds, quality and costs of services states are actually providing, and while many welfare officials greeted as a victory HEW's failure in 1973 to impose comprehensive planning and reporting requirements on state welfare agencies, basic problems persist. Most state and local agencies have not completed the administrative separation of services from income maintenance activities; information regarding delivery of services is poorly organized, incomplete and often inaccurate, and little planning is taking place to anticipate the needs for and demands for various services.

Title XX has provided a new framework for planning, delivering, and evaluating social services by state and local welfare agencies. However, most of the basic conceptual and practical problems persist. What relationship should exist between cash assistance and supportive service programs? Given the finite resources of federal,

state and local governments, how are "needs" to be determined, program guidelines developed, and services delivered?

The following chapter examines in detail the development of service planning and delivery in New York City during the years 1968 to 1974. Our exploration of New York City's programs, among the most extensive service programs in the country, will provide the empirical basis for the more comprehensive analysis of these basic issues contained in Part II of this study.

CHAPTER 2 FOOTNOTES

[1]U.S. Department of Health, Education and Welfare, Community Services Administration, "Evolution and Legislative Development of Social Services," Washington, D. C. (No date) (Mimeographed) p. 2.

[2]Ibid.

[3]Ibid.

[4]U.S., Congress, House, Ways and Means Committee, Hearings on Public Welfare Amendments of 1962, 87th Congress, 2nd Session, February 7, 9, 13, 1962. Report submitted by George K. Wyman, p. 146.

[5]M. Elaine Burgess and Daniel O. Price, An American Dependency Challenge, Study for the American Public Welfare Association (Chicago, Ill.: American Public Welfare Association, 1963), p. 200.

[6]Public Welfare Amendments of 1962, Section 2(a)10.

[7]Gilbert Y. Steiner, The State of Welfare (Washington, D.C.: The Brookings Institution, 1971) p. 37.

[8]U.S. Department of Health, Education and Welfare, "State Letter 606," November 1962. Cited by Martha Derthick, The Influence of Federal Grants: Public Assistance in Massachusetts (Cambridge, Mass.: Harvard University Press, 1970), p. 133.

[9]Derthick, The Influence of Federal Grants, p. 134.

[10]Jack C. Bloedorn, et al., Designing Social Service Systems (Chicago, Ill.: American Public Welfare Association, 1970), pp. 9-11.

[11]U.S., Department of Health, Education and Welfare, Social and Rehabilitation Service, Community Services Administration, Program Regulation Guide on the Separation of Services for Assistance Payments (Washington, D.C.: DHEW Publication No.(SRS)73-23014). June 1972.

[12]Human Resources Administration, "Design for Reorganization, Phase I," Welfarer 1 (Spring 1969):7.

[13]Social Security Act, Title IV, Part A, Section 402, Public Welfare Amendments of 1967.

[14]Ibid.

[15]Ibid.

[16]Code of Federal Regulations, Title 45, Section 222, as published in the Federal Register 35, No. 230, November 26, 1970.

[17]Steiner, pp. 46-50.

[18]Jodie Allen, "Back Door Revenue Sharing," The Washington Post, August 7, 1972. Also, Martha Derthick, Uncontrollable Spending for Social Services Grants (Washington, D.C.: The Brookings Institution, 1975), pp. 86-7. This study provides an excellent chronology of the explosion of social service expenditures.

[19]Ibid.

[20]U.S., Congress, House, Departments of Labor, and Health, Education and Welfare, and Related Agencies Appropriations Bill 1971, House Report 91-1310, 91st Congress, 2nd Session, p. 34. Cited by Derthick, Uncontrollable Spending, pp. 74-5.

[21]Ibid, p. 72.

[22]John K. Iglehart, "Welfare Report/HEW program doubles in size as officials scramble to check its growth," National Journal (June 17, 1972):1007-1014.

[23]Jodie Allen, "Back Door Revenue Sharing," and subsequent articles in The Washington Post, August 9 and 13, 1972; Edwin Dale, "67 Law is Giving States Windfall in Federal Funds." The New York Times, August 8, 1972; John K. Iglehart, "Welfare Report/ Nixon, Congress decline to check rising social service costs," National Journal (August 12, 1972):1300-1303.

[24]Stuart Auerbach, "Nixon Vetoes HEW Labor Appropriations Bill," The Washington Post, August 17, 1972.

[25]The New York Times, "Revenue Sharing Passed by House," October 13, 1973.

[26]Michio Suzuki, Assistant Commissioner for Programs, Community Services Administration, U.S. Department of Health, Education and Welfare. Interview on September 13, 1973.

[27]U.S. Department of Health, Education and Welfare, Community Services Administration, "Program and Financial Plan--Manual and Guidelines," Draft, 1972.

[28]U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, "Service Programs for Families and Children and for Aged, Blind, or Disabled," Proposed Rule Making, Federal Register 38 (No. 32, Part II, February 16, 1973):4608-4613.

[29]U.S., Congress, Senate, Committee on Finance, 93rd Congress, 1st Session, Hearings on Social Services Regulations, May 8, 15, 16, 17, 1973. Vols. 1 and 2.

[30]Idem, Social Security Amendments of 1973, Senate Report 93-553, 93rd Congress, 1st Session, November 21, 1973.

[31]U.S., Congress, Senate, Debate on HEW's proposed Social Service regulations, 93rd Congress, 1st Session, November 30, 1973, Congressional Record S 21532-537. Text of the first amendment on social services postponing the effective date of the proposed regulations appears in the Congressional Record of December 21, 1972: S 23791.

[32]The Supplemental Security Income program has encountered many administrative difficulties. For example, see "Social Security is Reorganized," The New York Times, January 31, 1975, p. 40.

[33]U.S., Congress, House, Vote on 1974 Amendments to the Social Security Act, 93rd Congress, 2nd Session, December 20, 1974, Congressional Record: H 12591.

[34]The "Conference Report" on Title XX is contained in Appendix A.

[35]Just under 39% of all families in 1973 had incomes below 80% of the national median income for all families. Approximately an additional 16% had incomes up to about 15% greater than the national median for all families. Source: U.S. Bureau of the Census, Statistical Abstract of the United States 1975, 96th Ed. (Washington, D.C.: Government Printing Office, 1975) Table 631, "Money Income --Percent Distribution of Families by Income Level, by Race of Head: 1950-1974," p. 390.

[36]Title XX, Section 2002 (a)(4) of the Conference Report.

[37]Ibid., Section 2004 (2)(J).

CHAPTER 3

PLANNING AND PROVISION OF SERVICES IN NEW YORK CITY FROM 1969 TO 1973

The first step in our analysis of contemporary urban social service programs is to describe the planning and provision of services to welfare recipients in New York City from 1969 to 1973. Information required for this analysis was not easily obtained, in part because of the inherent complexity of the programs, in part because of the disorganization of the Human Resources Administration, and in part because of the complicated fiscal transfers among welfare programs that occurred during the rapid expansion of services in New York City from 1970 to 1972.

This description of the development of social services in New York City is divided into three parts. First we summarize the policy and organizational changes concerning social services that occurred in HRA in the late 1960s and early 1970s, in order to provide the reader with necessary background information. We then describe the planning processes and major focal points of social

service planning in HRA. And third, we estimate the types, amounts, and costs of services provided during these years, and compare these estimates with estimates of the size and characteristics of individuals and families "in need" of these services.

The description of the planning and delivery of social services in New York City constitutes the base data on which are based our later analyses of the impact of different groups' perceptions of need for services on the development of these programs in New York.

A. Functions and Organization of HRA

Public assistance programs in New York State are supervised by the New York State Department of Social Services through local, county and city, welfare agencies. The State DSS establishes and enforces regulations and transfers state and federal funds to the local agencies.

New York City's welfare agency during the period of this study was the Human Resources Administration, established in 1966 by executive order of Mayor Lindsay.[1] The Human Resources Administration was a "superagency" created to consolidate several previously independent city agencies. The major component was the forty-year-old Department of Social Services, which consisted of three bureaus: Public Assistance, Child Welfare, and Special Services.

The Manpower and Career Development Agency (MCDA) and the Community Development Agency were also incorporated into HRA. The latter provided the staff for the city's community action programs funded by the federal Office of Economic Opportunity (OEO). In 1971 the Agency for Child Development was created by HRA to coordinate the Head Start and city-funded day care programs. Each of these agencies was headed by Commissioners appointed by the Mayor rather than by the Administrator of HRA, severely limiting HRA's control over them.

Responsibility for providing the social services authorized by the Social Security Act rests primarily with the Department of Social Services through its welfare caseworkers, while the former Bureau of Child Welfare (now part of Special Services for Children) traditionally handles abuse, neglect, and child protective services. ACD contracts for day care and MDCA, manpower training. The Work Incentive (WIN) programs are administered by the regional office of the U.S. Department of Labor in cooperation with HRA.

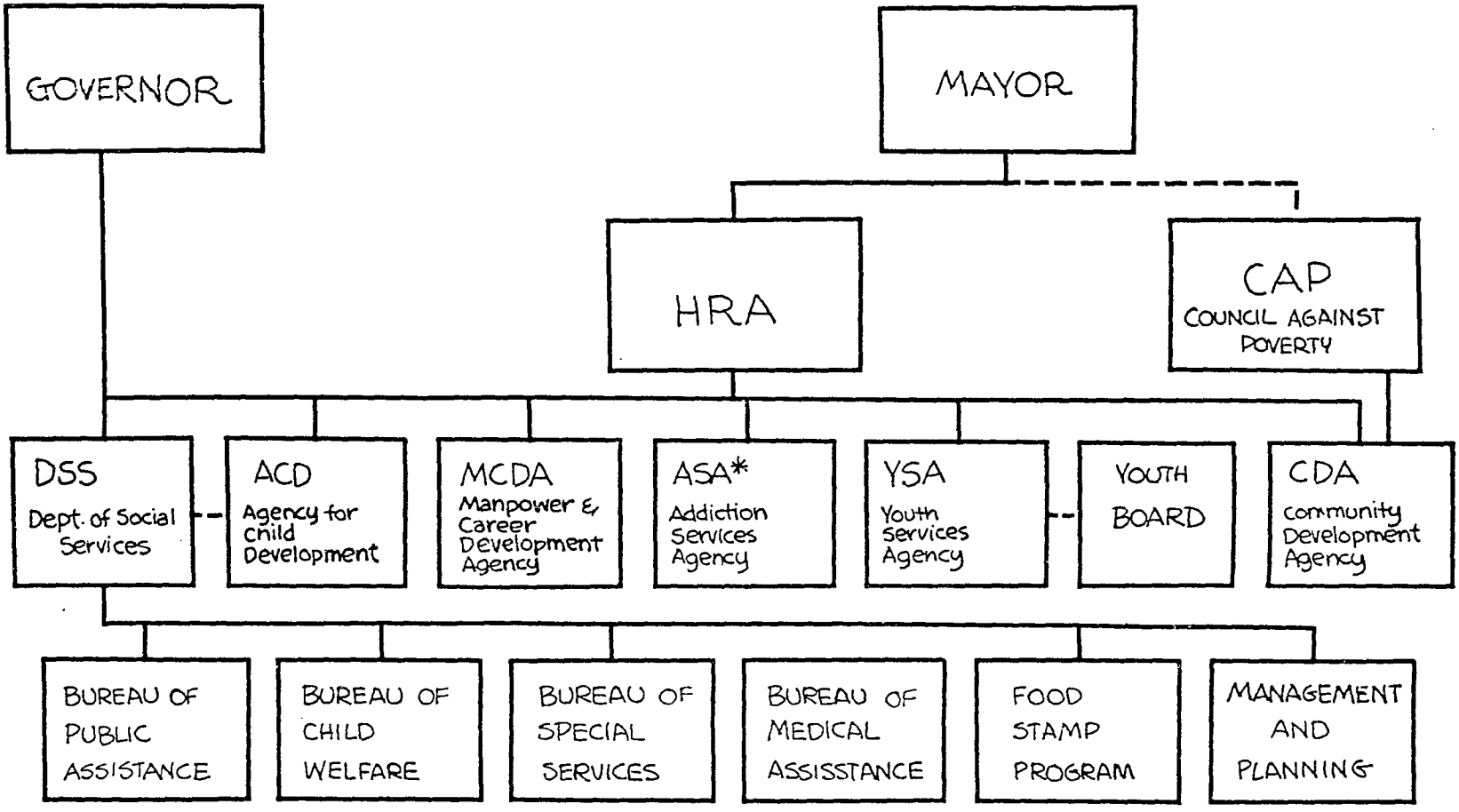
Charts 3.1, 3.2, and 3.3 show the organization of HRA as of the end of 1973 and at the beginning of Mayor Beame's term of office. The bureaus of primary concern in this study are shown on the bottom line of Chart 3.2: "Special Services for Children," "Special Services for

Chart 3.1

TABLE of ORGANIZATION

Human Resources Administration

1971



Total Employees	24,559
HRA Central	258
DSS	22,173
MCDA	231
CDA	1,195
YSA	702

*ASA (Now a component of HSA)

Chart 3.2

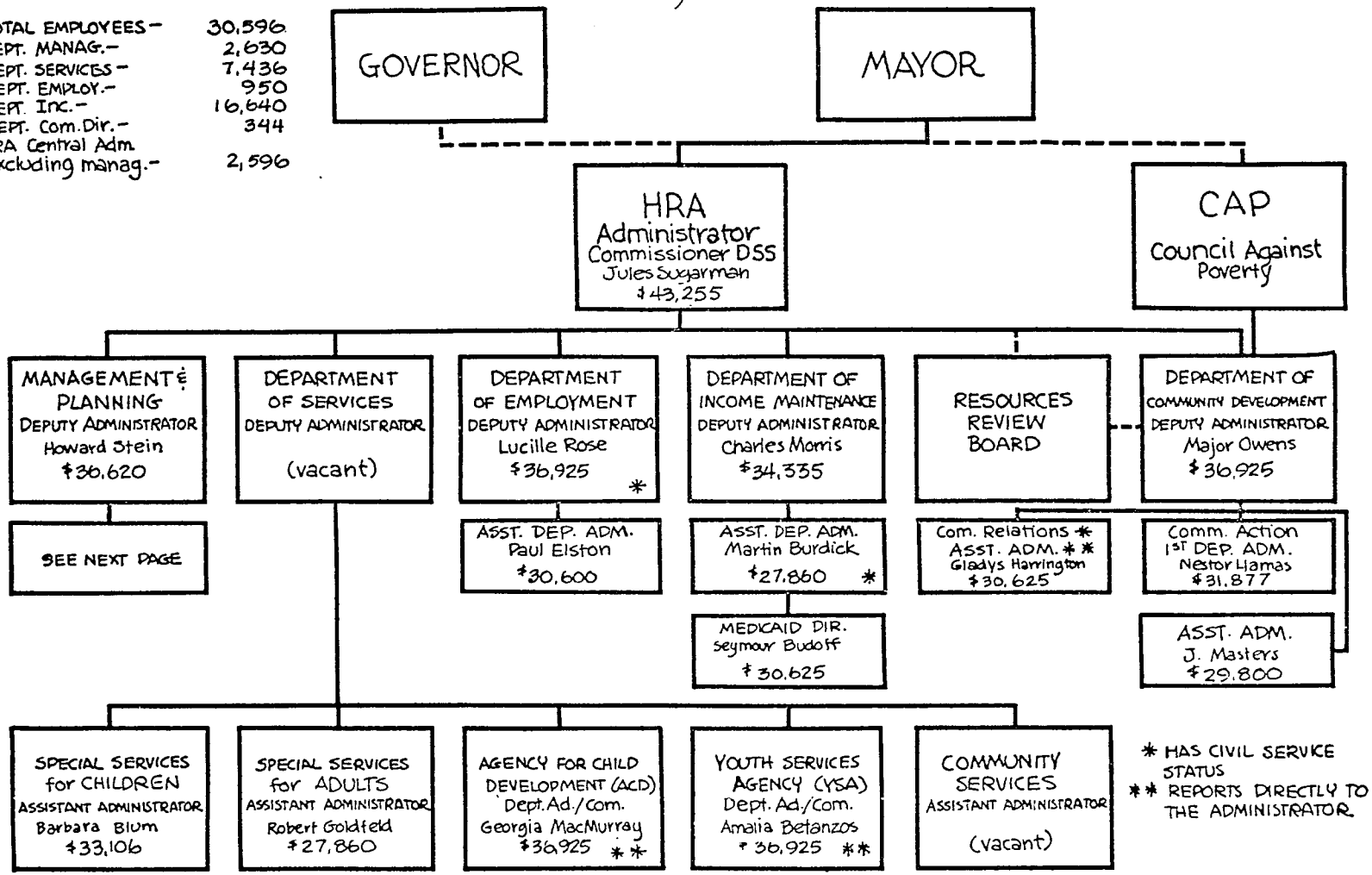
TABLE of ORGANIZATION

Human Resources Administration

(currently being implemented)

[January 1974]

TOTAL EMPLOYEES -	30,596
DEPT. MANAG. -	2,630
DEPT. SERVICES -	7,436
DEPT. EMPLOY. -	950
DEPT. Inc. -	16,640
DEPT. Com. Dir. -	344
HRA Central Adm. excluding manag. -	2,596



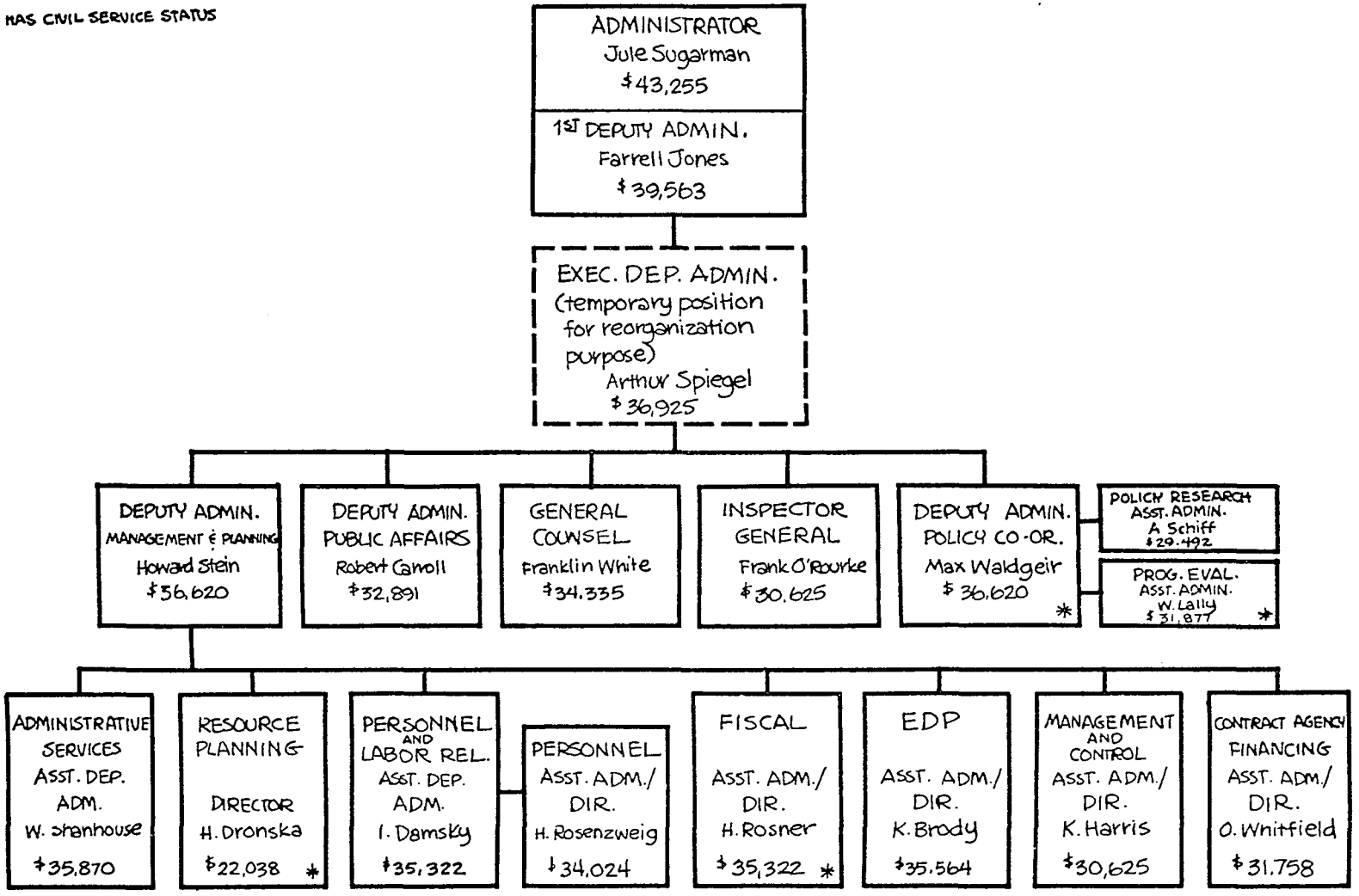
* HAS CIVIL SERVICE STATUS

** REPORTS DIRECTLY TO THE ADMINISTRATOR

Chart 3.3

HRA CENTRAL
(currently being implemented)
[1974]

* HAS CIVIL SERVICE STATUS



Source for Charts 3.1, 3.2, 3.3:

Human Resources Administration, "Transition Fact Book Administrator" (Fund for the City Of New York, 1974), pp. 32, 33, 34.

Adults," and "Community Social Services."

The Bureau of Special Services for Adults was created in the 1971 reorganization and consists of two main divisions, the Bureau of Supportive Services and the Bureau of Adult Institutional Services. The latter operates six institutional programs and homes for the aged, debilitated, and emergency shelter care. The former provides protective and supportive services through the following programs:

- Homemaker, Housekeeper and Home Attendant programs;
- Foster Homes for Adults;
- Voluntary and Proprietary Institutions (Liaison between HRA and these large homes);
- Home Economics programs (Nutrition education and training).[2]

SSA also operates the city's senior citizen centers, originally funded under the "group eligibility" provision of Title XVI of the Social Security Act. These centers are designed to service certain poor communities in which residents were automatically eligible for assistance. Federal requirements that individuals must meet income eligibility criteria led the city to take over funding of the centers in order to maintain the "group" eligibility based on residence.

The Bureau of Special Services for Children

combines two formerly independent bureaus within the old Department of Social Services: the Bureau of Child Welfare and the Bureau of Institutions and Families. The latter operates three children's shelters, one juvenile center, and a variety of group homes and residences. The former operates the following service programs in addition to foster care and adoption services:

- Diagnostic Study and Evaluation Program (accepts applications and referrals for child welfare services);
- Preventive Service Programs (provides appropriate supportive and rehabilitative services to strengthen and preserve the home and avert need for placement);
- Protective Services Programs (provides services to children alleged or found to be in physical, mental or emotional danger);
- Unmarried Parent Program (helps girls or women pregnant out of wedlock in need of help in planning for themselves and their expected children);
- Emergency Children's Service (for emergency care needed after regular office hours).[3]

As previously indicated, the Agency for Child Development contracts for the city's day care programs, while the Office of Community Services is responsible for

the development of service programs in the forty Human Resources Districts, a program for decentralizing the delivery of services to welfare recipients which will be discussed in detail below.

1. Efforts to Separate Services from Income Maintenance

In 1968, prior to the reorganization outlined above, the Department of Social Services undertook a comprehensive review of its service programs in order to study the feasibility of separating the administration of services from that of the cash assistance and medical assistance programs. The December 1968 report of HRA's task force on "The Separation of Services from Income Maintenance" proposed major changes in existing service programs.

The task force recommended adoption of the following principles. Receipt of services was to be voluntary rather than a "prerequisite to assistance."[4] Services were to be "goal-oriented" and "time limited," rather than furnished at the discretion of the caseworker. Further, caseworkers were not to be the sole providers of services, nor was casework (primarily one-to-one counseling) to be the primary method of offering service. There were to be teams of service workers offering a variety of "environmental" services--housing, health, job counsel-

ing, day care referrals, etc.--as well as some social workers offering individual counseling.[5]

HRA planned to introduce this new system in steps, with Phase I beginning in February 1969. Services were "separated" from income maintenance functions for the DAB recipients--the disabled, aged and blind. Testing occurred at three welfare centers before the new system was expanded to other centers and then gradually to other types of welfare recipients.

Efforts to separate the administration of services from cash assistance continued over the next several years, with little success. Reorganization of the huge personnel system (30,000+ employees) proved enormously difficult. Difficulties persisted in defining new jobs, reassigning and retraining personnel, due both to internal bureaucratic rivalries and to union rigidities. Increasing caseloads during this period made it almost impossible to shift Income Maintenance workers to fulltime service work.

The manpower problems encountered in trying to reorient the conceptualization and delivery of services were particularly severe. Since all social work positions in HRA are covered by union agreements, all changes in work definitions and staff assignments must be negotiated with the union, District Council 37 of AFSCME. After separation began, social workers belonging to Local 371

often felt their positions threatened by clerks belonging to Local 1549. For several years, social workers assigned to income maintenance functions worked alongside clerks performing the same jobs at much lower pay.

A 1974 HRA report summarized the results of the early separation efforts as follows:

> The Federal directive of 1969 (sic) to separate the payment of public assistance benefits from the provision of social services seriously hurt the delivery of services. In the face of rising welfare caseloads it was not possible for HRA to replace caseworkers handling welfare with clerical staff and thereby free them to provide service. Small units of service workers did continue to handle problems, particularly where homemaker and housekeeper benefits were needed or where referral to the child welfare and adult protective program was necessary. In general, however, the reorganization of the services system was deferred until the management problems of the welfare system, including the training of sufficient clerks, were under control.[6]

Conceptual distinctions between services and income maintenance often proved difficult to implement.[7] Complications also arose from the introduction of two other major changes in the provision of public assistance about this time: the "declaration" system and the effort to "decentralize" the delivery of services.

2. Establishment of the Declaration System

The "declaration" system is a simplified procedure for determining eligibility based on a questionnaire concerning financial needs which is filled out by clients,

rather than on extensive home investigations by the agency. The declaration system was expected to enhance the ability of local welfare offices to offer services by releasing social workers from the time-consuming tasks involved in eligibility determination. Not only were service activities to be separated from financial assistance activities, but the financial procedures were to be simplified to the point where trained social workers would not be needed to perform them. Clerks trained in the simplified procedures were to take over the eligibility determination and payment functions.

It was also hoped that this simplified system would restore some dignity to the application process, which had become a degrading procedure for many welfare recipients.

HRA began an experimental program in the Kingsbridge welfare center in 1967 under a Section 1115 grant from HEW. Further testing of the new system took place in three welfare centers in late 1967. A field audit of 10% of the applicants using conventional investigation procedures was used to monitor the performance of the new system. By April 1969, an evaluation of the test centers was favorable,[8] and the system was extended during 1970 and 1971 to all New York City welfare centers. Similar declaration systems were also being tried by other states and had received presidential support.[9]

While it was restricted to DAB clients, the declaration system worked well and little additional fraud and clerk error were encountered. But extension of the system to the entire welfare caseload resulted in higher caseloads per clerk and increased errors and fraudulent applications. This was partly due to HRA's inability to recruit and train clerks fast enough to perform the intake function. Deliberate client fraud seems to have been of secondary importance, at least until it became known that the clerks were overwhelmed. By the end of 1972, eligibility procedures were tightened up and home investigations reintroduced on a large-scale. New administrative procedures were established, including "face to face" recertification of eligibility for all recipients and the issuance of photo ID cards. The effects of this tightening up can be seen in the temporary leveling off of the total welfare caseload in late 1972. (See Chart 4.2.)

3. The Move to Decentralize

A second major development in the administration of welfare that occurred beginning in the early 1970s was HRA's effort to "decentralize" its service operations. In his February 1971 address to the Andover, Massachusetts, Conference of the New York City Interagency Council on

Child Welfare, HRA Administrator Jules Sugarman acknowledged HRA's failure to achieve large-scale separation of services from income maintenance, and suggested that new forms of staff organization and community participation were necessary if additional social services were to become a reality.[10] Sugarman asserted that "the people who are providing services need to be at the scene where those services are provided--not in offices in downtown New York City."[11]

By the end of 1971 Sugarman established within the Department of Social Services a new "Community Social Services" office charged with supervising the delivery of all social services for welfare recipients and with developing local service centers.[12] Defining the boundaries of the new service areas turned out to be complex, and staff reassignment difficult. The first CSS office opened in East New York in November 1972, and only six more were operating by the end of 1973. Progress was hampered by disputes among various HRA bureaus for control of the forty Human Resource Districts (HRDs) which were chosen as the units for the decentralized system. Continued delays in separating the administration of services from income maintenance also hampered the efforts of CSS, since many of the social workers who were to provide services were not released from income mainten-

ance duties. Furthermore, the director of CSS was changed so many times in 1973 and 1974 that leadership continuity was entirely lost.

Two additional factors contributed to the slow progress of decentralizing services. The New York State Department of Social Services had to approve the establishment of the 40 HRDs, and federal review and concurrence of the new system was also required. In order to secure these approvals, a variety of waivers of existing state and federal regulations had to be obtained. All these steps took time and involved much bureaucratic negotiation and in-fighting.

Job definitions under the new systems were also poorly anticipated. It was discovered that the assumption was wrong that, since clients would declare their financial status on forms provided in the welfare office, clerks would not have to leave their desks. Family structures and individual problems were too complex and idiosyncratic to be encompassed by the forms, no matter how well designed. Not everyone could come into the welfare office either. A hybrid force of "eligibility investigators" developed in order to visit homebound and immobile persons. Usually social workers, these workers also became fraud investigators in 1971-2 when the "tightening up" campaign began.

Social workers also continued to be needed in the income maintenance program to ease bottlenecks that developed when the clerks could not handle complicated cases. Because the service programs were taking a long time to get organized, appropriate assignments could not be found for many social workers, and HRA formed these workers into teams of "General Service Workers." These social workers often felt threatened not only by the clerks, but also by the paraprofessionals that HRA was hiring and training, who often wished to compete for the security and higher pay of civil service positions. Not surprisingly, their morale was low, as was their productivity.

"General service workers" were eliminated from the income maintenance centers after June 1972 when the federal mandate on separation was issued. But in mid-1973, social workers were back in income maintenance centers under the guise of "income maintenance support staff," to help draw off problem cases from the clerks, who continued to be overwhelmed with applications and undertrained in interview skills. It was not until the end of 1974 that separation of services from income maintenance was largely achieved.

The difficulties that arose in the course of introducing the complex of changes outlined above--

separation of services from income maintenance activities, establishment of the declaration system for eligibility determination, and decentralization of HRA's service programs--have been summarized by one participant as follows.

> The attempt to implement the separation of social services had a lot of unanticipated consequences. First, most of the complex regulations for giving money were retained, which meant that the tests for eligibility had social service components which were retained, unknowingly, in the new system. Second, the idea that you could "open-end" the caseload [greatly increase the number of cases social workers could handle] by redefining concepts of work proved wrong. Third, much more training of the new income maintenance clerks in testing and judgment was needed than expected, and this wasn't done, leading to continued need for social workers in the income maintenance functions....
>
> Simultaneously with the installation of new clerical systems, the declaration system was introduced, although it was not a necessary part of the effort to separate services.... The welfare caseload went up drastically once the declaration system began. The clerks were overwhelmed. When the caseload increase became critical financially, the State began investigating, and the Mayor appointed "management men" to HRA....
>
> Meanwhile, a new concept was being evolved concerning services. Two assumptions were that (a) poor people knew what they wanted and so all social services were to be voluntary, and (b) people were best helped in their communities by working on generalized problems, which led to an emphasis on community organization. Community organization efforts often led to attacks on the local government, which multiplied our enemies locally. Additionally, federal government attitudes began to change; for example, OEO went under largely on this point. McKay's office [CSS] had to reverse direction to comport with Caspar Weinberger's climate [in HEW]. He emphasized tougher fraud controls and more limited service provision, with less emphasis

on community activities.[13]

Given these frequently shifting conceptual and organizational frameworks, it is not surprising that planning for social services was not a smooth process in HRA during these years.

B. Services Planning in HRA

A central planning office was created when HRA was established in 1966, but this office seems to have produced little relevant to services in the ensuing years. Annual plans were prepared by each of HRA's constituent agencies, but these were not part of a coordinated planning system. HRA simply compiled these plans into its annual budget presentation.

In 1968, HRA's task force on the separation of services estimated, in what is the only guesstimate of anticipated demand for services that we know of, that:

> ...on the basis of present service, at any given time 50% of the AFDC, TADC [Temporary ADC], and Home Relief client categories and 85% of the DAB categories will not receive services. Of the AFDC, TADC, and HR client categories, it is estimated that 15% will receive service from the Preventive and Protective Family Service teams and 35% "across-the-counter" service from the specialized environmental teams.[14]

In 1968-9 a movement to establish "multi-service" centers to be supported by federal Model Cities' funds resulted in efforts to plan the kinds and amounts of

services such centers might provide. This effort fizzled after it became clear that federal funds for "multi-service" centers had disappeared.

Sugarman's push for decentralizing service delivery forced HRA to begin "local area planning" for the first time. Local service areas had to be defined geographically, raising all the classic problems of how many and which political/demographic/statistical criteria to use. After much debate, HRA adopted as their basic planning unit the new "Community Planning Districts" created by the Department of City Planning in 1969. However, HRA collapsed the 62 CPDs into 40 Human Resource Districts, which gradually became the basis for planning and delivering social services.[15] Dr. Abe Burstein, Director of HRA's Office of Economic Research, reorganized much of his data to conform to the new HRDs, or approximations thereof, providing HRA with basic demographic and health information relevant for planning services.[16]

Once the HRDs were created, other offices in HRA began compiling information on the new districts. A planning section within the Office of Community Social Services began producing a thick volume of statistics and newspaper clippings on each HRD, although it was late 1974 before a complete set was finished.[17] The Community Development Agency (the semi-independent agency which

provided staff support for the OEO-funded Community Corporations in New York City), also attempted to develop a method for allocating service funds, and recommended a complex formula which was not, in the end, adopted by HRA.[18] The Bureau of Purchased Social Services for Adults (within Special Services for Adults) studied a variety of strategies for allocating scarce social service funds, trying to assess the outcomes depending on whether you chose (a) to try to make equal amounts of services available within each HRD, or (b) to use a variety of indicators of "need" for services in addition to existing patterns of services.[19]

During this time, HEW's concern with services planning became known to HRA administrators, as the draft of the Community Services Administration's "Program and Financial Planning Guidelines" for services began circulating in early 1972. By November 1972 HRA received informal word from Washington that the CSA proposals were to be part of new social service regulations that HEW was planning to issue shortly. Harriet Dronska, then Assistant Administrator for Resources Mobilization and Planning in HRA, intensified her efforts to persuade HRA to adopt a more coherent approach to social services planning. Dronska requested assistance from the Department of City Planning in developing a pilot project for planning

social services.[20] The focus of the project was to be on two areas where HRA placed high priority for expansion: day care and other services for children, and services for the indigent elderly.[21]

1. Joint HRA/DCP Pilot Project for Planning Services, 1972-3

HRA's information requirements were typical of urban welfare agencies: data had to be timely; be presented at a small enough geographic base to permit application to site location decisions; be related to the services eligible for federal reimbursement, and be useable by non-statistically-oriented social workers and administrators.

Since HRA was primarily concerned with providing services to its current welfare recipients, the first step was to map the distribution of New York City welfare recipients by census tract (an area of about ten blocks and 4000 persons in New York City). By choosing the census tract as the base area, and welfare statistics from a month close to the time of the 1970 census (which was in April; welfare data were from July), we were able to analyze the demographic and socio-economic characteristics of census tracts with high welfare concentrations.[22] HRA data on numbers of welfare recipients were used to create the maps because of their relative accuracy. Respondents to the 1970 census 15% sample questionnaire were asked to

indicate whether they were receiving public assistance, but many do not seem to have done so. Our comparison of HRA and census data led us to estimate that census figures were about 35-40% lower than HRA caseloads actually were.[23]

From 1970 census data we then chose several indicators for the target groups for day care and services for the elderly. Indicators for population groups likely to be in need of and eligible for publicly-subsidized day care included: number of children by certain age groups; number of children in families with incomes below the census poverty level; number of working mothers with children; number of female-headed household with children with incomes below the poverty level. (See Chart 3.4.)

Indicators for population groups likely to be in need of and eligible for services for the indigent elderly included: number of persons aged 65 years and older; number of persons aged 65 and over by poverty status; number of persons aged 65 and over living alone or with non-relatives only; number of persons receiving Old Age Assistance.

Several of these indicators were mapped, as shown in Charts 3.5 and 3.6. A typical page of computer print-out providing the data for each census tract is shown in

Chart 3.4

DRAFT FORMAT: DAYCARE REPORT — Judith Denton — 1/26/73

	New York City	Bronx	Brooklyn	CPDs.....
Total Population	7,894,851 People	1,471,690 People	2,602,012 People	
Total Families	2,058,943 Families	390,667 Families	685,528 FAmilies	
Age Distribution (Tot: 0 - 17)	2,245,329 tot. 0-17	467,286 Tot 0-17	819,834 tot.0-17	
a. 0-4 Years	615,669 0-4yrs	133,637 0-4yrs	225,584 0-4yrs	
b. 5 Years	125,906 5yrs	27,610 5yrs	45,926 5yrs	
c. 0-5 Years (Subtotal)	741,575 0-5yrs	161,247 0-5yrs	271,610 0-5yrs	
d. 6-9 Years	505,652 6-9yrs	107,576 6-9yrs	185,884 6-9yrs	
e. 10-17 Years	998,102 10-17yrs	198,463 10-17yrs	362,340 10-17yrs	
f. 6-17 YEars (Subtotal)	1,503,754 6-17yrs	306,039 6-17yrs	548,224 6-17yrs	
% of Children age 0-17 Who are in Families Below Census Poverty Level	21%	29%	25%	
No. Children 0-17 Years who are in Families Below Census Poverty Level	479,974 TotChild	135,646 TotChild	206,841 TotChild	
a. Children 0-5 years	169,440 0-5yrs	49,536 0-5yrs	73,402 0-5yrs	
1. In Female Headed FAmilies	98,529 " Fem.	30,636 " Fem.	43,150 " Fem	
b. Children 6-17	310,534 6-17yrs	86,110 6-17yrs.	133,439 6-17yrs	
1. In Female Headed Families	183,321 " Fem.	53,133 " Fem.	79,720 " Fem.	
Working Mothers				
a.Total Women 16+ in Labor Force with Children 0-17 years	335,418 TotFem	43,611 TotFem	111,861 TotFem	
1. Married, with Husband Present				
a. Children 0-5	79,005	15,193	26,820	
b. Children 6-17	167,979	28,418	54,577	
2. Other Women				
a. Children 0-5	27,225	6,142	10,112	
b. Children 6-17	61,209	11,901	20,352	
Female Headed Families w. Children 0-17 Years	354,735 Tot.w.Kids	80,714 Tot. w.kids	126,728 Tot.w.Kids	
a. With Children 0-5	86,671	25,387	35,823	
1 Below Poverty Level	58,488	17,862	24,902	
b. With Children 6-17	108,683	25,743	39,382	
1. Below Poverty Level	40,197	11,284	16,018	

Source: New York Department of City Planning

Chart 3.5

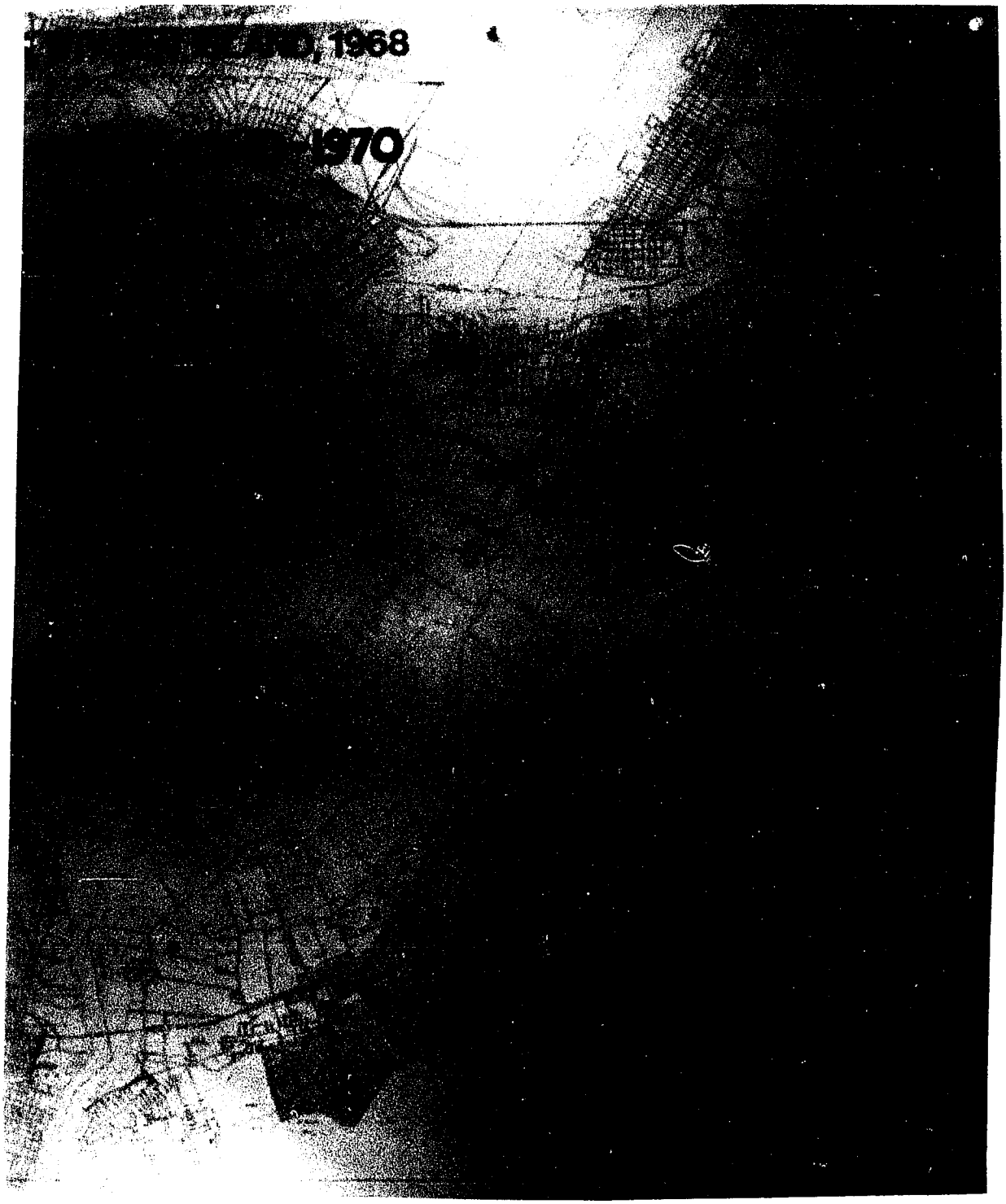
Map of Indicators of "Need" for Social Services
by Census Tract



Source: New York Department of City Planning, 1973.

Chart 3.6

Map of indicators of "Need" for Social Services
by Census Tract



Source: New York Department of City Planning, 1973.

Chart 3.7. For each variable, data were grouped into seven categories which were color-coded for ease of interpretation. For these variables, absolute numbers of persons were used, rather than percentages of the total population, since the objective was to identify concentrations of target groups. In addition, the location of existing service centers for the elderly, both public and private, were mapped, showing the type and quantity of services offered. This enabled the distribution of available services to be compared with the distribution of presumed target populations.

Chart 3.8 lists the maps prepared by the Department of City Planning for HRA during this phase of the pilot project. (The mapping of the ethnic groups was requested in late spring of 1973 by HRA in response to a request for this information from the Mayor's office.)

The maps and numerous charts and tables summarizing different aspects of the data were presented to HRA in the spring of 1973. For example, Charts 3.9 and 3.10 show the basic population data summarized by borough, for both the mapped variables and several variables we didn't map. Chart 3.11 summarizes in bar graph form several variables for the Bronx.

One project objective was to present the information

Chart 3.7

1970 CENSUS TRACT DATA FOR HRA-DCP WELFARE ANALYSIS PROJECT
005 : BORO CODE [BRONX]

CENSUS TRACT NUMBER	T TOTAL U NEMPLOYED	TOTAL P UPULATION	FAMILIES W 2X POV LEVEL	FAMILIES UNDER POV LEVEL	PERSONS 65 AND OVER	CHILDREN UNDER 6	F HEADS LF WITH CHILD UNDER 6	M WOMEN LF WITH CHILD UNDER 6	ALL WOMEN LF WITH CHILD U 6
133	0	5567	0	0	6	0	0	0	0
200	65	2737	188	54	246	221	4	28	37
400	16	1775	98	12	146	157	0	36	44
1100	15	966	108	35	40	125	8	5	13
1500	0	253	60	23	7	37	4	0	4
1600	5	1384	57	4	102	184	0	22	22
1700	42	2193	356	207	79	367	4	33	37
2300	182	10127	1135	417	753	1301	70	186	239
2400	134	5749	841	231	808	671	21	49	70
2500	145	7097	1139	474	290	993	48	60	106
2701	55	5609	923	345	241	777	20	32	52
2702	132	8136	1498	807	303	1650	32	79	108
2800	59	4618	231	70	167	529	13	94	112
3100	34	2533	500	175	177	398	18	47	65
3300	121	7951	1355	751	275	1569	43	45	94
3500	52	4603	783	239	334	579	24	74	88
3700	74	8656	763	274	636	947	28	107	135
3710	0	339	98	26	10	32	0	0	5
3900	9	918	92	40	67	147	0	24	24
4000	101	11976	1896	742	560	2076	48	79	137
4101	9	1437	96	12	152	88	0	0	0
4103	96	5963	917	340	479	690	15	29	47
4300	142	8222	1526	870	341	1440	23	64	95
4400	96	5467	753	317	581	470	13	69	82
4500	17	1394	190	61	147	195	0	38	42
4700	129	7423	1249	433	260	1108	57	96	145
4900	66	3994	430	136	285	493	15	42	67
4903	44	878	124	76	74	110	9	3	12
5100	282	10017	1031	313	912	1275	63	207	265
5200	23	1728	270	134	181	295	32	23	53
5400	70	5808	574	176	495	592	6	76	96
5500	44	2643	266	111	431	283	17	47	58
5700	59	1443	64	21	74	57	0	0	0
5800	0	21	0	0	0	0	0	0	0
5901	99	3563	245	70	1019	133	12	34	39
5902	9	2280	137	23	630	80	0	17	17
6000	30	1307	76	28	128	123	9	11	20
6100	46	4423	110	37	679	259	9	75	84
6200	156	8227	1005	416	584	1029	62	105	148
6400	59	3413	176	55	267	330	0	58	64
6500	75	4578	173	303	442	538	23	51	67
6600	85	3630	293	131	472	316	9	56	59
6700	213	9194	1415	613	557	1324	27	81	123
6800	60	2648	114	40	273	279	4	30	67
6900	243	10270	1633	838	692	1495	49	95	131
7000	55	3304	233	51	423	277	26	47	74
7100	105	5430	954	430	129	1049	38	43	55
7200	75	4475	241	67	701	306	17	53	75
7300	148	6066	895	474	309	931	37	70	101

Source: New York Department of City Planning

Chart 3.8

LIST OF MAPS PREPARED FOR HRA NEEDS ANALYSIS

May 1973

by

Lillian Silva

Sabella Curry

NEW YORK CITY .. Variables mapped by Community Planning District

Total Population
Population 65 years old and over
Population under 6 years old
Families with Incomes below the Poverty Level*
Families with Incomes below 2 timesthe Poverty Level*
Female Household Heads in Labor Force with Children under 6 years
Total Public Assistance Cases (July 1970)
Total Public Assistance Cases (July 1972)

BROOKLYN ..... Variables mapped by Census Tract

Total Population
Population 65 years old and over
Population under 6 years old
Families with Incomes below the Poverty Level*
Families with Incomes below 2 times the Poverty Level*
Female Household Heads in Labor Force with Children under 6 years
Total Public Assistance Cases (July 1970)
Total Public Assistance Cases (July 1972)

BRONX .....Variables Mapped by Census Tract

Total Population
Population 65 years old and over
Population under 6 years old
Families with Incomes below the Poverty Level*
Families with Incomes below 2 times the Poverty Level*
Female Household Heads in Labor Force with Children under 6 years
Total Public Assistance Cases (July 1970)
Total Public Assistance Cases (July 1972)

MANHATTAN ..... Variables Mapped by Census Tract

Total Population
Population 65 years old and over
Population under 6 years
Families with Incomes Below the Poverty Level*

(MANHATTAN)

Families with Incomes below 2 Times the Poverty Level*
Female Household Heads in Labor Force with Children under 6 years
Total Public Assistance Cases (July 1970)
Total Public Assistance Cases (July 1972)

QUEENS ..... Variables Mapped by Census Tract

Total Population
Population 65 years old and over
Population under 6 years
Families with Incomes below the Poverty Level*
Female Household Heads in Labor Force with Children under 6 years

STATEN ISLAND .... Variables Mapped by Census Tract

Total Population
Population 65 years old and over
Population under 6 years
Families with Incomes below the Poverty Level*
Female Household Heads in the Labor Force with Children under 6 years

ALL DATA EXCEPT THE PUBLIC ASSISTANCE CASES IS FROM THE 4th COUNT OF THE 1970 U. S. CENSUS.

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* The poverty level here is that determined by the Bureau of the Census in conjunction with other federal agencies. The average poverty level income for a husband-wife family with two children is $3,600 per year, gross. The same type of family at 2 times the poverty level would receive about $7,200 per year. The "Poverty Level" is a floating dollar amount, depending on family size and type and age of head of household. The highest income for a non-farm family at the poverty level would be about $6,600 per year.

ETHNIC MAPS*

NEW YORK CITY .. Variables Mapped by Community Planning District

Foreign Stock of Polish Descent
Foreign Stock of Greek Descent
Foreign Stock of Italian Descent
Foreign Stock of Chinese Descent
Foreign Stock of Japanese Descent
Foreign Stock of Irish Descent

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* Foreign Stock includes both foreign born and native born persons of foreign or mixed parentage.

Chart 3.9

MAPPED POPULATION CHARACTERISTICS

	TOTAL POPULATION		CHILDREN UNDER 6 YEARS		PEOPLE 65 + YEARS		FAMILIES BELOW THE POVERTY LEVEL *		PUBLIC ASSISTANCES CASES-JULY 1972 **	
NYC	7,894,798	100% / 100%	741,575	100% / 9.4%	952,637	100% / 12.0%	236,507	100% / n.a.	*** 430,447	100% / n.a.
BRONX	1,471,686	18.6% / 100%	161,241	21.7% / 10.9%	172,417	18.0% / 11.7%	60,462	25.5% / n.a.	115,686	26.8% / n.a.
BROOKLYN	2,601,974	32.9% / 100%	271,510	36.6% / 10.4%	290,885	30.5% / 11.1%	95,135	40.2% / n.a.	164,703	38.2% / n.a.
MANHATTAN	1,539,225	19.4% / 100%	109,379	14.7% / 7.1%	215,991	22.6% / 14.0%	47,207	19.9% / n.a.	111,555	25.9% / n.a.
QUEENS	1,986,470	25.1% / 100%	166,311	22.4% / 8.3%	247,663	25.9% / 12.4%	30,161	12.7% / n.a.	33,141	7.6% / n.a.
STATEN ISLAND	295,443	3.7% / 100%	33,128	4.4% / 11.2%	25,681	2.6% / 8.6%	3,542	1.4% / n.a	5,362	1.2% / n.a.

* This is the poverty level as defined by the U.S. Census. See Occasional Paper # ("Poverty") for explanation
** Source: July 1972 H.R.A. Master file.
*** This reflects only the 84% of all public assistance cases which were allocated to boroughs by the SAMS program

Source: 1970 U.S. Census, 4th Count: Summary Data - New York City - 1970. New York Department of City Planning.

Chart 3.10

Unmapped Population Characteristics

	TOTAL POPULATION		PEOPLE BELOW POVERTY*		TOTAL FAMILIES		FAMILIES BELOW POVERTY*		UNRELATED INDIVIDUALS		UNRELATED INDIVIDUALS BELOW POVERTY*	
NYC	7,894,798	100% / 100%	1,164,673	100% / 14.7%	2,058,943	100% / 100%	236,507	100% / 11.4%	969,898	100% / 100%	266,053	100% / 27.4%
BRONX	1,471,686	18.6% / 100%	282,612	24.2% / 19.2%	390,667	18.9% / 100%	60,462	25.5% / 15.4%	132,325	13.6% / 100%	44,489	16.7% / 32.8%
BROOKLYN	2,601,974	32.9% / 100%	453,887	38.9% / 17.4%	685,528	33.2% / 100%	95,135	40.2% / 13.8%	233,247	24.0% / 100%	79,369	29.8% / 34.0%
MANHATTAN	1,539,225	19.4% / 100%	262,033	22.4% / 17.0%	359,540	17.4% / 100%	47,207	19.9% / 13.1%	414,171	42.7% / 100%	89,758	33.7% / 21.6%
QUEENS	1,986,470	25.1% / 100%	148,688	12.7% / 7.4%	549,542	26.2% / 100%	30,161	12.7% / 5.4%	174,068	17.9% / 100%	47,520	17.8% / 27.2%
STATEN ISLAND	295,443	3.7% / 100%	17,453	1.4% / 5.9%	73,666	3.5% / 100%	3,542	1.4% / 4.8%	16,087	1.6% / 100%	4,917	1.8% / 30.5%

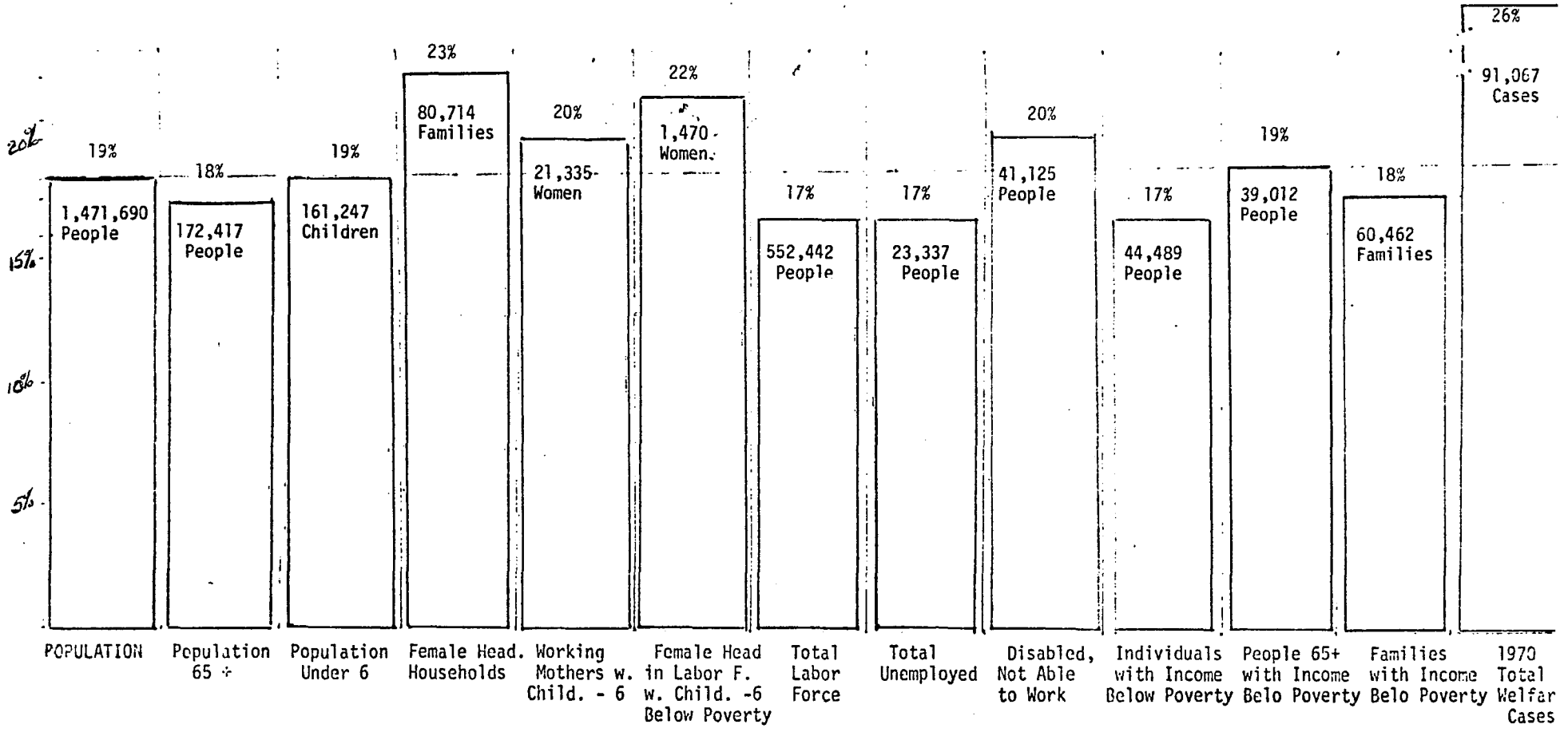
* This is the poverty level as defined by the U.S. Census. See Occasional Paper #3 ("Poverty") for explanation.

Source: 1970 U.S. Census, 4th Count: Summary Data - New York City - 1970. New York Department of City Planning.

Chart 3.11

BRONX: Population Characteristics as a Percent of the New York City Total

(Sources: 1970 U.S. Census, and 1970* DOSS Welfare Tape)



Prepared by: Mary Meyer and Judith Denton, Dept. of City Planning January 1973

at several different levels of geographic aggregation, in order to allow HRA administrators the flexibility of choosing the level of aggregation most suited to particular decisions. For example, the number of persons in the Bronx aged 65 years and older is shown by census tract in Chart 3.7, and on the maps. The number of elderly persons per census tract ranged from 0 to over 800 in the Bronx. In the other charts this information is shown by Community Planning District, Human Resources District, and in Chart 3.9 it is shown by borough and city wide. For New York City as a whole, approximately 952,637 persons were aged 65 years and over in 1970, of whom approximately 172,417 (18%) resided in the Bronx. In Brooklyn, the absolute number was much greater--approximately 290,885 elderly persons (30.5% of this group in New York City), but the relative concentration was about the same as in the Bronx, 11.1% compared to 12%.

Were the maps and data used by HRA? Yes, to a certain extent. The Bureau of Purchased Social Services for Adults used the data to supplement their own excellent research for deciding where to locate service centers for the elderly. These senior citizen centers were financed by contracts with private agencies under "purchase of service" arrangements. BPSSA stated in June 1973 that it was,

> ...in the process of letting contracts for senior citizen centers. Thirty contracts have been let, and twenty to thirty are expected to be announced in the next week or so. Decisions have already been made as to where the remaining new centers will be located. In making these decisions, BPSSA charted the location of existing centers, HRA centers in development, and aged population by HRDs in an attempt to identify service gaps.[24]

The Agency for Child Development also used the planning materials in planning their expansion of day care facilities.[25] Unfortunately, ADC's efforts to expand publicly supported day care in New York City were hindered by a cutback in federal funds about this time.[26]

HRA also recognized some of the political uses of such procedures in easing conflicts over decisions for allocating funds. One report stated:

> A special process was designed to make the process of awards as equitable as possible. All community sites for Senior Citizen Centers were pre-selected on the basis of demographic criteria and agencies were invited to submit applications for sponsoring these sites. ... Wherever possible agencies competing for the same site were encouraged to join forces and jointly operate a center. This procedure substantially lessened although it did not eliminate the political and community tension surrounding the awards.[27]

The HRA/DCP project continued on an informal basis during the remainder of 1973, but expanded little. We continued to meet HRA's frequent requests for data and training of planning personnel in data handling and analytic techniques. A related effort was undertaken by the Bronx office of DCP and the Office of Research and Evaluation within

HRA's Department of Social Services. This project used census data on numbers of children, elderly, and unemployed to create maps of several small areas in the Bronx, and then overlaid these base maps with transparent maps showing the locations and capacities of appropriate centers.[28]

HRA's limited capacity to absorb more complex planning techniques was a major constraint on the further development of the pilot project. These limitations resulted from several factors: a) difficulties faced by all local welfare agencies due to frequently changing federal and state requirements; b) conceptual difficulties stemming from a lack of agreement as to what social services were or might be; and c) typical organizational problems in collecting, analyzing, and using quantitative data in policy decisions concerning social services. Bureaucratic conflicts within HRA, resulting in frequent turnover of personnel, also limited the scope and effectiveness of their efforts, while absorbing considerable amounts of the administrative resources being devoted to social services.

On the other hand, not all the blame can be laid at HRA's door. The usefulness of the information gathered, analyzed, and presented by the pilot project was limited by certain inherent constraints. In terms of

substantive emphasis--choice of target groups--we picked groups that were relatively easy to locate geographically given the types of information at our disposal. And while children in poor families and elderly poor persons may constitute two of the largest target groups for HRA's services--and our emphasis may therefore be easily justified--we left aside the difficult tasks of trying to identify persons with other types of service needs.

A second limitation derived from the use of census data as our major information source (other than numbers of welfare cases which were taken from HRA files). We were constrained in our ability to interpret and apply the data because of various peculiarities of census definitions. Decennial census information is quickly outdated, although it can be supplemented by imaginative use of other kinds of information routinely made available by different city agencies.

New surveys of current or potential welfare recipients' perceived needs for services were out of the question due to cost and time constraints. Review of case records to obtain requests by recipients for services and information on social workers' delivery of services would have been a logical approach if such information had been easily available. It was not, even in summary form, and its absence reflects the traditional lack of

management concern with such issues.

There are also important issues concerning the confidentiality of these records that must be taken into consideration in developing client-record-based management information systems, and such issues had not been resolved by HRA at this time.[29]

These basic problems in the management and planning of social services programs at the state and local levels were, of course, among the reasons that HEW had begun in 1970-71 to press state and local welfare agencies to improve their management of social service programs. For New York City, the successful fight to defeat the HEW proposals was unexpectedly followed by strong and unprecedented pressure from the New York State Department of Social Services for similar reforms, as described below.

2. Adoption of the HEW/CSA Proposals by the New York State Department of Social Services

Traditionally the New York State Department of Social Services (DSS) had exercised its supervisory role over New York City's welfare programs rather cursorily. However, the State DSS began exercising more initiative concerning social services in 1972, and in March 1973 adopted as state requirements the HEW/CSA proposals for planning services which had been published as part of

HEW's proposed service regulations in February 1973.

In March 1973 the State DSS issued two "Administrative Letters" containing its requirements for a system of "Goal Oriented Social Services" (GOSS) and a "Social Services Information System" (SSIS).[30] These requirements virtually duplicated the HEW/CSA proposals. Local welfare agencies were required to implement the new systems in three phases to be completed by July 1, 1973. The State DSS maintained these requirements in spite of objections from local welfare agencies even after HEW eliminated them.

Perhaps a feasible deadline for the small welfare departments in upstate New York, the July deadline was impossible for the enormous and complex New York City system. HRA objected to the state's basic reporting form (Form 2110), to reporting certain data items, and to certain features of the computer linkages that were required.

Many of HRA's disagreements with the State DSS stemmed from its inability to reconcile inconsistencies in its own procedures. For example, whatever inherent defects Form 2110 might have had, HRA's problem was that its agencies could not decide on the kinds of information and level of detail that were appropriately reported internally to (a) HRA's top management, (b) agency directors,

Table 3.1

Major Policy and Administrative Letters Concerning Social Services, Issued by the New York State Department of Social Services, 1971-1974 *

Date	Type	Subject
11/29/71	Policy Letter**	Analysis of Proposed Federal Requirements on Program Budgeting
12/7/71	Policy Letter	Unit-cost budget breakdowns
1/3/72	Policy Letter	Program Budgeting
1/9/72	Policy Letter	Federal and State Funding Rationale
7/31/72	Policy Letter	Redesign of forms for the "National Demonstration Project" for CSA Data Requirements
9/19/72	Adm. Letter** 72-PWD-151	Submission of Statistical and Financial Reports
11/26/72	Adm. Letter 72-PWD-186	Separation of Services from Income Maintenance
12/8/72	Adm. Letter 72-PWD-195	Distribution of Federal Social Service Funds to Local Districts (response to ceiling on federal funds for services)
1/30/73	Personal Letter	From Carrera of NYS DSS to Dronska of HRA, thanking HRA for their comments on the SSIS proposals from HEW
3/6/73	Informational Letter 73-INF-16	Compilation of Social Services (definitions)
3/20/73	Adm. Letter 73-PWD-39	Functions of the Separated Social Services System and the Goal Oriented Social Serice System (GOSS).
3/20/73	Adm. Letter 73-PWD-40	Social Services Information System (official mandate on the SSIS)
5/22/73	Adm. Letter 73-PWD-74	Social Services Information System, #2

Date	Type	Subject
7/3/73	Adm. Letter 73-PWD-105	BENDEX (Describes computer system for coordinating local-state-federal welfare records)
9/12/73	Personal Letter	From State Commissioner Levine to HRA Administrator Sugarman (Threatens fiscal sanctions unless HRA meets SSIS requirements.)
10/3/73	Adm. Letter 73-PWD-158	Social Services Information System, No. 3, Questions and Answers on the System
10/25/73	Adm. Letter 73-PWD-170	Purchase of Services by Social Service Districts (Requires written agreements for all new p-o-s arrangements by Jan. 1, 1974.)
5/22/74	Adm. Letter 74-ADM-82	Compilation of Requirements for Delivery of Services
7/12/74	Adm. Letter 74-ADM-105	Installation and Implementation of the Information and Resource Referral System (IRIS)
8/30/74	Adm. Letter 74-ADM-103	Social Service Program and Financial Planning. (A new comprehensive summary of the SSIS and PFP requirements with some additional detail and definitions.)

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* This is not a comprehensive list. The state DSS has issued many more detailed procedural letters which are not shown here. Copies of these letters were obtained from HRA.

** A policy letter is an exploratory letter from an office below that of the State Commissioner. An administrative letter is an official promulgation of state requirements.

(c) planning offices, and (d) caseworkers and supervisors handling individual cases. Until consistent principles for the reporting and distribution of information were adopted within HRA, agreement on what information should be sent to the State DSS was impossible.[31]

The State DSS was also responsible for many of the conflicts with HRA, for some state requirements reflected inadequate knowledge of New York City's inevitable complexities. The state mandates generated resentment among many New York City personnel who felt that the state was interfering in operational matters that were the local agency's responsibility. HRA also felt, often justifiably, that the State DSS did not consult with it sufficiently in designing new regulations, given the overwhelming size of New York City's caseload in the state's welfare program. State officials, on the other hand, often seemed to feel that they were being out-manoeuvered by their usually more aggressive and often more knowledgeable colleagues from New York City.

Neither department evinced much spirit of cooperation in the battles over implementing the SSIS, and communications tended to be formal and strained. A crisis point in the conflict occured in September 1973 when the State DSS threatened to take "appropriate fiscal sanctions until the City is in full compliance with our

directives."[32] Compromise was reached and the sanctions were never imposed, but the outstanding issues persisted for several years.

3. HRA's Efforts to Consolidate Social Services Planning, 1973-4

Partly in response to the State's requirements, HRA made a survey of its social service planning activities in June 1973. The survey showed, first, that at least a dozen different sources of data were being used: the "Burstein Report," Tino Calabia's Social Profiles, demographic data from the City Planning Commission, demographic data from Burstein's office, demographic data from the U.S. Census, the Youth Poverty Index compiled by the Youth Services Agency, internal statistics from the Bureau of Special Services for Children, the BSSC-Child Welfare Information System, the Department of Community Development/HRA Program Inventory, community-based data compiled by the Department of Community Development, and miscellaneous data.[33]

The report also indicated that:

- Varied assumptions are made in interpreting and applying the data by the planning departments, which tends to produce internal inconsistencies, e.g., depending on the data source, the number of children or age may vary in a particular Health Area of HRD.

- Duplicatory planning efforts are occurring within HRA. Related to this, there is no one location in HRA where planning documents or intent outlines produced by the various planning units, are accessible to all for review.

- The relationship between individual planning and policy planning vis-á-vis the Resources Review Board needs to be coordinated.[34]

One of the major reasons for HRA's failure to achieve a coordinated planning system was the lack of sustained leadership concerning services on the part of Sugarman's background and personal commitment to services. The problems Sugarman faced in the income maintenance program seem to have been the chief reason for this failure.

In late 1972 when federal pressure for the "GOSS/SSIS" proposals began to be felt, Assistant Administrator Dronska's efforts to secure technical assistance from the "management" personnel in the Income Maintenance Office failed because of the overwhelming need to straighten out the income maintenance program. Then Sugarman promised that 1973 would be the year his management team would concentrate on services, but the income maintenance reforms were so far behind schedule that services continued to receive little attention.

After the death in March 1973 of Clint McKay, head of the Office of Community Social Services, Sugarman assigned responsibility for coordinating services to at least six different offices during the remainder of the year. Some control was exercised during this period by the Resources Review Board, which had been established in early 1973 to coordinate the allocation of service funds at a policy level. In the meantime, several of the service agencies within HRA began designing and implementing their own information systems and planning mechanisms, which, not surprisingly, were coordinated neither with each other nor with the State DSS requirements.

In November 1973 Sugarman appointed a new Acting Deputy Administrator of the Department of Social Services with responsibility for coordinating the Office of Community Social Services, the Office of Special Services for Children, and the Office of Special Services for Adults. An Assistant Administrator for Services Planning was also appointed who was "to work directly with" the new Acting Deputy Administrator in order to meet the "heavy demands and tight time-tables now laid on the Department of Social Services" to develop the SSIS.[35] As a resolution to the months of rivalry and uncertainty concerning responsibility for services, these personnel changes were unfortunately not to be lasting. Since a

new Mayor would begin his term in January 1974, a new HRA Administrator would be appointed then, and the process of personal and bureaucratic infighting could be expected to continue.

Summary

During the years 1969 to 1973, New York City's Human Resources Administration attemped to consolidate and rationalize its social service programs and to introduce coordinated planning procedures for social services. HRA responded both to the reforms suggested by HEW/CSA and to the requirements adopted by the New York State Department of Social Services. As of the end of 1973 (and through 1975) HRA had not succeeded in these efforts. The major difficulties included: inadequate conceptualization of what a social services information system ought to accomplish, organizational arrangements that prevented a workable chain of authority for service programs from being established, repeated shifts of responsibility for services within HRA, and the enormous size of the problem --a caseload of over half a million and more than a million individual welfare recipients. Changing state and federal requirements were also a major source of confusion.

The next section of this chapter describes the actual provision of social services in New York City as far as we have been able to ascertain from limited data.

Ideally, a study such as this should analyze to what extent planned goals for service programs had been achieved. Given the chaotic nature of social service planning in New York City during these years, we cannot realistically relate planned and actual services delivered. We attempt, however, to provide the reader with our best estimates of the quantity of services actually provided during this period, recognizing that some service delivery mechanisms continued to operate in spite of the confusion and bureaucratic machinations occurring at the planning and policy levels of HRA.

C. The Provision of Services in New York City, 1969-1973

What kinds and amounts of supportive services have been provided to welfare recipients in New York City by HRA over the past several years? What have the costs of furnishing these services been? What were the sources of funds spent on services? How does actual service provision compare with estimates of numbers of persons who might need such services?

We are particularly concerned with the provision of services since HRA began its efforts to separate the administration of services from the income maintenance program. Prior to that time, services took the form primarily of counseling and referrals, by caseworkers who

were generally busy with the tasks of eligibility determination and checking payments. The evidence for the extent of such service work is contained in case-workers' reports. Reviewing these reports was an arduous task outside the scope of this study, in addition to the problems of access and interpretation involved in such an approach. Details of our estimating procedures appear in Appendix B.

1. Estimates of Numbers of Recipients of Services

There are few sources of information on the actual provision of social services authorized by Titles IV-A and XVI (now Title XX) of the Social Security Act. HRA published its most comprehensive list in its 1972 Annual Report. This information is shown in Table 3.2. Recipients of child welfare services provided by the Office of Special Services for Children are not shown, since the federal share of these services was provided under Title IV-B and was quite limited.

Table 3.2 shows that about 44,000 children received day care services in 1972; about 146,000 elderly persons and destitute persons received some kind of service; welfare employment programs involved about 15,000 persons; about 44,000 persons were affected by service programs of the Office of Community Social Services, and

Table 3.2

Estimated Numbers of Service Recipients, 1972

	Estimated Number of Recipients	
Agency for Child Development		
Group and Family Daycare	31,630	
Head Start	6,300	
Infant care	215	
After School Programs	6,000	
	44,145	
Special Services for Adults		
Senior citizen centers	43,000	
Personal aid to the handicapped	470	
Jewish Associations for Services to the Aged	4,162	
Telephone Reassurance	800	
Housekeeper Vendor Service	6,500	
Homemaker services for the handicapped	3,852	(Families)
Foster Home Care	1,380	
Voluntary and Proprietary Institutional Care	11,300	
Linkages to friends, concerts, etc.	9,885	
Rehabilitation for the handicapped	3,000	
Neponsit Home for the Aged	235	
Camp LaGuardia for homeless men	1,000	
Shelter care centers for men and women	16,648	
Home economics counseling	3,700	
Home economics demonstrations	40,000	
	145,932	
Community Social Services		
Home arts, nutrition, consumer education courses	3,400	
Summer camp or recreation for children	3,566	
Referral for clients	1,831	
Tenant contacts in relocation leased buildings	26,702	
Direct services and referrals for families in 15 Housing Authority sites	6,300	(Families)
Found public housing for residents in Model Cities areas	2,280	
	44,079	

	Estimated Number of Recipients
Welfare Employment Programs	
Public Works Project (Home Relief clients working off their grants)	11,521
Federal Emergency Employment Act	3,669
Vera Institute of Justice, for ex-addicts	300
	15,490
Manpower and Career Development Agency	
Manpower Services Program Referrals, of which 15,699 were placed in jobs and 16,849 were placed in training	43,674
Institutional training enrollees, of which 5,610 completed training and 3,821 reported to new jobs	19,703
Federal manpower programs (Concentrated Employment Program, Job Corps, On the Job Training, Public Service Careers, WIN, and Board of Education basic training)	12,900
	76,277

Note: The Summary on p. 9 of the Annual Report states that, "A grand total does not occur because it is impossible to discern the duplication of services, especially for welfare clients, who often receive a multiplicity of services from several HRA agencies." Thus, there is some double counting in the estimated 325,923 persons/families assisted by HRA service programs.

Source: HRA, 1972 Annual Report (New York, 1973).

perhaps 76,000 persons were aided by the Manpower and Career Development Agency. It can be assumed that these figures represent HRA's "best guesses" and that these guesses are at least somewhat optimistic. Informal estimates by some HRA personnel suggest that from about 200,000 to 400,000 persons annually receive some sort of service from HRA.[37]

In addition to the above services, in 1972 the New York City Department of Social Services provided medical assistance payments for 688,095 persons, of whom 330,000 were not welfare recipients. Food stamps were provided for 900,000 persons on welfare plus 108,000 persons not on welfare.

The figures presented in HRA's 1972 Annual Report are estimates for the calendar year, and therefore cannot be compared directly to budgetary allocations for fiscal year 1972-3. The budget information presented in the report does not separate expenditures for services from those for the income maintenance program, so that the costs of providing these services cannot be ascertained from this document.

2. Estimates of Costs

Cost estimates, although not amounts of services provided, can be obtained from the annual Expense Budget

of the City of New York. The budget authorizations for the Department of Social Services were examined for fiscal years 1967-68 through 1973-74, in order to estimate how much money HRA spent for services during these years. From FY1974 on, New York State's allotment under the $2.5 billion annual ceiling for federal expenditures for social services is $223 million, of which approximately three-quarters goes to New York City. (See Table 3.3.) New York State had expected to receive over $800 million of federal funds in FY 1973 before the ceiling was imposed.

Table 3.3 shows state and federal expenditures for service programs in New York City according to official New York State data. These expenditures ranged from about $189 million in 1970 to about $218 million in 1972. As shown, day care and foster care accounted for the bulk of the funds, $80 million and $60 million, while other purchased services, probably largely services for the elderly, accounted for about $51 million, and "other programs," about $25 million.

Table 3.4 summarizes the results of our own efforts to estimate HRA's expenditures for social services based on information presented in the New York City expense budgets. Our analysis had two objectives. First we attempted to estimate total expenditures for services

Table 3.3

New York State Social Service Expenditures

1970-1972 ($ million)

Year		Total	Foster Care	Daycare	Other P-O-S	Other Programs[a]
1972	NYS	276.1	87.5	95.7	58.8	34.2
	NYC	217.6	60.6	80.7	51.0	25.4
1971	NYS	264.8	148.6	50.2	10.9[b]	55.1
	NYC	202.1	113.9	40.4	9.9	37.8
1970	NYS	249.1	141.7	c	14.6[b]	70.1
	NYC	189.0	106.7		13.2	56.6

[a]In 1972, Other Programs included: burials, commercial lodging house care, adoptive parent subsidy, public institutional care, removals of indigent persons, food on the table and Work Incentive Program.

In 1971, Other Programs included: burials, commercial lodging house care, removals of indigent persons, emergency assistance, adoptive parent subsidy, juvenile delinquents in local facilities, intermediate care facilities, purchase of services, and Work Incentive Program.

In 1970, Other Programs included: burials; school lunch and milk; commercial lodging house care; adults in private institutions; removal of indigent persons; hospital only care; day care; emergency assistance; purchase-of-services; work incentive program.

[b]In 1970 and 1971, these expenditures were for "Public Institutional Care."

[c]The other expenditures in 1970 were for "Care of Juvenile Delinquents in Local Facilities" ($22.5 million in NYS and $12.5 million in NYC).

Source: New York State Yearbook, 1971 and 1972 (Albany, N.Y.: New York State Division of the Budget, July 1973 and July 1974) Table J-16 "Expenditures for Social Service Programs Other Than Public Assistance and Medical Assistance by County;" New York State Yearbook 1970 (August 1972) Table J-15, "Public Welfare Programs Expenditures, by Welfare Programs Other Than Public Assistance and by County."

by the New York City Department of Social Services during these years, since these costs were not shown directly in the expense budgets. Welfare costs were broken down only by agencies within DSS, but exact figures for income maintenance grants and medical assistance payments were also given. The remaining unspecified costs therefore included both administrative expenses and costs of delivering services. We tried to estimate these two types of expenditures separately, with the resulting estimate for service costs shown in columns of Table 3.4.

Our second objective was to try to estimate what portion of the funds spent on services might be considered to represent actual resource transfers to recipients, rather than sheer overhead and administrative costs. The results are shown in column 1--estimated dollar transfers--and in column 2--estimated dollar administrative costs--in Table 3.4. Our methods of arriving at these figures are described in Appendix B. There are several elements of administrative costs not included in the estimates in column 2, most importantly fringe benefit and pension costs of DSS service personnel, and all personnel costs for HRA administrators overseeing DSS service programs. These items are included in the estimates in Table B-4 of Appendix B.

Table 3.4

Estimated Expenditures for Services by HRA/DSS

1968-1973 ($ million)

	(1) Estimated $ Transfer	(2) Estimated $ Administrative	(3) Estimated Total
FY 1973-4	194.2	56.4	250.6
FY 1972-3	191.5	63.9	245.4
FY 1971-2	154.0	61.5	215.5
FY 1970-1	98.3	60.5	148.8
FY 1969-70	73.7	45.9	119.6
FY 1968-9	33.4	39.9	73.3
FY 1967-8	64.8	26.4	91.2

Notes:

These figures do not include a) fringe benefit and b) pension costs for DSS personnel, nor c) costs of administrative personnel in HRA whose time is spent monitoring DSS service programs. Estimates of these costs for the entire welfare program are shown in Appendix B.

These estimates are my own, and should not be attributed to HRA/DSS in any way.

Source: Estimates are based on interpretation of data from the annual Expense Budget of the City of New York.

It is important to remember that these estimates are not directly comparable to the official New York State figures, which include only state and federal funds spent for services. New York State and New York City normally split, 12½% each, the remaining costs of service expenditures for which 75% federal matching funds are received. However, New York City picks up a larger-than-expected share of total social service costs because (a) it also provides some services that do not qualify for federal or state reimbursement, (b) it provides services to some persons who are not eligible according to federal criteria, and (c) some service costs are reimbursed according to different matching formulas. Therefore, New York City's own expenditures for service programs exceed the 12½% "minimum," so to speak, that its share could be under the typical 75% federal matching formula.

If we look at welfare costs as a whole (income maintenance, medical assistance, and services), we find that New York City usually has paid about 30%, New York State about 28%, and the federal government about 40% of total welfare expenditures. (See Table B-6 in Appendix B. Calculating these shares for service expenditures separately required such heroic assumptions that the results seemed worthless.)

In sum, the approximately $245 million which we estimated New York City spent for services in FY 1972-3 (not including certain personnel costs), includes New York City, New York State, and federal government funds, is therefore appropriately higher than the $217.6 million shown for FY 1972 in the official New York State Yearbook. Our overall estimates thus seem to be of the right order of magnitude.

Our estimates of what portion of these costs might represent real resource transfers to service recipients are probably somewhat optimistic. First, we counted 80-90% of salaries for most service delivery personnel as a transfer, whereas an experienced HRA administrator suggested that the proportion was more likely 40-50% due to the low productivity of many social workers and to the ever increasing paperwork demands on them. Second, we assumed that services received were wanted by recipients, and that therefore recipients would have paid private market rates to obtain these services if they had not been provided by HRA personnel. This assumption is open to some doubt, and poses an important issue which should be tested more fully, especially in light of the increasing costs the public sector is experiencing in providing all kinds of labor-intensive services.

We were also interested in discovering what service programs received the highest priority during the expansion of services in New York City during these years. The New York State data gives us only a general idea of program emphasis. For FY 1973-74, HRA estimated the following distribution of its expected claims for federal reimbursements for social services within its allotment under the $2.5 billion ceiling, shown in Table 3.5.

Clearly, day care takes the biggest bite of the funds, 48.4%. Salaries for persons providing these and other services, fringe benefits and administrative expenses (all eligible for 75% federal matching) take the next largest part, 37.4%. Senior citizens come in a poor third with 7% (items 5 and 6, and probably some portion of items 3 and 4 should be counted as well), although it should be remembered that New York City took over funding of many senior centers after HEW eliminated the "group eligibility" provision. As we found in our estimates, salaries and related personnel costs constitute the lion's share of these expenditures, whether the programs are provided directly by HRA or through "purchase of service" contracts with private agencies. This distribution is only a general indication of program priorities, however, since it reflects only costs being submitted for federal

Table 3.5

New York City Estimated Claims for Federal Social Service Reimbursements for FY 1973-4

	Amount	Percentage
Services Delivery and Child Welfare Salaries, Fringe Benefits, Benefits, and Administrative Expenses	$ 76,042,602	37.4
Day Care (excluding WIN)	98,234,855	48.4
Homemaker-Purchased Services	4,430,469	2.2
Housekeeper-Purchased Services	4,352,615	2.1
City-Run Senior Centers	9,579,036	4.7
Private Senior Centers-Purchased Services	4,615,928	2.3
Family Planning	1,960,375	1.0
Purchased Services for Children	1,270,633	.6
Services to Families and Children by United Neighborhood Houses	1,417,293	.7
Camp Fees	300,515	.2
Adoption Fees	967,580	.5
TOTAL	203,171,904	
Approximate 1973 Ceiling	200,000,000	
Amount over Ceiling	3,171,904	

Source: HRA, Office of Budget and Fiscal Affairs, "NYC Claims for Services under Titles IV and VI, Complete Fiscal Year 1973-74," Table I, Summary, p. 1.

reimbursement and therefore does not include other programs that the city funds on its own.

Finally, we would have liked to compare costs of providing different kinds of services, and different methods of providing similar services, but the information is simply not available. Within some agencies, comparisons are possible. For example, costs of day care services provided by the Agency for Child Development are included in agency budget requests. In 1973, ACD estimated its per child annual costs, excluding the administrative costs of ACD's central office, as follows.[37]

Family Day Care	$ 1,845 per child per year
DCH Family Day Care	1,080 " " " "
Voluntary Agency Family Day Care	1,560 " " " "

To obtain a more comprehensive cost estimate we would have to add the personnel costs of the "central administration" both in ACD and in that part of HRA which oversees day care programs. The high cost of these programs is not surprising. Every major city which has funded day care programs has experienced high and rising costs if federal standards are met.

3. Comparison of Estimates of Recipients and Numbers of "Needy" Persons in New York City

Our attempt to estimate the quantity of services provided, the numbers of persons and families receiving

services, and the costs of providing these services were only partly successful. Information on services provided is extremely sketchy, and is not likely to become available through HRA's management systems until clearer definitions of each service are agreed upon. Estimates of numbers of persons receiving services are available principally from HRA's own publications and therefore are justifiably treated with some skepticism. Information on costs is scattered in a bewildering variety of documents, each designed to serve specialized purposes, making it impossible to present a clear and comprehensive picture of where funds have been spent. Attempts to estimate costs per service delivered will be futile until definitions of unit costs for each service are developed. Estimates of cost per service goal achieved--measures of outcome--will be impossible until both goals and until costs of services are defined.

One outcome measure that we have tried to estimate is to compare the size of target groups within a service area, in this case New York City, with the numbers of persons and families receiving services. Ideally this comparison should be done over a period of years to see if the services provided were having any effect on the size of the groups needing services. These kinds of comparisons are really outside the scope of current

research capabilities. The complexity of factors involved and the paucity of data available render most such macro-level comparisons meaningless.

Nevertheless, we can try to compare for one time-period the number of persons receiving certain types of service with numbers of persons estimated to "need" these services. The objective is simply to get a rough idea of whether the magnitude of public social service programs is consistent with presumed need. In Chapter 4 we present the rational for and the results of our estimates of numbers of persons "needing" supportive social services in New York City. Here we use the summary figures derived there.

The most difficult problem in our comparison is estimating the numbers of persons needing particular kinds of services. For day care, the approximately 44,000 children who received some kind of publicly supported day care in 1972 may perhaps be compared to the 98,000 children aged 0-5 and the 184,000 children aged 6-18 who lived in female headed households with incomes below the poverty level in 1970. These were families whose head could presumably not work without some provision for child care which the family could not afford on its own.

The 145,000 elderly and handicapped adults who

received some kind of service from HRA in 1972 may perhaps be compared with 1970 census information which showed that 42,000 elderly heads of families had incomes below the poverty level, as did 300,000 poor elderly unrelated individuals. The HRA estimates did not include information on household structure, preventing more direct comparison of these measures.

HRA provided cash assistance to about 130,000 disabled persons in 1970 and to about 190,000 persons in 1972, and we can assume that quite a few of these disabled persons also received some services. There were approximately 466,492 disabled persons aged 16-64 in New York City in 1970 according to census information. However, the census definition of disabled differs from that of HRA and probably does not include drug addicts as disabled, as does the welfare definition.

HRA's 1968 task force on the "Separation of Services from Income Maintenance" estimated in 1968 that about half of the AFDC and Home Relief clients would need services under the proposed separation of services from cash assistance programs, of which 15% would be furnished by proposed "Preventive and Protective Family Service teams" and 35% would be environmental services. Only 15% of the disabled, aged, and blind clients were expected to need services. If these estimates are applied to the

1972 caseload, the following estimates of "need" for services result.

Half the average monthly AFDC and Home Relief cases would have been 126,000 and 37,500 cases, respectively.[38] Fifteen percent of the DAB cases would have been 28,500 cases. It is necessary to multiply these cases by the average number of recipients per case to estimate the number of persons the task force expected to need services. AFDC cases in 1972 averaged 3.66 persons per case; Home Relief cases, 2.12 persons per case, and DAB cases, 1.04 persons per case.[39] Thus, approximately 461,000 AFDC recipients, about 78,000 Home Relief recipients, and about 30,000 DAB recipients would have been expected to need services, based on the 1968 task force expectations. These numbers are roughly double the numbers of persons receiving services according to the 1972 Annual Report, which estimated that about 325,000 persons/families received some form of service.

These estimates are offered exceedingly tentatively, given the comparison of apples and oranges involved. Further, interpretation of these estimates would require reference to caseloads per social worker or team of service workers, to costs per recipients served, and to costs per service rendered. As indicated, the information to make such analyses is not yet available.

The smaller the geographic area being studied, the more likely such comparisons may make planning sense. For example, the study of CPD 4 in the Bronx showed that while the number of children aged 0-5 in 1970 was over 29,000, there were only 23 day care centers with 1400 places total in 1973.[40] This study also analyzed the distribution of children in poor families with the location of day care centers for sub-areas within CPD 4. For employment services, the study contrasted the approximately 4700 unemployed persons in the area with the four job development and training centers in the areas, one of which trained 250 retarded persons, while one concentrated on 16 and 17 year olds, while the other two had a total capacity of 150 training positions.[41]

Summary

This chapter has described the development of social service programs in New York City over the past several years: the organization of HRA and the agencies responsible for providing services; efforts to separate the administration of services from cash assistance programs beginning in 1968; the complications which arose from the introduction in 1969 of the "declaration" system for determining welfare eligibility; the "decentralization" of service programs that began in 1971, and HRA's efforts beginning in 1973 to institute a "social services information system."

We presented as much data as was available on the kinds and amounts of services HRA actually provided to welfare recipients during these years, and estimated the cost of providing these services. We concluded by attempting to compare the estimated number of persons who received services in 1972 with various estimates of the number of persons who might have needed these services.

Our study has shown that (1) until the late 1960s, services were a minor part of caseworkers' activities and received low priority in public assistance programs; (2) service planning in HRA was practically nonexistent until late 1972, and (3) HRA's attempts in 1973-4 to create a coherent system for social services planning and delivery foundered on several obstacles. These included inter-agency rivalries over methods of planning and the distribution of service funds, difficulties in reassigning and retraining unionized personnel, frequent turnover of top administrators responsible for services, and changes in federal and state requirements for service planning which made consistent planning efforts nearly impossible.

With this background on recent developments in social services at the national level (Chapter 2) and in New York City (Chapter 3), in Part II we investigate

possible reasons for these developments. We will examine measures of changing needs for social services, how perceptions of these needs have changed on the part of key groups in the welfare system, and how these changes in perceptions have affected the scope and availability of supportive social service programs.

CHAPTER 3 FOOTNOTES

[1]Although the Human Resources Administration (HRA) was officially abolished in late 1974 and its name changed back to the New York City Department of Social Services, little substantive change had occurred through the end of 1975. For the sake of convenience, therefore, we will refer to HRA as New York City's welfare agency.

[2]HRA, "Transition Fact Book" (New York: Fund for the City of New York, January 1974), pp. 22-23.

[3]Ibid., p. 26.

[4]HRA, "Design for Reorganization: Phase I," Welfarer 1 (Spring 1969):1.

[5]Ibid.

[6]HRA, "Transition Fact Book," pp. 11-12.

[7]Descriptions of many of these problems are contained in the statements of income maintenance clerks, supervisors, and service workers in Congressional hearings held in New York City in April 1972. See U.S., Congress, Joint Economic Committee, Subcommittee on Fiscal Policy, Hearings on Problems in Administration of Public Welfare Programs, 92nd Congress, 2nd Session, March 20, April 11, 12 and 13, 1972.

[8]HRA, "Does the Declaration System Really Work?" Welfarer 1 (September 1969):2-21.

[9]President Nixon's Welfare Message to Congress, August 1969.

[10]Jules Sugarman, "Andover Speech," (HRA, Mimeographed 1971), p. 1.

[11]Ibid., p. 4.

[12]A good description of the proposed activities of the Office of Community Social Service is contained in Appendix B of HRA's "Budget Request" for FY 1972-3.

[13]Hilda Holyer, Director of Programs and Planning, Bureau of Income Maintenance, Department of Social Services, HRA. Interview on November 14, 1973.

[14]HRA, "Design for Reorganization," p. 4.

[15]The Community Planning Districts (CPDs) had many advantages and disadvantages. Their major advantage for HRA was that data on CPDs could be used for the HRDs, with only a few aggregations needed where HRDs incorporated more than one CPD. However, the CPDs themselves do not coincide with any of the other political/statistical jurisdictions in New York City, e.g., fire or sanitation districts, police precincts, health areas, etc. They also cut across census tract lines and it was late 1972 before the Department of City Planning was able to produce census data at the CPD level through its computer system. In spite of the shortrun problems, the choice was a wise one, however, for the Department of City Planning is making more and more kinds of data available for the CPDs, which are becoming the most important units for planning in New York City.

[16]Abe Burstein, New York City Community Corporation Areas, (HRA, March 1972). This report is usually known as "the Burstein Report."

[17]Tino Calabia, "Social Profiles" of the 40 Human Resources Districts.

[18]This proposal is described in the report, "Services Planning Grid, Method and Example," May 24, 1973, attached to a memorandum from Jim Masters and Charles Moore to Major Owens, Deputy Administrator of the Community Development Agency, HRA, of June 6, 1973.

[19]Memorandum from Charlotte Hogg, Director of Division of Proposal Review, Bureau of Purchased Social Services for Adults, HRA, to HRA Administrator Jules Sugarman, "HRA General Allocations Formula--Strategies V and VI: Social Indicators Versus Existing Resources," May 24, 1973.

[20]I participated in this project during the time I worked with the Department of City Planning as a member of the consulting team led by Dr. James M. Beshers of the City University of New York Graduate School Ph.D. Program in Sociology.

[21]Day care for children was also an important part of the WIN employment training program for welfare mothers.

[22]Mary Meyer Aranda and Judith M. Denton, "Planning Manual for Social Services," a joint technical report of HRA and Department of City Planning. (Draft, May 1973).

[23]The RAND Institute project in New York City also studied this discrepancy and reached the same conclusion. C. Peter Rydell, Two Counts of Welfare in New York City: A Comparison of City and Census Data for 1969 (New York: RAND Institute, December 1969), Publication R-1179-NYC.

[24]HRA, "Planning Efforts in HRA: An Overview/ Recommendations," (HRA, Office of Resources Planning, June 1973), Appendix D.

[25]Ibid., Appendix B.

[26]HRA, "Curtailment of Daycare Funds," Press Release, June 1973.

[27]HRA, "Transition Fact Book," p. 24.

[28]Peter Magnini, Nancy Barrows, and Carmen Kaminsky, "An Assessment of the Social Service and Educational Needs of C.P.D. 4 and School District 9 in the Bronx," HRA and Department of City Planning (Draft memorandum, 1973).

[29]For an excellent exploration of these issues, see Isaac Bernstein, "The Privacy Issue in Social Services Systems," (HRA, November 4, 1973). One of the best operating social service information systems based on client data that deals with these issues is that developed by Rembert Aranda for the Center for Independent Living, a training program for the elderly blind affiliated with the New York Infirmary. See R. R. Aranda, "The Student Profile: A Dynamic Rehabilitant-Centered Record,"(National Technical Information Service, Springfield, Va., 1975.) (NTIS Accession No. PB-239 773/9GA)

[30]Table 3.1 lists the major policy and administrative letters on social services issued by the New York State Department of Social Services from 1971 to 1974.

[31]HRA designed several packages of forms to replace the 2110, of which the most voluminous was the set of 25 "W 471" forms designed in the summer of 1972 by the Office of Income Maintenance under Charles Morris. In the end, state pressure forced HRA to use a modified version of

the 2110. This conflict pointed up a basic requirement of any social services information system, i.e., that it permit retrieval of data on all the services an individual or family is receiving, regardless of which agency provides the services. Each of HRA's service agencies had its own case numbering system. Until a common case numbering system is adopted, retrieval of coherent information on services provided to families and individuals will be impossible.

[32]Abe Levine to Jules Sugarman, September 12, 1973. HRA files.

[33]HRA, "Planning Efforts in HRA," p. 1.

[34]Ibid.

[35]Jules Sugarman, "New Staff Assignments," Memorandum of October 26, 1973, p. 2.

[36]We do not wish to imply that no services were furnished under the previous system. Considerable social work literature exists on the importance of and methods for providing services, as well as research and reviews of case records. Unfortunately, the impossibility of clearly defining "services" makes interpreting much of this work difficult. Further, surveys of caseworkers and agency records seem to show that, in fact, caseworkers in public assistance agencies traditionally spent little time on services. See review of several studies in Chapter 5.

[37]David Fitzgerald, Office of Resources Planning, HRA. Interview on October 25, 1974.

[38]HRA, Monthly NYC Public Assistance Summary, 1960-1973 (Spring 1974). The figures for July 1972 were used to represent the monthly average to coincide approximately with the data from the 1972 Annual Report.

[39]Richard H. Mead, "Some Effects of Turnover on the Composition of the Welfare Caseload," (HRA, Office of Policy Research, Document 8857632-16, March 1974): Table 7a, p. 20.

[40]Magnini, Barrows, and Kaminsky, "Needs of CPD 4," p. 3.

[41]Ibid., pp. 5-6.

PART II

CHANGING NEEDS AND CHANGING PERCEPTIONS OF NEED FOR SOCIAL SERVICES

In Part I we summarized the developments that took place in social service legislation and programs from 1969 to 1973, both at the national level, Chapter 2, and in New York City, Chapter 3. In Part II we attempt to identify the major factors that influenced these developments.

Chapter 4 describes changes in the demographic characteristics and geographic distribution of welfare recipients since the 1950s, and the increases in numbers and costs during the 1960s. We examine ways of estimating "needs" for social services, using New York City as the illustrative case.

In Chapter 5 we discuss major changes in perceptions of "need" for services over the past ten years. We examine the changing attitudes and membership of key groups who influence welfare policy, as well as of new groups who are demanding participation in welfare decisions. In Chapter 6 we explore the effects of continuing conflicts within and among welfare organizations on the development of social service programs, as well as the impact of various political rivalries.

CHAPTER 4

CHANGING NEEDS FOR WELFARE AND SOCIAL SERVICES

This chapter examines changes in the welfare caseload in order to try to assess changing "needs" for welfare and services by poor persons and families. In so doing, many popular conceptions about the nature of the welfare caseload and reasons for its growth will be shown to be misleading. These misperceptions include, for example, that increases in unemployment are directly correlated with increases in welfare, that many southern blacks have migrated to northern cities in search of higher welfare payments, that blacks constitute by far the greatest portion of those receiving welfare, and that increased illegitimacy was a major cause of increased welfare recipiency during the late 1960s.

On the contrary, it will be shown that increases in welfare caseloads during the 1960s occurred during a period of rising real personal incomes and rising employment, and that caseload increases seem to have resulted in large part from increased utilization of benefits by those eligible, combined with an increased number of eligible families because of increases in real dollar

benefits, as well as an increased "acceptance rate" of those applying.

Next, we review methods of estimating "need" for services using "objective" measures. And further, we attempt to estimate the numbers of "needy" persons and of persons eligible for welfare in New York City in 1970 in order to estimate the size and characteristics of New York City's welfare "problem," and to assess recipients' possible "needs" for different kinds of supportive social services.

A. Changes in the Welfare Caseload

Public assistance programs have changed little in structure over the past 30 years, although they have been expanded in coverage and benefits. The demographic characteristics of the U. S. population and the welfare needs of certain groups have changed drastically during these years, however. Recent trends in social service programs reflect attempts to respond to some of these changing needs, although no systematic strategy has yet emerged.

1. Increased Numbers of Recipients

As is well known, the number of welfare recipients increased dramatically during the 1960s. Of the several programs, AFDC cases accounted for by far the largest part of this growth, as shown in Table 4.1 and Chart 4.1. The

TABLE 4.1

Number of Public Assistance Recipients

by Program, 1936 to 1970

Year*	OAA	AFDC	AB	APTD	GA
1936	1,108,000	546,000	43,600	-	4,680,000
1940	2,070,000	1,222,000	73,400	-	3,618,000
1945	2,056,000	943,000	71,500	-	507,000
1950	2,786,000	2,233,000	97,500	68,800	866,000
1955	2,538,000	2,192,000	104,000	241,000	743,000
1960	2,305,000	3,073,000	107,000	369,000	1,244,000
1965	2,087,000	4,396,000	85,100	557,000	677,000
1966	2,073,000	4,666,000	83,700	588,000	663,000
1967	2,073,000	5,309,000	82,600	646,000	782,000
1968	2,027,000	6,086,000	80,700	702,000	826,000
1969	2,074,000	7,313,000	80,600	803,000	860,000
1970	2,082,000	9,660,000	81,000	935,000	1,056,000

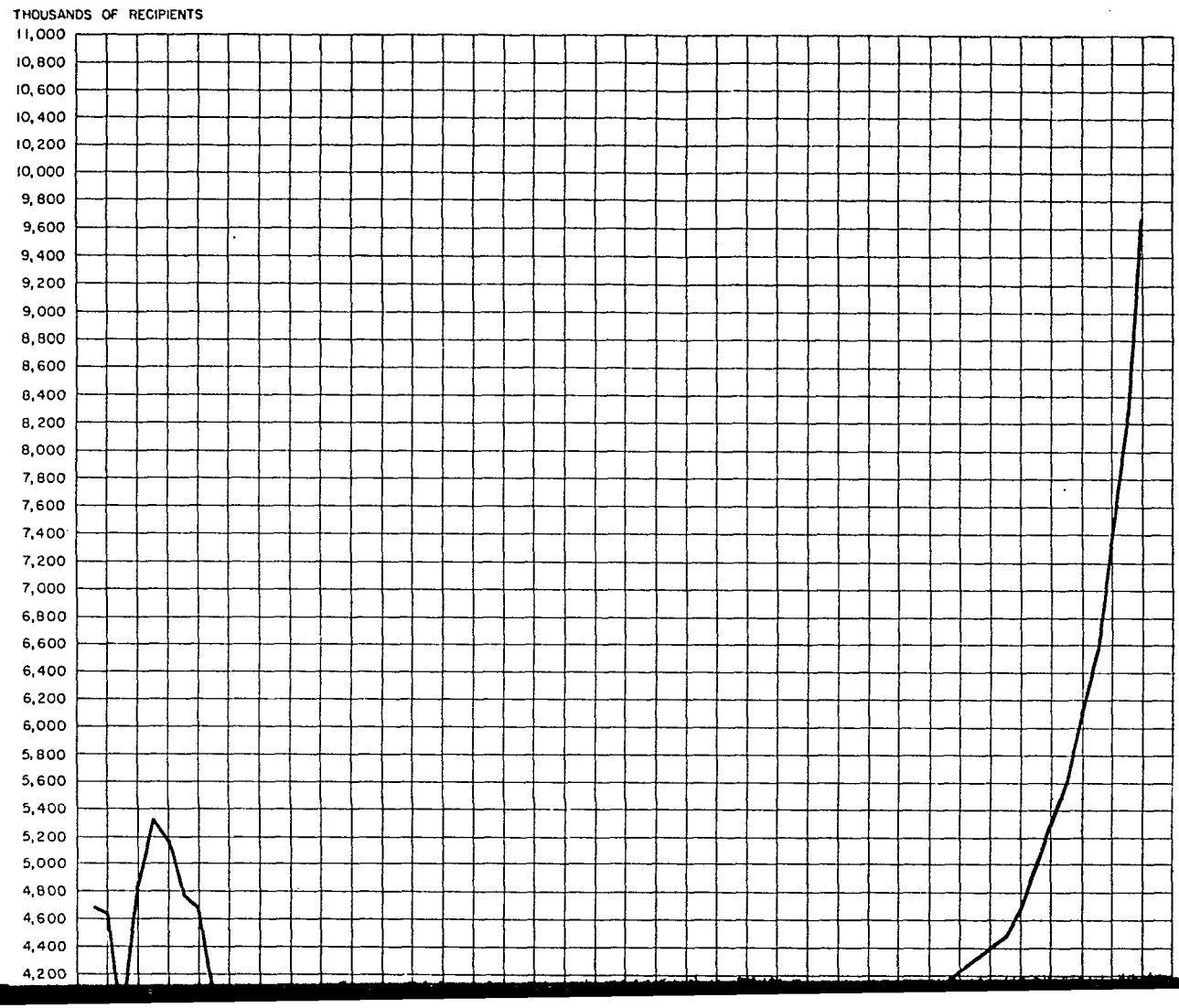
* Figures are for December of each year.

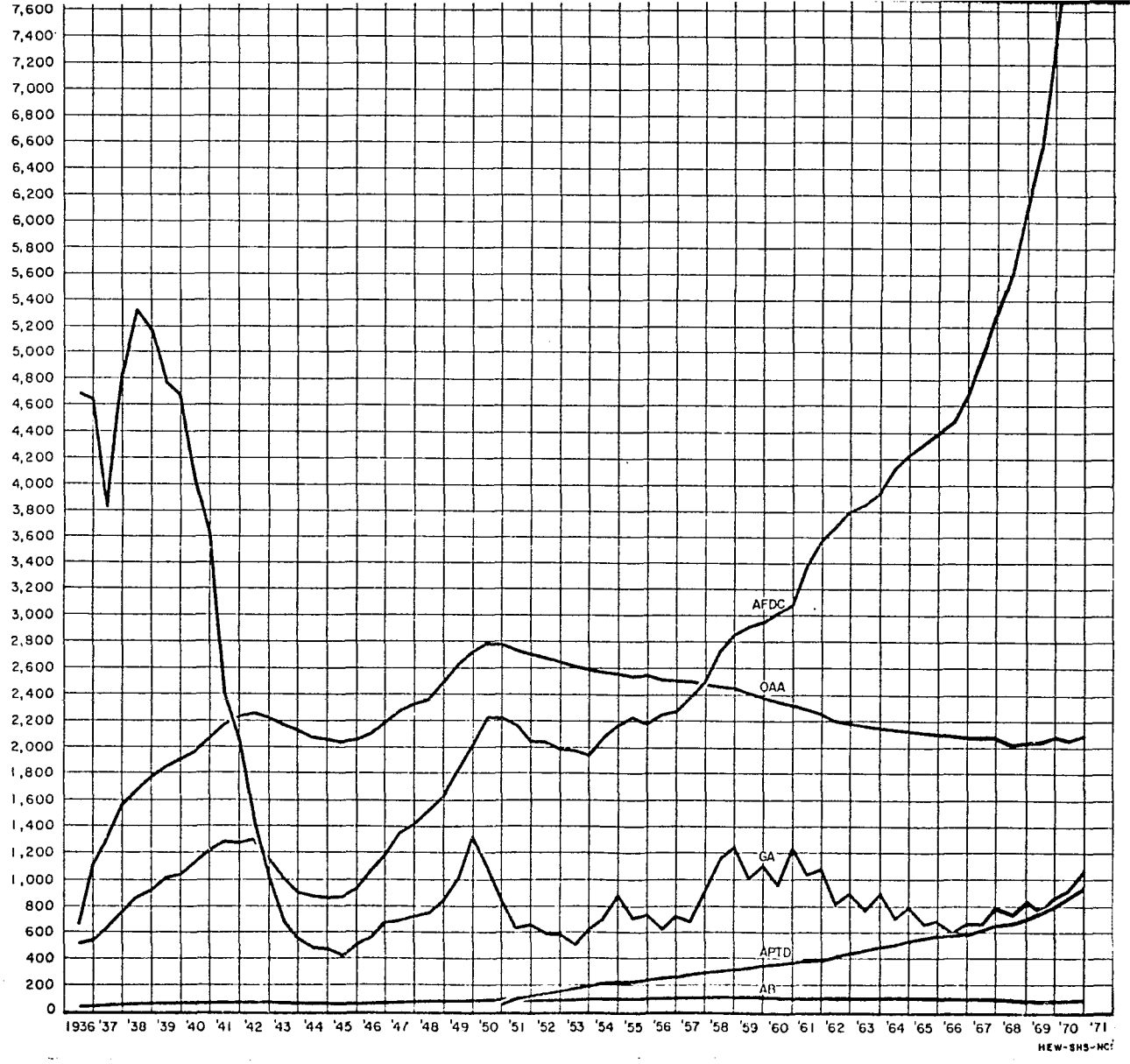
OAA: Old Age Assistance
AFDC: Children and one or both parents or one adult caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance; before December 1950 partly estimated.
AB: Aid to the Blind
APTD: Aid to the Permanently and Totally Disabled
GA: General Assistance (Partly estimated)

Source: HEW, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970 (Washington, D.C.: HEW Publication No. (SRS)72-03101, August 23, 1971), p. 3.

Chart 4.1

U.S. Summary: Number of Public Assistance Recipients of Money Payments by Program, June and December of Each Year 1936 to 1970





Source: U.S. Department of Health, Education, and Welfare, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970. Publ. No. (SRS) 72-03101, p.2.

total number of AFDC recipients rose from approximately three million in 1959 to 9½ million in 1969. Recipients of Aid to the Permanently and Totally Disabled also increased substantially, from about 375,000 persons in 1960 to over 900,000 persons in 1970.

The same dramatic rise in AFDC cases took place in New York City during the 1960s. Chart 4.2 shows the increases in numbers of persons receiving assistance, from about 350,000 in 1960 to over 1.3 million in 1972. The average monthly number of cases increased from about 135,000 cases in 1960 to over 500,000 cases monthly in 1972.[1]

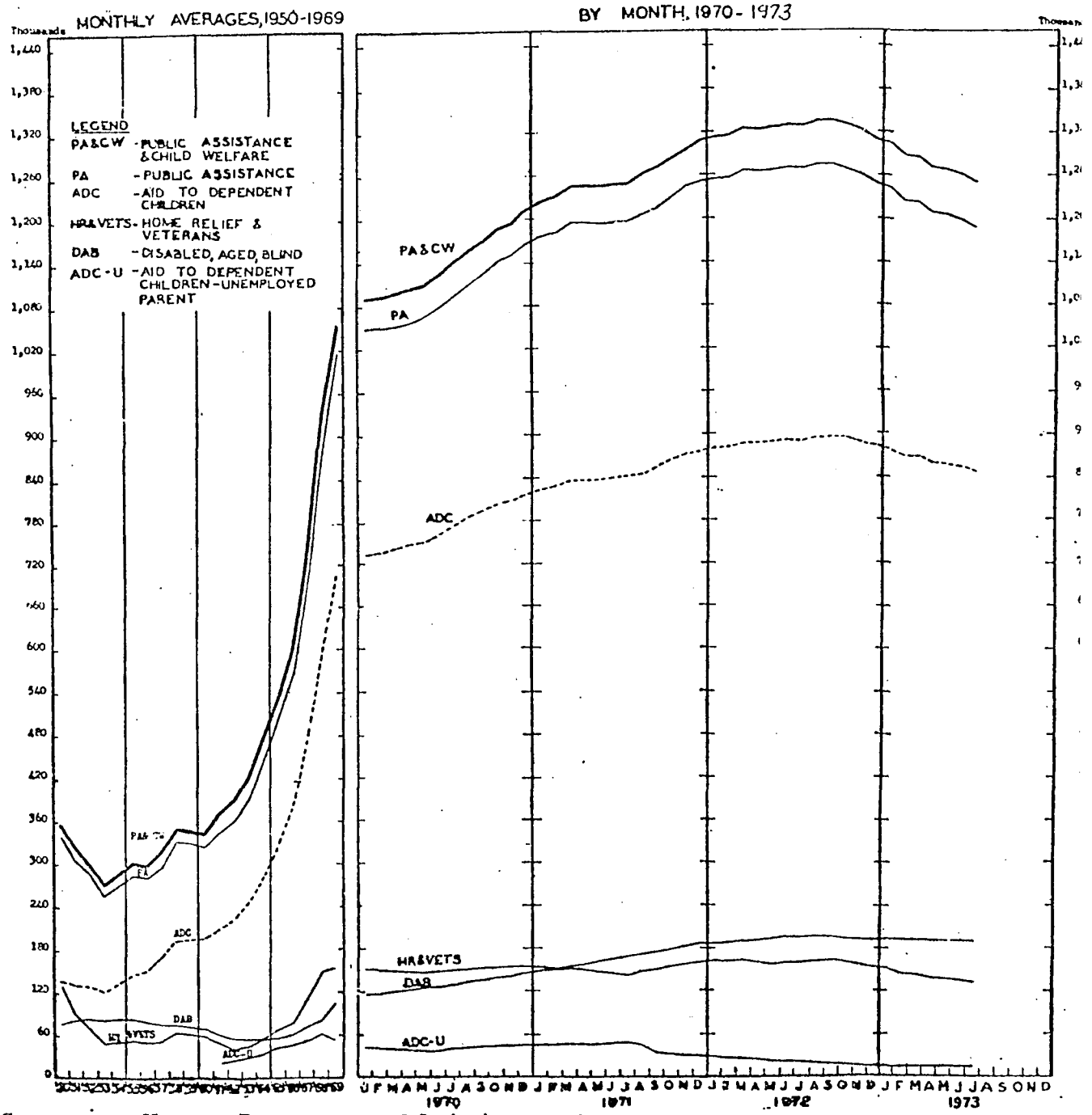
2. Increased Costs

As welfare caseloads increased during the 1960s, so did costs. Table 4.2 and Chart 4.3 show the increases in total welfare expenditures, by all levels of government, over the past 35 years. All government expenditures for the AFDC program increased (in current dollars) from about $950 million in 1960 to about $4 billion in 1970, and about $7.5 billion in 1974.

In constant dollars the rise in welfare benefits has not been quite so dramatic, due to the effects of inflation. Table 4.3 and Chart 4.4 show the average monthly payment <u>per recipient</u> of each program in both current and 1959 constant dollars. The discrepancy in 1970 between

Chart 4.2

NEW YORK CITY: SELECTED STATISTICS ON PERSONS AIDED



Source: Human Resources Administration, Monthly Statistical Summary, July 1973, Vol. 34, No. 7, p. 2.

Table 4.2 - U.S. Summary:

Amount of public assistance payments, by program, fiscal years 1936 to 1970.

(Amounts in thousands)

Year	Total	Money payments							Medical vendor payments 1/				Emergency assistance	Payments to intermediate care families
		Total	Federally aided programs					General assistance	Total		Federally aided programs	General assistance		
			Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	Aid to families with dependent children		Amount	Percent of total payments				
1936 2/....	$320,883	$320,883	$81,493	$52,907	$5,733	---	$22,853	$239,390	---	---	---	---	---	---
1937.....	717,664	717,664	316,235	244,201	13,533	---	58,501	401,430	---	---	---	---	---	---
1938.....	913,880	913,880	462,470	360,249	17,716	---	84,505	451,410	---	---	---	---	---	---
1939.....	1,017,824	1,017,824	545,465	418,309	20,101	---	107,055	472,359	---	---	---	---	---	---
1940.....	1,038,991	1,038,991	594,541	449,969	21,206	---	123,366	444,450	---	---	---	---	---	---
1941.....	1,011,185	1,011,185	673,336	505,063	22,270	---	146,003	337,848	---	---	---	---	---	---
1942.....	969,299	969,299	749,800	568,631	23,764	---	157,405	219,499	---	---	---	---	---	---
1943.....	928,940	928,940	791,411	616,569	24,880	---	149,962	137,529	---	---	---	---	---	---
1944.....	935,826	935,826	840,440	679,329	25,215	---	135,896	95,385	---	---	---	---	---	---
1945.....	951,229	951,229	865,823	701,951	25,339	---	138,533	85,406	---	---	---	---	---	---
1946.....	1,064,191	1,064,191	963,230	761,587	28,536	---	173,107	100,960	---	---	---	---	---	---
1947.....	1,342,202	1,342,202	1,198,354	910,330	33,477	---	254,547	143,848	---	---	---	---	---	---
1948.....	1,584,824	1,584,824	1,401,810	1,037,554	38,540	---	325,716	183,014	---	---	---	---	---	---
1949.....	1,950,633	1,950,633	1,718,370	1,259,381	44,850	---	414,139	232,263	---	---	---	---	---	---
1950.....	2,328,671	2,328,671	2,009,328	1,437,982	51,016	---	520,330	319,344	---	---	---	---	---	---
1951.....	2,409,319	2,308,574	2,078,990	1,436,684	53,413	3/$31,150	557,743	229,584	$100,746	4.2	$48,116	$52,629	---	---
1952.....	2,392,643	2,273,496	2,097,628	1,435,746	56,696	68,985	536,201	175,868	119,147	5.0	70,521	48,626	---	---
1953.....	2,523,904	2,369,547	2,209,834	1,507,188	62,180	92,860	547,606	159,713	154,357	6.1	101,974	52,383	---	---
1954.....	2,563,335	2,387,880	2,222,722	1,502,212	64,274	110,686	545,550	165,158	175,454	6.8	120,745	54,709	---	---
1955.....	2,713,459	2,501,576	2,281,163	1,485,223	66,457	127,927	601,556	220,413	211,882	7.8	145,626	66,256	---	---
1956.....	2,781,698	2,529,001	2,330,408	1,503,019	69,633	141,314	616,442	198,593	252,697	9.1	180,848	71,849	---	---
1957.....	2,970,006	2,682,405	2,479,353	1,568,354	76,280	161,295	673,424	203,052	287,600	9.7	214,659	72,942	---	---
1958.....	3,251,007	2,930,831	2,675,046	1,639,233	80,270	183,583	771,960	255,785	320,177	9.8	236,131	84,046	---	---
1959.....	3,574,386	3,164,420	2,834,188	1,642,263	82,893	208,746	900,286	330,232	409,967	11.5	313,926	96,041	---	---
1960.....	3,705,216	3,212,516	2,885,916	1,614,357	84,679	225,134	961,746	326,600	492,700	13.3	393,337	99,363	---	---
1961.....	3,938,653	3,349,786	4/2,994,746	1,611,136	85,730	246,858	1,050,130	355,040	588,867	15.0	477,441	111,425	---	---
1962.....	4,268,996	3,456,630	4/3,148,565	1,549,288	83,832	266,814	1,247,291	308,065	812,365	19.0	712,550	99,815	---	---
1963.....	4,583,000	3,582,179	4/3,302,598	1,592,565	84,343	298,861	1,324,996	279,581	1,000,822	21.8	897,900	102,922	---	---
1964.....	4,865,643	3,718,048	4/3,446,781	1,610,059	85,667	335,062	1,414,016	271,267	1,147,597	23.6	1,043,912	103,685	---	---
1965.....	5,285,321	3,918,195	4/3,654,306	1,606,156	86,650	385,017	1,573,767	263,889	1,367,125	25.9	1,249,087	118,038	---	---
1966.....	5,796,810	4,086,880	4/3,840,392	1,587,993	81,109	448,870	1,719,742	246,488	1,709,930	29.5	1,605,986	103,944	---	---
1967.....	6,981,511	4,598,874	4/4,316,561	1,675,225	86,001	527,277	2,027,441	282,313	2,382,637	34.1	2,308,192	74,445	---	---
1968.....	8,866,220	5,285,396	4/4,918,589	1,695,850	87,826	618,368	2,516,261	366,807	3,580,825	40.4	3,510,753	70,071	---	---
1969.....	10,630,932	6,103,530	4/5,649,757	1,689,378	88,812	711,178	3,160,162	453,773	4,423,163	41.6	4,343,467	79,696	$6,303	$97,936
1970.....	12,752,482	7,415,794	4/6,866,744	1,823,190	95,061	882,930	4,065,466	549,050	5,006,039	39.3	4,915,474	90,565	12,854	317,794

(Table 4.2 continued)

Notes:

1/ Federal participation in vendor payments for medical care under programs (except general assistance which is financed entirely from State and local funds) was made possible beginning October 1, 1950 by the Social Security Amendments of 1950.

2/ Represents data from February-June.

3/ Represents data from October-June; program approved for Federal participation effective October 1, 1950.

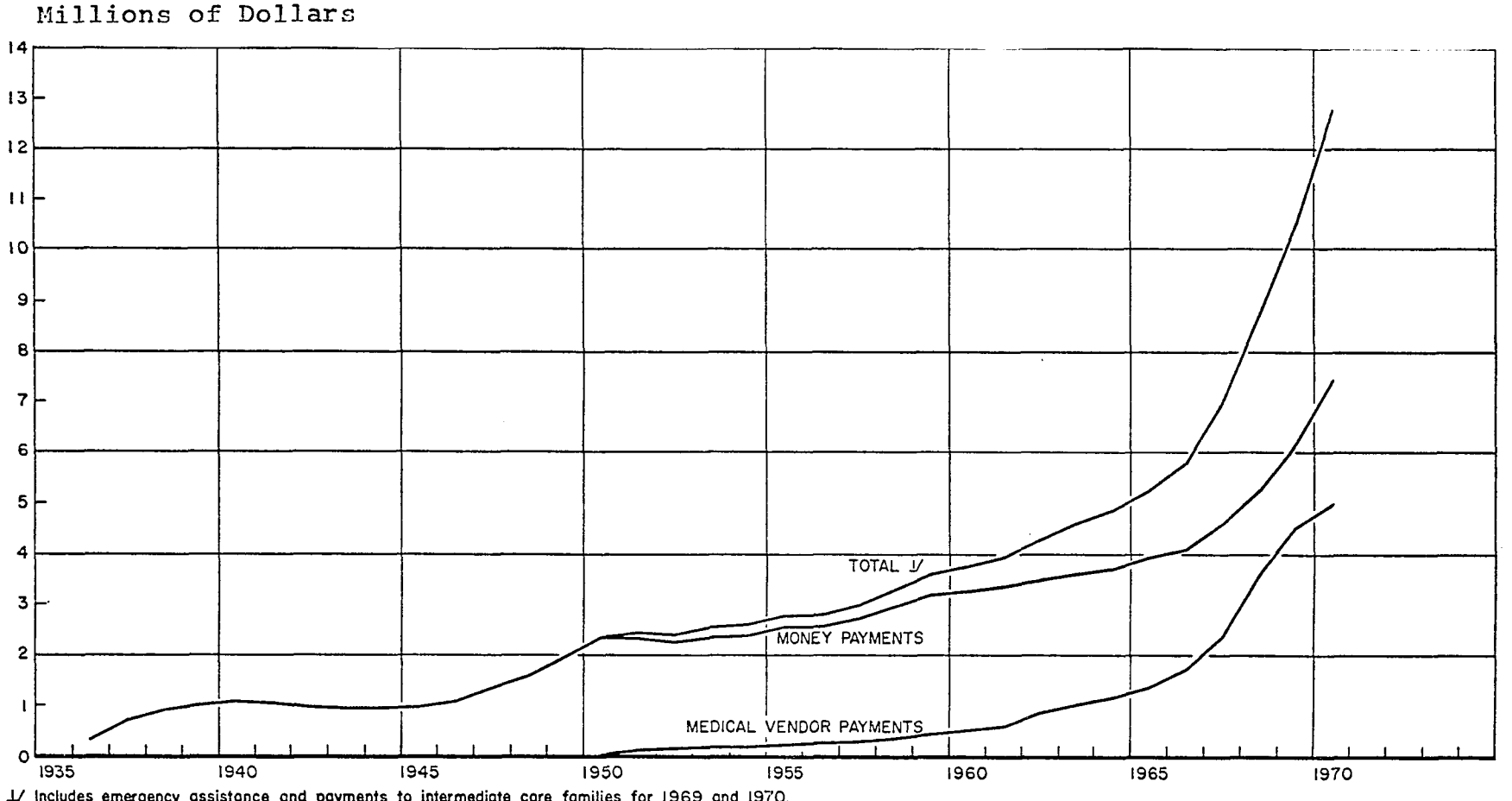
4/ Includes money payments under medical assistance for the aged as follows: 1961, $892,000; 1962, $1,340,000; 1963, $1,833,000; 1964, $1,977,000; 1965, $2,716,000; 1966, $2,678,000; 1967, $617,000; 1968, $284,000; 1969, $227,000; 1970, $97,000.

Source:

U.S. Department of Health, Education, and Welfare, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970. Publ. No. (SRS)72-03101, p. 9.

Chart 4.3

U.S. Summary: Amount of Public Assistance Payments, Fiscal Years 1936 to 1970



1/ Includes emergency assistance and payments to intermediate care families for 1969 and 1970.

HEW-SRS-PS&DS-NCSS No. 449

Source: U.S. Department of Health, Education, and Welfare, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970. Publ. No. (SRS)72-03101, p. 8.

Table 4.3

Average Monthly Public Assistance Money Payments per Recipient in Actual and Adjusted Dollars by Program, 1936 to 1970

Year*	OAA		AFDC		AB		APTD		GA	
	Actual $	Adj. $	Actual $	Adj. $	Actual $	Adj. $	Actual $	Adj. $	Actual $	Adj. $
1936	18.80	38.60	8.80	18.10	26.10	53.60			24.15	49.55
1940	20.25	41.25	9.85	20.05	25.35	51.60			24.30	49.45
1945	30.90	48.70	15.15	23.90	33.50	52.85			32.70	51.60
1950	43.05	49.45	20.85	23.95	46.00	52.80	44.10	50.60	46.65	53.55
1955	50.05	53.50	23.50	25.10	55.55	59.40	48.75	52.15	55.05	58.85
1960	58.90	56.70	28.35	27.25	67.45	64.95	56.15	54.05	71.60	68.95
1965	63.10	56.85	32.85	29.60	81.35	73.25	66.50	59.95	68.95	62.15
1966	68.05	59.35	36.25	31.60	86.85	75.70	74.75	65.15	79.55	69.35
1967	70.15	59.35	39.50	33.40	90.45	76.50	80.60	68.20	87.60	74.10
1968	69.55	56.20	42.05	34.00	92.15	74.50	82.65	66.80	94.45	76.35
1969	73.90	56.30	45.15	34.40	98.75	75.20	90.15	68.65	101.55	77.35
1970	77.65	56.05	49.65	35.85	104.35	75.35	97.65	70.50	111.60	80.60

* Figures are for December of each year.

The adjusted figures represent actual purchasing power in terms of average value of dollar during the period 1957-1959 based on the consumers' price index for moderate-income families in large cities maintained by the Bureau of Labor Statistics.

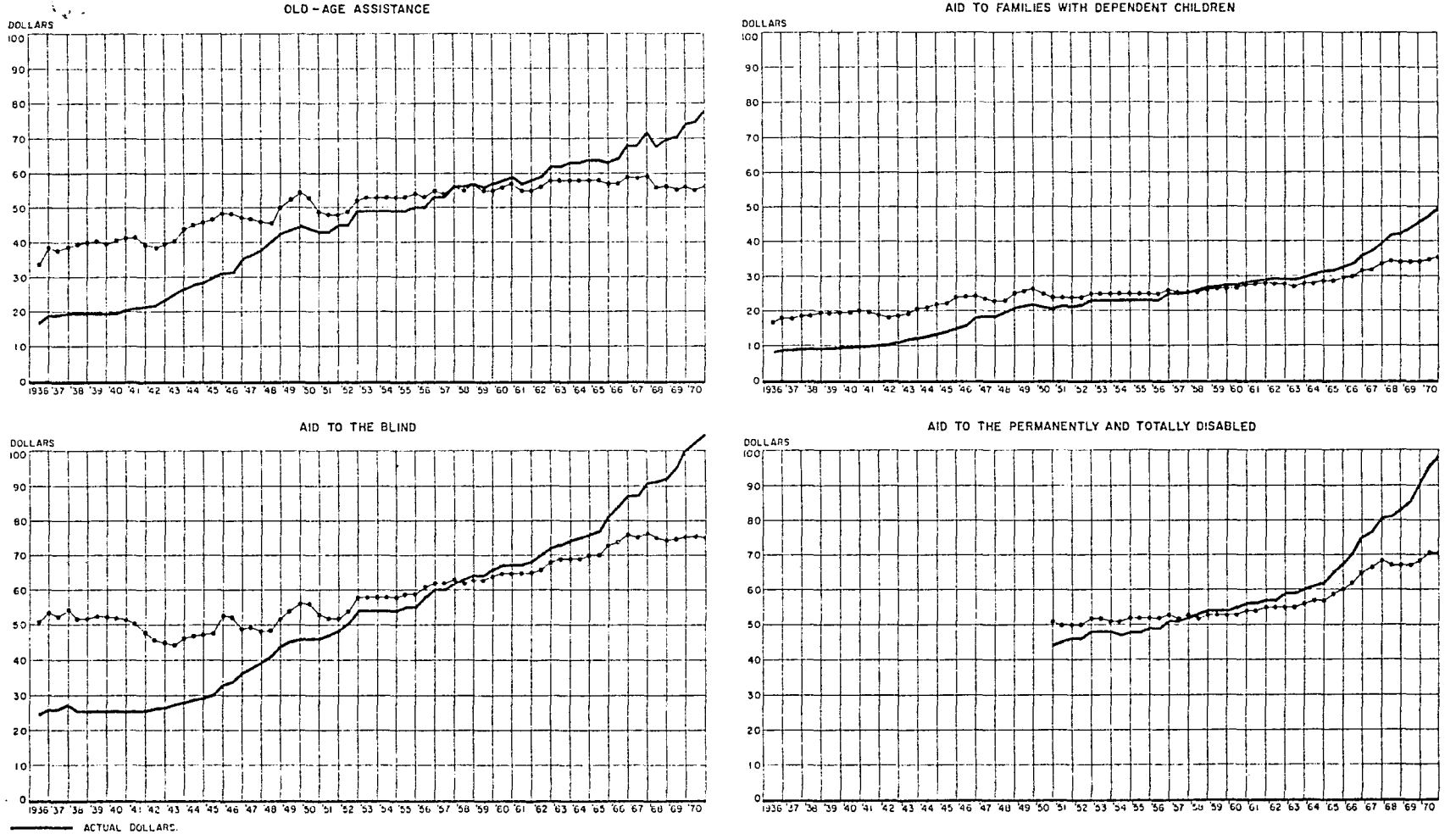
OAA - Old Age Assistance
AB - Aid to the Blind
GA - General Assitance
AFDC - Aid to Families with Dependent Children
APTD - Aid to the Permanently and Totally Disabled

Source: HEW, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970 (Washington, D.C.: HEW Publication No. (SRS) 72-03101, August 23, 1971) p. 7.

Chart 4.4

U. S. Summary:

AVERAGE MONTHLY PUBLIC ASSISTANCE MONEY PAYMENT PER RECIPIENT IN ACTUAL AND ADJUSTED DOLLARS BY PROGRAM, JUNE AND DECEMBER OF EACH YEAR, 1936 TO 1970.



Source: U.S. Department of Health, Education, and Welfare, Trend Report: Graphic Presentation of Public Assistance and Related Data, 1970. Publ. No. (SRS)72-03101, p. 6.

current dollar value and constant 1959 dollar value for all four welfare programs was substantial, 20-30%, although least for the AFDC program, about 15%. (This reflects the rise in real benefits that occurred in most state AFDC programs during the 1960s.)

New York City expenditures on welfare programs increased from about $295 million in 1961 to over $2.4 billion in 1973-4. This represented 23.7% of the total New York City expense budget in 1973-4, compared to 11.6% of the total expense budget in 1961.[2]

It should be noted that the most rapidly growing cost component of welfare programs at the present time is medical assistance. Total medical assistance payments increased from about $500 million in 1960 to over $5 billion nationally in 1970.[3] In New York City medical assistance payments increased from about $35 million in 1965 (beginning of Medicare) to over $600 million in 1973-4.

One of the effects of the ceiling on federal expenditures for social services that Congress imposed in late 1972 has been the shifting of some service costs to the Medicaid and Medicare programs, which do not have any limit on federal reimbursements. For example, homemaker care for the ill and aged may be applied for under Medicaid under certain conditions.[4]

3. Concurrent Increases in Real Income and Employment

One of the most difficult to explain aspects of the increase in welfare caseloads is the fact that the rise in the 1960s occurred concurrently with a significant drop in unemployment and rising real personal incomes, both nationally and in New York City. Table 4.4 shows unempolyment rates for the United States from 1947 through 1970 by sex and race. During the 1960s the total unemployment rate declined steadily from a high of 6.7% in 1961 to 3.5% in 1969. In 1970 the unemployment rate began to rise again, to about 4.9%; in 1971 it averaged 5.9%, and in 1972, 5.6%.[5]

Real personal income increased nationally during the 1960s. Table 4.5 shows the increase in total personal income in the U. S., in both current and constant 1958 dollars. In constant 1958 dollars, total disposable personal income increased from $340.2 billion in 1960 to $533.2 billion in 1970.

The growth in real personal income between 1960 and 1970 was enjoyed by both whites and blacks, as shown in Table 4.6. White incomes remained stable in 1971, while blacks experienced a slight decline in real personal income in 1971.

New York City also experienced rising real incomes

Table 4.4

Unemployment Rates by Race and Sex, 1947-1970

Year	Unemployment rate								
				White			Negro & other races		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1947	3.9	4.0	3.7	(1)	(1)	(1)	(1)	(1)	(1)
1950	5.3	5.1	5.7	4.9	4.7	5.3	9.0	9.4	8.4
1954	5.5	5.3	6.0	5.0	4.8	5.6	9.9	10.3	9.3
1957	4.3	4.1	4.7	3.8	3.6	4.3	7.9	8.3	7.3
1960[2]	5.5	5.4	5.9	4.9	4.8	5.3	10.2	10.7	9.4
1961[2]	6.7	6.4	7.2	6.0	5.7	6.5	12.4	12.8	11.8
1962[2]	5.5	5.2	6.2	4.9	4.6	5.5	10.9	10.9	11.0
1963	5.7	5.2	6.5	5.0	4.7	5.8	10.8	10.5	11.2
1964	5.2	4.6	6.2	4.6	4.1	5.5	9.6	8.9	10.6
1965	4.5	4.0	5.5	4.1	3.6	5.0	8.1	7.4	9.2
1966[3]	3.8	3.2	4.8	3.3	2.8	4.3	7.3	6.3	8.6
1967[3]	3.8	3.1	5.2	3.4	2.7	4.6	7.4	6.0	9.1
1968	3.6	2.9	4.8	3.2	2.6	4.3	6.7	5.6	8.3
1969	3.5	2.8	4.7	3.1	2.5	4.2	6.4	5.3	7.8
1970	4.9	4.4	5.9	4.5	4.0	5.4	8.2	7.3	9.3

[1]Absolute numbers by color are not available prior to 1954 because population controls by color were not introduced into the Current Population Survey until that year.

[2]See footnote 1, table 1.

[3]Beginning with 1967, data may not be strictly comparable to prior years because of basic changes in the concepts and definitions introduced in January 1967.

Source: U. S. Department of Labor, Handbook of Labor Statistics 1971 (Washington, D.C.: U.S. Government Printing Office, 1971) Table 60, p. 118.

Table 4.5

Personal Income and Disposable Personal Income, 1950-1970

	1950	1955	1960	1965	1968	1969	1970
Total Personal Income	227.6	310.9	401.0	538.9	688.9	750.0	806.3
Total, in 1958 dollars	274.7	335.1	389.6	495.2	581.7	607.9	623.5
Total Disposable Personal Income	206.9	275.3	350.0	473.2	591.0	634.4	689.5
Total, in 1958 dollars	249.6	296.7	340.2	435.0	499.0	513.6	533.2

Source: Statistical Abstract of the United States, 1973, U. S. Bureau of the Census (94th Edition), Washington, D.C., 1973, Table No. 526, "Personal Income and Disposition of Income: 1950 to 1972," p. 324.

Definitions: 1) Personal income is the current income received by persons from all sources net of contributions for social insurance.

2) Disposable personal income is the income remaining to persons after deducting personal tax and nontax payments to general government. It is the income of persons available for spending or saving. Statistical Abstract, 1973, p. 318.

Table 4.6

Median Income in Constant (1971) Dollars of Families and Individuals, by Race 1947-1971

Years	White		Negro & other races	
	Families	Unrelated individuals	Families	Unrelated individuals
1947	$ 5,714	$ 1,905	$ 2,930	$ 1,357
1950	5,811	1,915	3,142	1,374
1955	6,976	2,139	3,860	1,415
1960	7,982	2,545	4,416	1,479
1965	9,311	2,887	5,160	2,101
1970	10,674	3,425	6,806	2,354
1971	10,672	3,465	6,714	2,325

(Prior to 1960, excludes Alaska and Hawaii.)

Source: Statistical Abstract of the United States, 1973, U. S. Bureau of the Census (94th Edition), Washington, D. C., 1973, Table 535, p. 329.

and high employment rates during the 1960s. Table 4.7 shows two estimates of yearly unemployment rates, one by the New York State Division of Employment and the second by the Bureau of Labor Statistics. As noted, the two methods are quite different, but both agree that a decline in unemployment occurred during most of the decade.

Increases in real personal incomes were enjoyed by New York City residents during the 1960s, in line with the national increase in personal income. Median family income in New York City was $6,091 in 1959 and $9,682 in 1970.[6] In constant 1970 dollars, it has been estimated that the median real income in New York City increased about 22% between 1960 and 1970, and that the lowest quartile of the income distribution increased personal income by 8%, while the personal income of the highest quartile increased by 28%, as shown in Table 4.8.

The relationships between unemployment and welfare are complex. Under current eligibility rules for welfare, there are many possible interactions among welfare, family formation, and the decision to work.[7] Studies in New York City have shown that low-income families experience many combinations of work, employment-related compensation, and welfare benefits during the course of a year. Of families receiving welfare in New York City

Table 4.7

Estimates of Unemployment in New York City
1963-1971

Year	Average Number of Persons Unemployed		
	NYSDE Estimate	BLS Estimate	
		Number	Rate
1963	219,400		
1964	204,500		
1965	190,400		
1966	174,400		
1967	153,500	143,000	4.3%
1968	134,600	103,000	3.2
1969	132,400	121,000	3.7
1970	166,600	159,000	4.8
1971	212,400	220,000	6.7
1972		224,000	7.0

Sources:

(1) New York State Division of Employment, Employment Review 1963-1971. Cited by Rydell, "The DSS Caseload Model," HRA, p. 42.

The New York State estimates include all persons in private employment and government, self-employed persons and unpaid family workers. The estimates are based on information from work establishments, and represent an estimate of the work force.

(2) U. S. Department of Labor, Bureau of Labor Statistics.

BLS estimates represent the resident labor force in a given area, since they are based on household interviews from a sample survey of the civilian non-institutional population 16 years of age and over in New York City. The figures are rounded to the nearest thousand and are annual averages from the monthly Current Population Surveys.

Table 4.8

Changes in Median and Quartile Income from 1950 to 1970, in 1970 Dollars, New York City

				1950 to 1970		1960 to 1970	
	1950	1960	1970	Dollar Increase	Percentage Change	Dollar Increase	Percentage Change
Unrelated Individuals							
Lower quartile income	$ 810	$ 1,289	$ 1,768	$ 958	118%	$ 479	37%
Median income	2,475	3,343	4,349	1,874	76	1,006	30
Upper quartile income	4,289	5,990	8,019	3,730	87	2,029	34
Families							
Lower quartile income	3,936	5,636	6,114	2,178	55	478	8
Median income	5,898	8,488	10,398	4,500	76	1,910	22
Upper quartile income	8,842	12,254	15,748	6,906	78	3,494	28

Source: David de Ferranti, Peggy A. Parker and Linda Prusoff, "Indigent New Yorkers: How Many and How Indigent?" (New York City: HRA, Office of Policy Analysis, June 1973) p. 12.

between July 1969 and June 1970, 23% were also working and had earnings in addition to welfare; 48% had only welfare income or welfare plus other informal sources such as relatives; 7% were working and receiving welfare plus transfer payments such as Social Security or Unemployment Insurance; 8% were receiving welfare and not working but using previous earnings; 6% were not working and were receiving welfare and Social Security only, and 8% were not working and receiving welfare plus some other kind of transfer payment.[8]

High turnover of welfare cases is another indication of the complexity of the relationship between employment and welfare. National studies of the AFDC program in the 1960s revealed that about 40% of the families who came onto the rolls in 1969 had received welfare assistance previously.[9] Of these, nearly 16% had received assistance within the prior six months, 16% from six months to a year previously, and 19% between one and two years previously.[10]

A study of the New York City caseload during the years 1967 to 1972 showed that about "one-fourth to one-half of former welfare cases eventually return to the welfare rolls," with the proportion varying with the type of assistance program.[11]

Attempts to correlate employment changes with

changes in welfare rolls have not shown many consistant patterns. For example, HRA's attempt to construct a model of caseload changes in New York City found that only changes in total unemployment by month were correlated significantly with changes in the size of the welfare caseload. Factors tested but not found statistically significant included: the number of recent exhaustions of unemployment benefits and the percentage of persons who were unemployed but not receiving unemployment benefits.[12]

Reviewing the paucity of direct correlations between rises in unemployment and increases in welfare, Durbin suggests:

> It might even be argued that as labor market conditions improve, ADC...might be expected to increase. For if families are true income maximizers, as soon as the father or other male supporter could expect to earn more than the marginal net addition of his welfare allowance to the total family welfare benefit ("net" in the sense of allowing for the cost of separating), it would be to the family's benefit for the mother and children to go on welfare and the father to live separately. In short, as long as unemployment rates are high, one would expect families with fathers to be on welfare, but as job opportunities improved, it would not be altogether surprising to find more families being deserted.[13]

The relationship between work and welfare is further complicated by increases in the minimum wage, which while increasing wages for some jobs, also reduce the number of jobs below the minimum, thus increasing

unemployment among the least skilled workers. Clearly, better understanding of these inter-relationships is needed to guide policy in the welfare field, for, as Durbin states, "One of the major policy implications of our analysis is that the target poor population does respond to government policies aimed at improving their situation."[14] Inconsistent policies on welfare and employment can thus hinder reaching the twin objectives of increasing employment and reducing welfare.

4. Increased Benefit Levels, Application Rates and Acceptance Rates

During the 1960s AFDC benefits in New York State increased sharply in both current and constant dollars, as shown in Table 4.9, making welfare more economically attractive. Two other phenomena also occurred during these years--higher application rates and higher acceptance rates. (See Table 4.10.) Higher application rates meant that a larger portion of families eligible for public assistance in fact applied for it. And higher acceptance rates meant that a greater percentage of these increasing numbers of applicants were accepted onto the welfare rolls by public assistance agencies. These factors in combination seem to have contributed to a large part of the increase in welfare caseloads during the 1960s.

Table 4.9

Changes in AFDC Benefits, Current and Constant 1967 Dollars, New York City, 1960 to 1973

Year	Average Monthly Allowance - Current Dollars	Average Monthly Allowance - Constant 1967 Dollars	Change in Constant 1967 Dollars
1960	$ 166.88	$ 189.42	
1961	171.55	193.84	$ 4.42
1962	171.55	191.04	- 2.80
1963	171.55	185.66	- 5.38
1964	180.05	192.77	7.11
1965	180.05	188.73	- 4.04
1966	229.69	232.48	43.75
1967	234.67	231.20	- 1.28
1968	265.64	248.50	17.30
1969	284.07	248.53	.03
1970	331.03	270.45	21.92
1971	317.16	247.78	-22.67
1972	317.16	237.22	-10.56
1973	317.16	217.38	-19.84

Source: HRA, Monthly New York City Public Assistance Summary, 1960-1973 (New York: HRA/OPR-R-6, May 1974).

Table 4.10

Changes in AFDC Applications, Acceptance Rate, and Number of Cases Yearly, New York City 1960 - 1973

Year	Number of Applications	Acceptance Rate*	Number of AFDC Cases Under care at end of year
1960	3584	55.05%	47,278
1961	3239	48.10	49,943
1962	3842	52.58	53,565
1963	4369	55.24	61,861
1964	4055	61.10	71,609
1965	4579	61.07	82,992
1966	4764	71.94	101,697
1967	5105	76.78	133,164
1968	5939	75.34	172,968
1969	5593	70.14	190,871
1970	6808	69.86	220,488
1971	5576	79.57	237,276
1972	4345	55.11	241,843
1973	5232	69.60	241,021

* Acceptance rate = percent of applications for AFDC accepted by the welfare agency.

Source: HRA, Monthly New York City Public Assistance Summary, 1960 - 1973, (New York: HRA/OPR-R-6, May 1974).

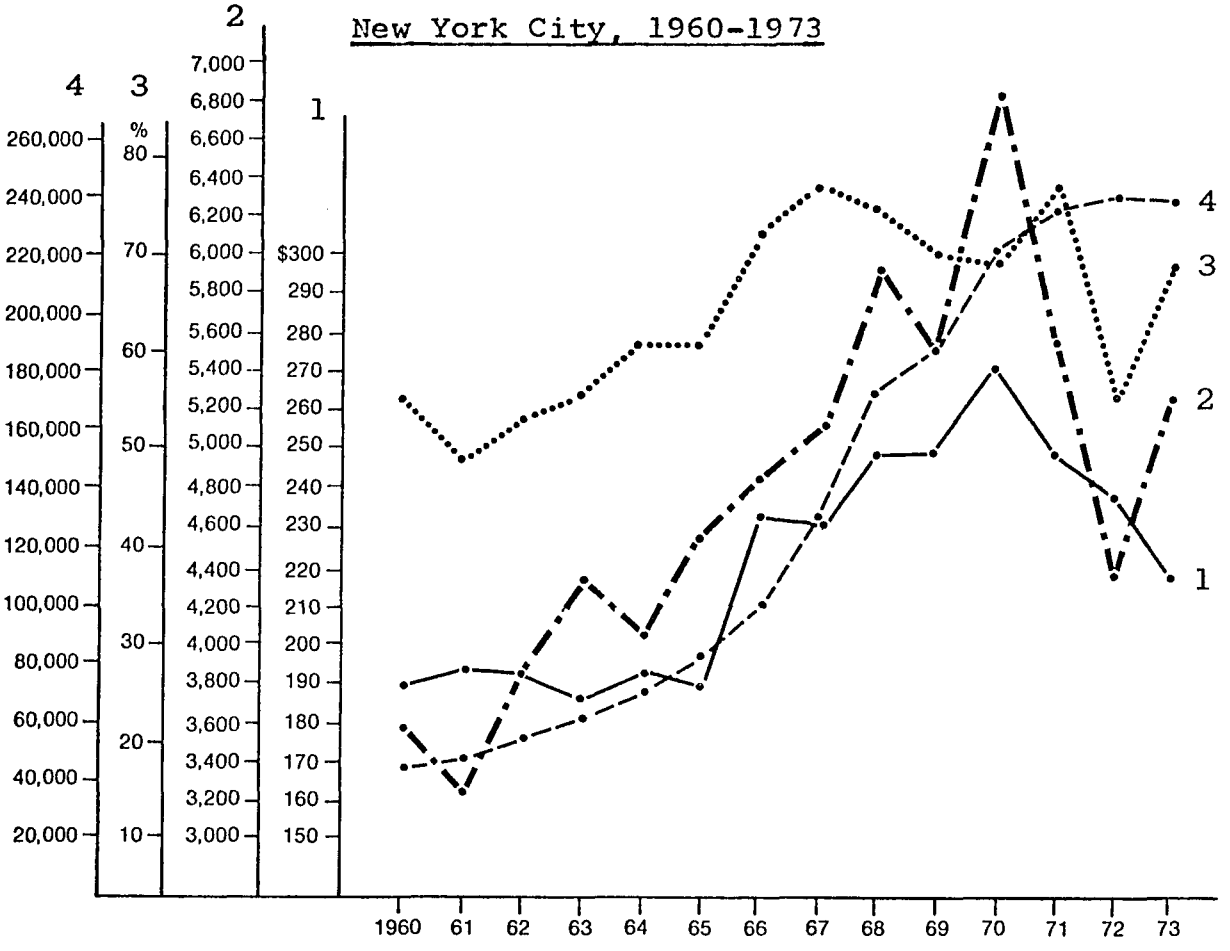
In Chart 4.5 we have graphed these four trends. The trend lines for changes in benefit levels in constant dollars, application rates and acceptance rates follow similar patterns. The total number of AFDC cases under care at the end of each year in New York City increased until 1972, when the growth leveled off. This seemed due to the administrative "tightening up" that occurred in late 1972--early 1973 (reflected in the decline in the acceptance rate), as well as to the decline in real benefits due to the effects of inflation. Application rates seem to have declined in response to the decline in real benefits, but under conditions of inflation and recession, those who were already receiving public assistance probably remained on the welfare rolls, so that the total size of the caseload declined only very slightly.

5. Increased Numbers of Absent Fathers

In addition to growing in numbers, the demographic characteristics of welfare recipients have changed over the past twenty years. One of the major shifts has been the rise in the number of families needing income support due to the absence of the father, where the absence is due to divorce, separation or non-marriage to the mother, rather than to the father's incapacitation or death.

Chart 4.5

Changes in AFDC Benefit Levels, Applications, Acceptance Rate, and Number of Cases, New York City, 1960-1973



1 AFDC cash benefits in constant 1967 dollars.
2 Average annual number of applications for AFDC in NYC.
3 Acceptance Rate (% of applications accepted), annual average.
4 Number of AFDC cases undercare at end of each year.

Source: Human Resources Administration, Monthly Public Assistance Summary for New York City, 1960-1973. Selected data.

Table 4.11 shows the shift in reasons for absence of the father in AFDC cases from 1961 to 1969. The data are based on three surveys of case records carried out by HEW in 1961, 1967, and 1969. The percentage of fathers who were dead or unemployed decreased only slightly from 1961 to 1969, while the percentage who were incapacitated decreased from 18% to 11% during these years. The percentage of fathers absent from the home increased from 68% to 75%, with separation and lack of marriage the most important reasons for the increase.

6. Urbanization of Welfare Recipients

Welfare families have also become more urbanized, as has the entire U. S. population since World War II. Between 1950 and 1970, the population in non-metropolitan areas in the U. S. increased by only 7 million persons, while the population in metropolitan areas (SMSAs--Standard Metropolitan Statistical Areas) increased by over 45 million persons. The rate of urbanization has been more rapid for blacks than for whites, 43.6% between 1950 and 1960 and 32% between 1960 and 1970, compared to 23.6% and 14.6% respectively, for whites. The degree of urbanization also differs for the two groups. In 1970, 74% of the black population resided in SMSAs and 26% lived in non-

Table 4.11

Percentage Distribution of AFDC Families, by Status of Father in the Family, 1961, 1967, and 1969

Status of Father	1969	1967	1961
Total (families)	100.0	100.0	100.0
Dead	5.5	5.5	7.7
Incapacitated	11.5	12.0	18.1
Unemployed	4.8	5.1	5.2
Absent from home, total	75.4	74.2	66.7
Divorced	13.7	12.6	13.7
Legally separated	2.8	2.7	
Separated without court decree	10.9	9.7	8.2
Deserted	15.9	18.1	18.6
Not married to mother	27.9	26.8	21.3
In prison	2.6	3.0	4.2
Other absence	1.6	1.4	.6
Other status			
Stepfather case	1.9	1.9	2.2
Children deprived of support or care of mother	.9	1.3	
Not reported	(1)	---	---

(1) Less than 0.05.

Source: David B. Eppley, "The AFDC Family in the 1960s," [Washington, D.C.: HEW, NCSS Report AFDC - 2 (69)] p. 5.

metropolitan areas, compare to 68% of the white population in SMSAs and 32% in non-metropolitan areas. (See Table 4.12.)

During the 1960s the number of AFDC families who lived in urban areas continued to increase. As shown in Table 4.13, 72% lived in SMSAs in 1969 compared to 61% in 1961. The percent of AFDC families living on farms decreased from 5% in 1961 to 2% in 1969.

The growing number and concentration of welfare families in central cities, and the growing number who are black or members of other minority groups, has contributed to political tensions over funding rising welfare costs.[15] The growing welfare costs faced by most large cities have also strained municipal budgets weakened by the loss of tax resources as many middle class families, especially whites, have moved to surrounding suburbs. The tax resources of most large cities have been shrinking relative to the increasing costs of providing all urban services, including welfare.

7. Racial Composition of Welfare Recipients Little Changed

The racial composition of the welfare population has been changing, although not as dramatically as many people seem to think. The political salience of the number of black persons receiving welfare seems to stem more from

Table 4.12

Population, by Residence and Race: 1950 to 1970

[In thousands, except percent. As of April. Covers 243 standard metropolitan statistical areas as defined in 1970; see text, section 33. Minus sign denotes decrease.]

Residence and Race	Population				Percent Change		Average Annual Change	
			1970					
	1950	1960	Total	Percent	1950-1960	1960-1970	1950-1960	1960-1970
Total	151,326	179,323	203,212	100.0	18.5	13.3	1.7	1.3
Standard metropolitan statistical areas	94,579	119,595	139,419	68.6	26.4	16.6	2.3	1.5
Central cities	53,696	59,947	63,797	31.4	11.6	6.4	1.1	0.6
Outside central cities	40,883	59,648	75,622	37.2	45.9	26.8	3.8	2.4
Nonmetropolitan areas	56,747	59,728	63,793	31.4	5.3	6.8	0.5	0.7
White	135,150	158,832	177,749	100.0	17.5	11.9	1.6	1.1
Standard metropolitan statistical areas	85,099	105,180	120,579	67.8	23.6	14.6	2.1	1.4
Central cities	46,791	49,440	49,430	27.8	5.7	-0.2	0.6	-0.1
Outside central cities	38,308	55,741	71,148	40.0	45.5	27.6	3.8	2.5
Nonmetropolitan areas	50,051	53,652	57,170	32.2	7.2	6.6	0.7	0.6
Negro	14,972	18,792	22,580	100.0	25.5	20.2	2.3	1.9
Standard metropolitan statistical areas	8,850	12,710	16,771	74.3	43.6	32.0	3.6	2.8
Central cities	6,608	9,950	13,140	58.2	50.6	32.1	4.1	2.8
Outside central cities	2,242	2,760	3,630	16.1	23.1	31.5	2.1	2.8
Nonmetropolitan areas	6,122	6,083	5,810	25.7	-0.6	-4.5	-0.1	-0.5

Source: Statistical Abstract of The United States, 1973, U. S. Bureau of the Census (94th edition) Washington, D.C., 1973., p. 17.

Table 4.13

Percentage Distribution of AFDC Families, by Place of Residence, 1961, 1967, and 1969

Place of residence	1969	1967	1961
Total (families)	100.0	100.0	100.0
Resides in this State			
In SMSA*county, total	72.4	70.6	60.6
Central city			
250,000 or more	40.9	39.8	33.5
Less than 250,000	15.1	13.7	13.4
Outside central city	16.4	17.1	13.7
Not in SMSA*county, total	27.2	29.1	39.4
Farm	2.0	2.9	4.9
Town or city of 2,500 or more	13.0	14.2	34.4
Other	12.2	11.9	
Out of State	.3	.4	---
Unknown	.1	---	---

Source: David B. Eppley, "The AFDC Family in the 1960s," [Washington, D.C.: HEW, NCSS Report AFDC-2 (69)] -p.3.

* Standard metropolitan statistical area

their concentration in large cities than from their actual number. Table 4.14 shows the distribution of AFDC families by race according to HEW's surveys during the 1960s. The percentage of blacks among AFDC families increased from about 40% to 45% from 1961 to 1969, while whites made up just about half of the AFDC cases, 53% in 1967 and 48% in 1969. (Some of this difference may be attributable to the greater percentage of cases in which the race was "unknown" in 1961 and 1969 compared to 1967.)

8. Larger Percentage of Illegitimate Children Covered by AFDC

Another major change in the characteristics of welfare recipients that occurred during the 1960s is the rise in illegitimacy as a cause of welfare dependency. In about 28% of the AFDC cases in 1969, the absent father was not married to the mother (Table 4.11). In 1953, only 19.6% of all AFDC families were receiving aid because the father of the children was not married to the mother.[16] The total number of such cases in 1953 was about 106,000, compared to approximately 650,000 cases in 1969.[17]

In 1961, according to Cutright's study, there were about 649,000 illegitimate children aged 17 and under receiving AFDC. This number increased to about 1.6 million in 1969. Cutright estimated that "about 26% of the increase is due simply to the increase in the number of

Table 4.14

Percentage Distribution of AFDC Families by Race, 1961, 1967, 1969

	1969	1967	1961
Total Families	100.0	100.0	100.0
White	48.0	52.9	48.6
Negro	45.1	44.5	40.4
American Indian	1.3	1.4	1.5
Other	.7	.6	3.0
Unknown	4.9	.6	6.4

Source: David B. Eppley, "The AFDC Family in the 1960s," [Washington, D.C.: HEW, NCSS Report AFDC-2 (69)] p. 2.

illegitimate children under 18 years of age between 1961 and 1969; the remaining 74% is due to higher utilization of AFDC in 1969 as compared to 1961." That is, illegitimacy as a cause of the increases in AFDC cases during the 1960s seems to have resulted from more unwed mothers gaining access to AFDC for child support than from increases in illegitimacy per se. In 1961, 37% of the illegitimate children in the U. S. were covered by AFDC; by 1969, 65% were covered. If illegitimacy rates remain stable or continue to decline, as they now are for nonwhites, illegitimacy as a fundmental cause of need for income support should also decline.[18]

Summary

In this section we have used a variety of "objective" measures to describe changes in the nature and size of the AFDC caseload during the 1960s. We showed that welfare recipiency increased in spite of rising real personal income and employment, both nationally and in New York City. The welfare population became more urbanized, along with the rest of America's population, and that the racial make-up changed little overall, although higher numbers of black recipients became concentrated in central cities. Further, the numbers of persons eligible and applying for AFDC increased during this period, while the

number of eligible families also increased due in part to higher benefit levels and increasing numbers of absent fathers. At the same time, acceptance rates increased, i.e., larger portions of the increased numbers of persons eligible and applying were being accepted by public welfare agencies.

The next question we would like to address is how these changing characteristics might affect the "needs" of welfare families for various supportive social services.

B. Assessing Needs for Social Services in New York City

"Objective" measures of "need" for specific supportive services are difficult to obtain. Some available statistics are fairly direct indicators of need; for example, low educational achievement is usually related to low earnings capacity, frequent unemployment and low income level. And greater numbers of poor female-headed households create an increasing need for combinations of employment and day care opportunities which involve difficult and costly trade-offs among public sector priorities. However, the most comprehensive source of such demographic data, the decennial census, generates information which becomes quickly out-of-date and which cannot be linked to individuals. Yet to make frequent surveys of large urban populations to ascertain their

perceived needs is prohibitively expensive. Surveys also involve the difficulties inherent in interpreting subjective measures of need described in Chapter 1. Review of existing case records is a strategy with its particular difficulties, especially the scattered, inconsistent, and fragmentary nature of these records. As one advocate of social service reform commented:

> A final obstacle to significant welfare reform of public social services lies in the failure to produce any more satisfactory definition of the population at risk than that developed through existing service mechanisms, which are specialized and fragmented.[19]

There is no one solution to these problems. At different points in the policy-planning-program delivery processes for social services, different types and amounts of information on needs are required. For those at the national policy level, a general indication of presumed need, such as low income, may suffice. For urban welfare agency planners, more detailed information is necessary: what groups need which services? where do they live? and what is their ability to pay? And social workers and caseworkers need the most detailed information of all, most of which can be obtained only from needy individuals themselves. Obtaining and using these different kinds of information requires specialized but integrated collection procedures, methods of interpretation, and modes of presentation.

Let us review the major methods that have been suggested for obtaining and utilizing these kinds of data for social services planning. First, the Community Services Administration of HEW issued detailed instructions for planning social services in its "Draft Manual" in early 1972. CSA also contracted with Booz-Allen and Hamilton consultants to devise and test several methods for assessing need for social services.[20] Second, there are the procedures adopted by the joint HRA/DCP pilot project on services planning. And third, there are several methods of calculating income standards that might be used as overall measures of need. Finally, we attempt to estimate the size of the population in New York City which might be eligible for subsidized services under the new Title XX of the Social Security Act.

1. The HEW/CSA Proposals

In its instructions for preparing an "analysis of needs" for social services, the CSA Draft Manual defined four groups to be studied: 1) the total population; 2) the risk population--those "highly vulnerable to experiencing various social problems and incurring certain barriers, defined as current, former, and potential public assistance recipients;" 3) the target population--those "differentiated from the risk population in that individuals within this group currently have social problems and barriers,

i.e., there is an immediate service need and risk," and 4) the service population--"those individuals for whom services are to be provided, i.e., the proportion of the risk and target populations that will receive services."[21]

Unfortunately, the Draft Manual did not adequately describe how state agencies were to estimate the size of these groups. It suggested that, "As an interim step, much can be learned from statistics and experience already available from State and local planners, client groups, administrators, and general agency staff." However, CSA's definitions of the risk, target, and service populations were too vague to guide even these persons. For example, CSA defined the risk population essentially as "current, former, and potential recipients." While this definition adhered to the terminology of the Social Security Act, it gave no clue as to how to estimate "potential" recipients. Further, although the number of current and former recipients was presumably available from agency records, in practice, it is often difficult to ascertain a person's welfare status, especially that of "former" recipients.

Next, it was little help to planners to define the target population as a subset of the risk population that had "social problems and barriers," since one of the greatest problems is to identify individuals with these

problems. Both improved "objective" and "subjective" measures of "need" are required, such as continuing surveys of the entire risk population and comprehensive counseling and diagnostic programs for current welfare recipients.

Third, CSA's definition of the service population, actual cases under care, was inadequate because it included no guidelines for selecting persons who were to receive services from the target population. If CSA expected the service population to be defined operationally, on the basis of local priorities, procedures and resource constraints, it was inconsistent to require local agencies to estimate the size of this group without guidelines.

The Booz-Allen Approach. CSA contracted with Booz-Allen and Hamilton to suggest ways local welfare agencies might solve problems likely to be encountered in implementing the CSA planning proposals. Booz-Allen chose several methods for assessing needs and resources, developed an instruction manual and simple forms for each method, and persuaded six state and local welfare agencies to use some combination of the methods on an experimental basis. The methods they suggested are listed in Table. 4.15.

Three local welfare agencies agreed to try the "analysis of existing social statistics" method. The

Table 4.15

Booz-Allen Suggested Methods for Assessing Needs

Needs Analysis	Resource Assessment
1) Informed Community Representatives - mailed questionnaire - personal interview	1) Assessment of the public social service agency resources - optional levels of coverage
2) Analysis of the Service Population - case record analysis - client contact	2) Assessment of Community Resources - optional levels of coverage
3) Analysis of Existing Social Statistics	3) Assessment of service-related resources
4) Survey of the Risk Population - questionnaire - questionnaire for community based care respondents - mail-out questionnaire - interview guide	

Source: Booz-Allen and Hamilton, "Executive Summary" for HEW Contract SRS-72-66, Exhibit IV, pp. 10ff.

procedure suggested by Booz-Allen involved collecting various statistics on forms provided by them. They suggested collecting the following items of 1970 census data: the number of families and unrelated individuals with incomes below the poverty level, the number of families receiving public assistance (as reported in the census), and the number of female-headed families with children under six with incomes below the poverty level. The forms also indicated that other information should be collected from local sources: the number of welfare cases by category, the number of high school dropouts, unemployment rates, numbers of births, deaths, illegitimate births, cases of inadequate prenatal care, and cases of venereal disease.

The Booz-Allen contract manager, reviewing the experiences of the agencies which tried this procedure concluded:

> The performance of this methodology successfully accomplished the objectives set for it, in that implementation resulted in very usable data concerning the parameters of service needs within time/cost estimates that were minimal. Sufficient data were available in both large and small sites to make data collection worthwhile. With the exception of Census statistics, however, much of the information that was available was skewed in those areas receiving public attention. For example, a great deal of information was available on housing needs, but comparatively little on transportation.[22]

Table 4.16

Booz-Allen Contract Evaluation of Other Suggested Methods for Assessing Needs

Analysis of the Service Population--Case Record Analysis.

> ...easily implemented with reasonable time and cost requirements. Caseworker and supervisory staff had little difficulty collecting the data, when it was available in the case records.

Informed Community Representatives.

> The validity and reliability of data collected were not sufficient...
>
> The data told the test sites nothing new, since local agency directors and staff knew the problems of the community as well as the respondents and the respondents could provide little quantitative substantiation of what was known.

Survey of the Risk Population: Questionnaire.

> ...all sites agree that for an agency with sufficient resources, and given a competent survey manager, this methodology has the potential for providing the most comprehensive, reliable, and detailed data of all the various "needs" methodologies.
>
> Staff attitudes, training, and level of positions most severely affected the data collection effort. The use of case aides as interviewers was not at all successful. Inadequate or insufficient training was directly related to poor quality of data.
>
> The editing of the questionnaires and the data reduction process posed major problems. ...

Survey of the Risk Population: Mail-out Questionnaire.

> ...tested by one site, surprisingly, with highly successful results.
>
> The return rate of the questionnaires was over 45%, which is a higher rate of return than is normally obtained in mail-out surveys. In addition, the responses came from clients of all age ranges, assistance categories, and races, which suggested that no special respondent group experienced unique difficulties with the instrument.

Source: Booz-Allen and Hamilton, "Executive Summary" for HEW Contract SRS-72-66, pp. 28-32.

We have three major criticisms of the Booz-Allen procedure for analyzing existing social statistics. First, advantage was not taken of the detailed information available in the 1970 census relevant for estimating social service needs, since only three census items were recommended by the contractor. Secondly, the methods suggested for collecting and presenting statistics were weak, particularly the complete lack of use of graphic techniques. This problem was related to the third difficulty with the Booz-Allen approach, its lack of concern with developing methods for using the information obtained. The contractor concluded that, while their assumption that the data could be used was valid, "One of the significant difficulties encountered in the testing phase...was that local and State agencies do not necessarily know what to do with their findings or how to use them."[23] Nevertheless, the basic simplicity and comprehensibility of the Booz-Allen suggested approaches would have enabled social work personnel to utilize the information as they became more familiar with these planning techniques.

2. Joint HRA/DCP Service Planning Pilot Project

In Chapter 3 we described the origin and results of the joint HRA/DCP pilot project for planning service

programs in New York City. Our method was to retrieve 1970 census data on a census tract basis, in order to find the geographic distribution of certain needy groups. This information was essential for the selection of sites for service centers. We also developed a variety of methods of presenting the data, both tabular and graphic, especially color-coded maps, in order to facilitate use of the information by HRA planners. Please refer to Chapter 3 for a detailed description of these procedures and examples of the materials that were produced.

3. Measures of Low-Income as Indicators of Need for Services

At a state or federal level, general indications of the numbers of persons likely to need subsidized social services is sufficient. Several concepts for measuring the number of low-income households in the U. S. have been developed, principally the "poverty level" concept of the Census Bureau, the Bureau of Labor Statistics' "lower living standard" budget, and specific dollar cut-offs, for example, less than $3000 per year for a family of four, which are used by many groups to assess need and which increase as inflation and expectations rise over time. In addition, each state sets its "level of need" for eligibility for welfare under the Social Security Act, an income cut-off level adjusted for family size and

and household structure.

Several attempts have been made to estimate the "welfare risk" population in New York City. The population at risk for welfare dependency is usually defined by an income so low as to indicate a high probability that these persons lack the ability to meet basic needs for food, shelter, clothing, etc. It is further assumed that such low-income persons are likely to have additional needs for supportive services which they cannot meet themselves. We will examine three recent attempts to estimate the size of the welfare "risk" population in New York City.

The first method is that adopted by HRA's Office of Policy Research, which defined the city's "needy population" as "those people living in households whose incomes fell below the Bureau of Labor Statistics' Lower Living Standard Budget for the New York-Northeastern New Jersey area, revised upward by substituting the Intermediate Standard Budget's rent levels. For a family of four in 1970 this adjusted standard was $7,678."[24] Table II-1 of OPR's study, reproduced as Chart 4.16, shows the calculations used by OPR to arrive at this figure.

A second attempt of HRA's Office of Policy Research to estimate New York City's welfare risk population was

Chart 4.6

Revised Standards of Need for Households of Different Sizes
New York City, 1970

Number of Persons in Household	Annual Expenditure Allowances							Annual Gross Income Required	
	Consumption & Expenditures					Taxes and Other Nonconsumption Expenditures			
	Gross Rent			Total					
	Unrevised	Revised	Other	Unrevised	Revised	Unrevised	Revised	Unrevised	Revised
1	789	1,125	1,624	2,413	2,749	1,037	1,121	3,450	3,870
2	888	1,266	2,785	3,673	4,051	1,170	1,247	4,843	5,298
3	987	1,407	3,713	4,700	5,120	1,308	1,388	6,008	6,508
4	1,052[a]	1,500	4,641[a]	5,693[a]	6,141	1,455[a]	1,537	7,148[a]	7,678
5	1,118	1,594	5,569	6,687	7,163	1,492	1,570	8,179	8,723
6	1,184	1,687	6,497	7,681	8,184	1,654	1,737	9,335	9,921
7	1,216	1,734	7,426	8,642	9,160	1,690	1,767	10,332	10,927
8	1,250	1,782	8,354	9,604	10,136	1,834	1,913	11,438	12,049

[a] Bureau of Labor Statistics Lower Living Standard Budget.

Source: Stephen Leeds, Income Sources of the Welfare Risk Population (New York City: HRA, Office of Policy Analysis, December 1, 1973) Table II-1.

derived by reviewing many organizations' estimates and then suggesting their own "best estimate." This estimate is shown as #2 in Table 4.17.

We used a third procedure, based on the Census Bureau's "poverty level." For an urban family of four with male head, the income cut-offs for the poverty level in 1970 was $3715. (See Chart 4.7.) About twice this amount, $7400, approximated the adjusted standard adopted by OPR's first estimate by New York City's welfare risk population. This amount also approximated the income cut-off established by the New York State Department of Social Services for eligibility for social services provided through the welfare program. The New York State income levels for receipt of services is reproduced as Chart 4.8. Our estimate based on twice the census poverty level is shown as #3 in Table 4.17.

As Table 4.17 shows, all three estimates of the welfare risk population in New York City in 1970 are of the same order of magnitude. Leeds estimated the "needy population" at about 2,674,000 persons using the adjusted BLS standard, and the welfare eligible population about 1.7 million persons. Of this number, 1,039,000 (64%) were actually receiving welfare in 1970. The second OPR study estimated the welfare risk population to be about 2,895,000 persons, of whom about 64.3% were estimated to

Table 4.17

Estimates of the Welfare Risk and Welfare Eligible Populations in New York City, 1970

		Welfare Risk Population	Welfare Eligible Population
1.	OPR (Leeds)	2,674,000	1,714,000 (64.1%)
2.	OPR (Indigent study)	2,895,000	1,869,000 (64.3%)
3.	Our estimate (Twice Census poverty level)	2,917,500	(1,867,200)(64%)

Chart 4.7

POVERTY CUTOFFS: Criteria used in Determining Poverty Status for 1970 Census

Income figures are for 1969.

Family Size	Number of Related Children Under 18 Years Old						
	None	1	2	3	4	5	6 or more
Male Head Nonfarm							
1. Under 65 years old	$1,975	---	---	---	---	---	---
65 yrs old & over	1,774	---	---	---	---	---	---
2. Under 65 years old	2,469	$2,766	---	---	---	---	---
65 yrs old & over	2,216	2,766	---	---	---	---	---
3.	2,875	2,968	$3,137	---	---	---	---
4.	3,790	3,847	3,715	$3,902	---	---	---
5.	4,574	4,630	4,481	4,368	$4,462	---	---
6.	5,247	5,265	5,153	5,041	4,891	$4,967	---
7. or more	6,609	6,665	6,535	6,422	6,274	6,049	$5,994
Male Head Farm							
1. Under 65 years old	$1,679	---	---	---	---	---	---
65 yrs old & over	1,508	---	---	---	---	---	---
2. Under 65 years old	2,099	$2,351	---	---	---	---	---
65 yrs old & over	1,884	2,351	---	---	---	---	---
3.	2,444	2,523	$2,666	---	---	---	---
4.	3,222	3,270	3,158	$3,317	---	---	---
5.	3,888	3,936	3,809	3,713	$3,793	---	---
6.	4,460	4,475	4,380	4,285	4,157	$4,222	---
7. or more	5,618	5,665	5,555	5,459	5,333	5,142	$5,095

(Chart 4.7 continued)

Family Size	Number of Related Children Under 18 Years Old						
	None	1	2	3	4	5	6 or more
Female Head Nonfarm							
1. Under 65 years old	$1,826	---	---	---	---	---	---
65 yrs old & over	1,752	---	---	---	---	---	---
2. Under 65 years old	2,282	$2,491	---	---	---	---	---
65 yrs old & over	2,190	2,491	---	---	---	---	---
3.	2,781	2,651	$2,931	---	---	---	---
4.	3,641	3,771	3,753	$3,715	---	---	---
5.	4,368	4,500	4,481	4,444	$4,294	---	---
6.	5,096	5,191	5,153	5,115	4,948	$4,798	---
7. or more	6,403	6,497	6,478	6,422	6,255	6,124	$5,825
Female Head Farm							
1. Under 65 years old	$1,552	---	---	---	---	---	---
65 yrs old & over	1,489	---	---	---	---	---	---
2. Under 65 years old	1,940	$2,117	---	---	---	---	---
65 yrs old & over	1,862	2,117	---	---	---	---	---
3.	2,364	2,253	$2,491	---	---	---	---
4.	3,095	3,205	3,190	$3,158	---	---	---
5.	3,713	3,825	3,809	3,777	$3,650	---	---
6.	4,332	4,412	4,380	4,348	4,206	$4,078	---
7. or more	5,443	5,522	5,506	5,459	5,317	5,205	$4,951

Source: U. S. Bureau of the Census, 1971.

Chart 4.8

New York State Income Cut-offs for Services, 1972

FEDERAL AND STATE ELIGIBILITY REQUIREMENTS

Criteria	Social Security Act Aid to Children Title IV	Social Security Act Aid to Adults Title XVI
Net Income Levels	State Net Max. Income Levels: By family size one two three four five six $2625 3525 5025 7500 8850 9897 Federal: None, except the federal government directs that states must establish income limits "on a reasonable basis."	(Add $600 for each additional person.)
Max Allowable Liquid Assets	None	
Personal and Social Factors	1. All persons eligible for information & referral services (state/federal). 2. All current public assistance recipients of aid to the blind, disabled, aged, and dependant children (AABD,AFDC) are eligible for individual & group services (state/federal). 3. All former recipients of AABD & AFDC (within past 2 years) are eligible for individual & group services, if they meet income requirements above (state/federal).* 4. All potential recipients of AABD & AFDC are eligible for individual & group services, if they meet income requirements above, and if they meet the categorical eligibility (other than financial) requirements for AABD or AFDC, or have a condition or situation** which is expected to deteriorate to a point where they would meet such criteria within the next 5 years.*	

(Chart 4.8 continued)

Personal and Social Factors	* STATE further limits eligibility to those in Groups (3), (4), in that these eligibles cannot make up more than 10% of all service recipients of individual services. 5. Eligible for group services only. A. FEDERAL Persons residing in Model Cities Areas, other federally designated poverty areas, low-income census tracts, public housing projects, areas with high infant mortality, unemployment, and substandard housing rates. B. STATE Persons residing in Title 1, Education Act Poverty Areas only. ** Such conditions or situations includes: drug addiction or alcoholism of primary individual or parent or guardian of child; deteriorating vision, or infirmities of age (if 60 + years old); deteriorating handicap or disability, including mental conditions; criminal behavior, or chronic unemployment of primary individual or parent/Guardian of a child; delinquent or truant behavior on part of a child; deprivation of parental support or care of a child (incl. one parent family).

Source: New York State Department of Social Service, 1972.

be eligible for welfare. Our own estimate, based on twice the Census poverty level, was 2.9 million persons. If about 64% of these persons were eligible for welfare (adopting the estimate used by the OPR staff), there would have been about 1,867,000 persons eligible for welfare in 1970. The three estimates of the welfare risk population vary by only 8%.

A welfare risk population of 2.8 million persons represented 35.5% of New York City's total population of 7,894,850 persons in 1970.

4. Estimate of the Population in New York City Eligible for Services Under Title XX

Using the low-income standard derived above based on "twice the Census poverty level" in 1970, about 35% of New York City's population would have been eligible for subsidized services according to New York State's income eligibility levels for services shown in Chart 4.8.

Under Title XX, in New York State, families of four with incomes up to $11,792 in 1973, in addition to AFDC, SSI, and Medicaid recipients, would have been eligible to receive social services without charge. Persons in families with incomes up to $16,952 in 1973 would have been eligible to receive services if a fee were charged. These income cut-offs will vary directly with changes in the national or state median incomes.

In order to estimate the number of persons in New York City who might be eligible for services without charge under Title XX, let us start with the estimate that New York City's "welfare risk" population was about 2.7 million people in 1970 (those in families with incomes below $7600). Inflation between 1970 and 1973 was approximately 16.8%, which means that the equivalent income in 1973 would have been about $8950, well below the $11,792 cut-off under Title XX. Thus presumably all of the city's welfare risk population would have been eligible for services without charge in 1973, plus a substantial number of additional families. Probably at least 15-20% of the city's population would have been eligible for services if a fee were charged. (Nationally in 1973, 39% of all families had incomes up to 80% of the national median that year, $12,951, and an additional 16% of all families had incomes up to 115% of the national median.)[26] Assuming that income distribution and median income in New York City have not changed significantly in the past few years, we can expect over 50% of New York City's population (and 55% nationally) to be eligible for social services under Title XX both with and without fees in the years ahead.

Summary

After describing general changes in the number and characteristics of welfare recipients during the 1960s, we reviewed three approaches to assessing "need" for social services using "objective" measures: those suggested by the HEW/CSA Draft Manual, by our project in New York City, and by Booz-Allen consultants under contract to HEW. In brief, the usefulness of these approaches seems to increase with the specificity of the demographic and socio-economic indicators selected, with the specificity of the geographic identification of target groups, and with the ability of social work personnel to absorb these kinds of information.

At local planning levels, indicators of need for social services were, until recently, rarely developed separately from indicators of need for income support. Therefore we also used three methods of estimating the size of the income needy population in New York City in order to gain some understanding of the magnitude of the populations potentially in need of supportive services as well. Our three estimates of the "welfare risk" population in New York City in 1970 ranged from 2.67 to 2.92 million persons, of whom about 64% were estimated to have been eligible for public assistance.

Finally, we also estimated the number of persons

in New York City who would have been eligible for services in 1973 under Title XX's provisions. These estimates showed that all of New York City's welfare risk population would have been eligible to receive services without fees.

Thus, if these estimates are generally reasonable, the numbers of recipients and other poor persons eligible for subsidized services under Title XX far exceed those now being served by New York City's various service programs, and the issues of the allocation of existing limited resources among these "needy" persons remain unresolved by the provisions of Title XX and state legislation.

CHAPTER 4 FOOTNOTES

[1]HRA, Monthly New York City Public Assistance Summary 1960-1973 (Spring 1974).

[2]New York City, Expense Budget of the City of New York, FY 1961-2 and FY 1973-4. Data on the sources of funds--local, state, and federal--are presented in Appendix B.

[3]U.S. Department of Health Education and Welfare, Trend Report: Graphic Presentation of Public Assistance and Related Data (Washington, D.C.: Government Printing Office), HEW Publication (SRS) 72-03101, 1970, p. 13.

[4]The "Personal Care Services" program was authorized by HEW in 1967. See the Code of Federal Regulations 45, 249.10 (b) (17)(vii). New York State Received HEW approval for its proposed program in late 1975. Telephone interview with Ms. Elsie Sandman, Medical Services Administration, HEW, February 26, 1976.

[5]U.S. Bureau of the Census, Statistical Abstract of the United States 1973, 94th Edition (Washington, D.C.: Government Printing Office, 1973), Table 526, "Personal Income and Disposition of Income: 1950 to 1972," p. 324.

[6]U.S. Bureau of the Census, 1960 and 1970 census data for New York City as provided to the New York Department of City Planning.

[7]See discussion by Elizabeth F. Durbin, Welfare Income and Employment (New York: Praeger, 1969), especially Chapter 2.

[8]Stephen Leeds, "Income Sources of the Welfare Risk Population," (HRA, Office of Policy Research, December 1973) p. 23.

[9]David B. Eppley, "The AFDC Family in the 1960's," [Washington, D.C.: U.S. Department of HEW, NCSS Report AFDC-2(69)], p. 3.

[10]Ibid.

[11]C. Peter Rydell, "Long-Run Dynamics of NYC's Welfare Caseload," (New York: RAND Institute, May 1973), p. vi and pp. 19-26.

[12]Idem, "The DSS Caseload Model," (New York: RAND Institute, July 1972), p. 36.

[13]Durbin, p. 17.

[14]Ibid., p. 19.

[15]One of the popular ideas which has contributed to these kinds of tensions is that poor persons, especially southern blacks, have migrated to northern cities in search of higher welfare grants. Numerous studies have shown this hypothesis to be quite false. See Larry H. Long, "Poverty Status and Receipt of Welfare Among Migrants and Nonmigrants in Large Cities," American Sociological Review 39 (February 1974):46-56; Patricia Koshel, "Migration and the Poor," Working Paper No. 5 (Washington, D.C.: Office of Economic Opportunity, December 1971); Richard A. Cloward and Frances Fox Piven, "Migration, Politics and Welfare," Saturday Review (November 16, 1968), pp. 31-35.

[16]U.S. Department of Health, Education and Welfare, "Characteristics of Families Receiving Aid to Dependent Children" (Washington, D.C.: HEW, Social Security Administration, November 1953), pp. 15-17.

[17]Phillips Cutright, "Illegitimacy in the United States: 1920-1968," Demographic and Social Aspects of Population Growth, Volume I, Commission on Population Growth and the American Future (Washington, D.C.: Government Printing Office, 1972), p. 409.

[18]Ibid., pp. 408-409. After being relatively stable from 1920 to 1940, illegitimacy rates increased through 1968. However, the rate for nonwhites declined from 1965 through 1968, while that for whites continued to increase. Also, the idea that the availability of AFDC programs might be a cause of the increase in illegitimacy was tested by Cutright, but he found no evidence to support this assertion; see p. 381 and pp. 408-411.

[19]Robert Morris, "Welfare Reform 1973: The Social Services Dimension," Science 181 (August 10, 1973):519.

[20]Booz-Allen and Hamilton, Inc., Contract SRS-72-66. Three reports were issued by the consultants but not published as of 1975 by the Social and Rehabilitation Service: 1) "Final Report, Assessing Needs and Resources," June 30,1973; 2) "Executive Summary," August 15, 1973;

3) "An Implementation Manual," August 15, 1973. A preliminary report was issued in November 1972, "Phase One Report on Developing Alternative Methods for Assessing Social Service Needs and Resources," Volumes I and II. The project manager for Booz-Allen, Ms. Sharon Bishop, kindly permitted me to review these materials.

[21]U.S. Department of Health, Education and Welfare, Community Services Administration, "Draft Manual," p. 6.

[22]Ibid., p. 27.

[23]Booz-Allen and Hamilton, Inc., "Executive Summary," p. 18.

[24]Stephen Leeds, "Income Sources of the Welfare Risk Population," p. 7. The unrevised BLS standard was $7,148.

[25]David de Ferranti, Peggy A. Parker and Linda L. Prusoff, "Indigent New Yorkers: How Many and How Indigent?" (HRA, Office of Policy Analysis, June 1973).

[26]U.S. Bureau of the Census, Statistical Abstract of the United States 1975, 96th Edition. Table 631, "Money Income--Percent Distribution of Families, by Income Level, by Race of Head: 1950 to 1974," p. 390.

CHAPTER 5

CHANGING PERCEPTIONS OF NEED FOR SOCIAL SERVICES

We described in Chapter 4 several "objective" methods for estimating welfare and social service needs. Refinement of these measures can be expected as state and local welfare agencies improve their goal definition and planning processes. However, as we have suggested, estimates of persons "needing" services far exceed the capacities of existing programs, so that the allocation of resources to meet these needs is not solved by developing better objective measures of need. Further, differing perceptions of need among groups in society arise and persist irrespective of ojective situations; thus, reconciliation of differing values is inherent in the planning and decision-making processes for social programs.

While perceptions of need for income and service support vary among all groups in society, we are principally concerned with the perceptions of those groups which determine social service policy and program delivery. We have adoped for analytic purposes Goodwin's schema of

four key groups in the welfare system: "donors," "administrators," "deliverers," and "recipients."

The members of the "donor" group include members of Congress and the President and his staff, Cabinet Secretaries and the Office of Management and Budget. The "administrative" group consists of top administrators in HEW and in state and local welfare agencies. Social workers and caseworkers at the local level comprise the "delivery" system, while welfare recipients and other low income persons make up the "recipient" group.

Each of the first three groups makes assertions about the service needs of the fourth group, which, sometimes, asserts its own needs. Given the nature of our social structure, the four groups can be ranked hierarchically with the "donors" at the top, each differing in social class background, educational resources and achievements, occupational and professional affiliations, and income. Sociological research has demonstrated that class, race, ethnic and related differences strongly affect communication among these groups, their ability to empathize with circumstances other than their own, their perceptions of other groups' needs, and therefore their definitions of social problems and acceptance of specific political responses.

We will analyze each of these groups' perceptions

of need for welfare and social services, to the extent that such perceptions have been expressed, and relate changes in these perceptions to changes in social service programs over the past several years.

A. The "Donor" Group: Congress and the White House

The 1956 amendments to the Social Security Act first authorized federal reimbursements for services and social work training. Its passage has been characterized as "reflecting awakening anxiety about the costs of public assistance, and rising juvenile delinquency on the part of Congress."[1] Little expansion of services seems to have resulted.

In 1961 according to Abraham Ribicoff, Secretary of HEW under President Kennedy, "the time [had] come to meet new situations in new ways."[2] A year later Ribicoff described the new program: "Its byword is prevention; where that is too late, rehabilitation--a fresh start."[3] According to Ribicoff in a statement to the President, the service approach appealed to both conservatives and liberals, the former believing that services would reduce dependency, the latter believing that they would succor the poor.[4]

The results of the 1962 amendments were not encouraging if judged by the continued increase in

welfare rolls. Moreover, it was difficult to determine to what extent additional services had actually been furnished by local welfare agencies.

> In some ways the services emphasis did not have a real test, but the disturbing factor is that it was always obvious that personnel to do the job were not available. ...While trained workers might have made some difference..., the program was carried out by a constantly shifting group of untrained workers.[5]

The House Ways and Means Committee observed in 1967 that the 1962 amendments had "not had the results which those in the administration who sponsored the amendments predicted."[6] While extending the work requirements of the Work Incentive Program to women as well as men in 1967, Congress also made greater provision for day care and other services that could be expected to assist employable mothers to work. The 1967 amendments reflected the persistence of the idea among some members of Congress that "social services applied to the AFDC program could substantially alter its costs or caseloads," although welfare professionals were already challenging that judgment.[7]

The perceptions of members of the "donor" group of the nature of the welfare problem change slowly, however.[8] The 1971 Talmadge amendment required <u>all</u> AFDC mothers to be screened for employability and to accept training for a job if offered, at the cost of their

welfare grant if they refused. (States had formerly had discretion to decide who should be screened for employability. A 1971 estimate showed that only 14% of the 2.5 million AFDC mothers nationally were employed either full or part-time.)[9]

President Nixon's Family Assistance Plan (FAP), first proposed in August 1969,[10] was presented as a radical reform of welfare. The FAP was a form of guaranteed annual income, and although the national support level was set fairly low, it would have provided financial support for low-income working fathers for the first time. By April 1972 the Senate Finance Committee, after extensive hearings on H.R.1 containing the FAP, substituted a "workfare" proposal of its chairman, Senator Russell Long.[11]

Congress and the President battled during the summer over the three major proposals for welfare reform that had emerged: 1) H.R.1 with Nixon's FAP; 2) the Senate version of H.R.1 with the Long work incentives substituted for the FAP; and 3) a much more liberal income support level for the FAP proposed by Senator Ribicoff. The White House would not compromise with either the Long or Ribicoff proposals. In October 1972 the Senate-House Conference Committee eliminated FAP from H.R.1, but retained the proposed transfer of public assistance for

the DAB recipients to the Social Security Administration (the "Supplemental Security Income" program that became effective in January 1974).

Since the demise of the FAP in late 1972, there have been frequent rumors that the White House was about to revive its welfare reform proposals. Not only has no revival occurred, but the changes in social service programs contained in Title XX can scarcely be considered major reforms. Title XX codified the fiscal expansion of services that had occurred, in spite of the Ford Administration's general preference for an income support strategy. Social services require large numbers of personnel--social workers and other members of the "helping" professions. It is important to note that the coalition formed in 1974 to lobby for new social service legislation consisted almost entirely of interested provider groups and only a few client groups, as shown in Table 5.1.

Title XX contains a number of compromises on service policy agreed to by the various factions in Congress and the administration. Some groups took the same positions they had in the FAP debate, others viewed social services differently. The $2.5 billion annual ceiling on federal expenditures was retained, against the wishes of both public and private service organizations. Contrary to HEW's proposed regulations of May 1973,

Table 5.1

Coalition for Social Services Legislation, 1974

SOCIAL SERVICES COALITION

American Federation of Labor & Congress of Industrial Organizations, 815 16th Street, N.W. Washington, D.C. 20005. 202/637-5208. Rep.: Mary Logan.

American Federation of State, County and Municipal Employees, 1155 15th Street, N.W., Washington, D.C. 20005. 202/223-4460. Rep.: Margie Siegel.

American Public Welfare Association, 1660 L Street, N.W., Washington, D.C. 20036. 202/833-9250. Rep.: Iris Slack and Harold Hagen.

American Association of Psychiatric Services for Children, 1701 18th Street, N.W., Washington, D.C. 20009. Rep.: Debbie Kramer.

Black Child Development Association, 1028 Connecticut Avenue, N.W., Suite 514, Washington, D.C. 20036. 202-659-4010. Rep.: Wendell Robinson.

Child Welfare League of America, 1145 19th Steet, N.W., Washington, D.C. 20036. 202-883-2850. Rep.: William Lunsford.

Council on Social Work Education, White, Fine & Ambrogne, 1156 15th Street, N.W., Suite 302, Washington, D.C. 20005. 202-659-2900. Rep.: Dick Verville.

League of Women Voters, 1730 M Street, N.W., Washington, D.C. 20036. 202-296-1770. Rep.: Betty Vinson.

Lutheran Council, 955 L'Enfant Plaza, N.W., Washington, D.C. 20024. 202-484-3950. Rep.: Robert Van Dusen.

Morris Associates, Inc., 2233 Wisconsin Avenue, N.W., Washington, D.C. 20001. 202-337-0991. Rep.: Jonas Morris.

National Association for Retarded Children, Mailing Address: R.D. #1 Box 303A, Hampton, New Jersey 08827. 201-735-8408. Rep.: Elizabeth Boggs.

Washington Office: 1522 K Street, N.W. 20005. 202-785-3388. Rep.: Paul Marchand.

National Association of Social Workers, 1425 H St Street, N.W., Suite 600, Washington, D.C. 20005. 202-628-6800. Rep.: Glenn Allison.

National Association of State Mental Health, 1001 3rd Street, S.W., Suite 115, Washington, D.C. 20024. 202-638-2383. Rep.: Ann Duncan.

(Table 5.1 continued)

National Association of Counties, 1735 New York Avenue, N.W., Washington, D.C. 20006. 202-785-9577. Rep.: Ralph Tabor.

National Council of Catholic Charities, 1346 Connecticut Avenue, N.W., Washington, D.C. 20036. 202-785-2757. Rep.: Jean Connors.

National Council of Churches, 110 Maryland Avenue, N.E., Washington, D.C. 22002. 202-544-2350. Rep.: Dave Ackerman.

National Council of Jewish Women, 1346 Connecticut Avenue, N.W., Washington, D.C. 20036. 202-296-2588. Rep.: Olya Margolin.

National Council of Organizations for Children and Youth, 1910 K Street, N.W., Washington, D.C. 20006. 202-785-4180. Rep.: Judy Helms.

National Council on the Aging, 1828 L Street, N.W., Washington, D.C. 20036. 202-223-6250. Rep.: Daniel Quirk.

National Governors' Conference, 1150 17th Street, N.W., Washington, D.C. 20036. 202-785-560. Rep.: Allen Jensen.

National Health Security Action Council, 806 15th Street, N.W., Washington, D.C. 20005. 202-737-1177. Rep.: Max Fine.

National League of Cities & United States Conference or Mayors, 1620 Eye Street, N.W., Washington, D.C. 20005. 202-293-7380. Rep.: Carol Kochelsen.

National Urban League, 425 13th Steet, N.W., Washington, D.C. 20004. 202-393-4332. Rep.: Betty Adams.

United Methodist Church, Women's Division, Office of Legislative Affairs, 100 Maryland Avenue, N.E.

United Way of America, 300 North Lee, Alexandria, Virginia 22314. 703-836-7100. Rep.: Jerry Hercenberg.

Washington Research Project, 1763 R Street, N.W., Washington, D.C. 202-483-1470. Rep.: Judy Assmus.

United Auto Workers, 1125 15th Street, N.W., Washington, D.C. 20005. 202-296-7484. Rep.: Dick Worden.

United Cerebral Palsy, Belview Hotel, 15 E Street, N.W., Washington, D.C. 20001. Rep.: Hal Benson.

Bert Carp--Senate Representative, c/o Senator Walter Mondale, 443 Russell Senate Office Building, Washington, D.C. 20510. 202-225-5641.

(Table 5.1 continued)

Herb Robbins--State Representative, State of Michigan, D.C. Office, 1150 17th Street, N.W., Suite 609, Washington, D.C. 20036. 202-833-2564.

Norman Lourie/Charles Berman, Department of Public Welfare, Health & Welfare Building, Harrisburg, Pennsylvania 17120. 717-787-3800.

Iric Nathanson, c/o Congressman Don Fraser, 1111 Longworth House Office Building. 202-224-3121.

Source: Congressional Record, December 9, 1974, p. H 11416.

essentially no limits were put on the number and kinds of services eligible for federal matching (within the overall annual ceiling). This was a victory for the state welfare departments and private service organizations as well as for the Senate Finance Committee's 1973 proposal to turn services into a form of "Special Revenue Sharing."[12]

Third, purchase-of-service arrangements with private service organizations and the use of donated private funds as part of state expenditures for matching purposes are permitted, again a victory for state welfare departments and private service organizations for whom these provisions increase access to federal service funds. Fourth, service programs are no longer restricted primarily to welfare recipients. A considerable portion of the middle class is now eligible for services if fees are charged (families with incomes up to 115% of the state or national median income, whichever is lower).

Members of both the "donor" and "administrator" groups in the welfare system continue to be divided over supporting an income support or a social services strategy to reduce poverty. The usual conservative/liberal split also persists between those who perceive work as the solution to welfare vs. those who perceived additional supportive services and a liberal income support program as the solution.

B. The "Administrative" Group: HEW and State Welfare Departments

1. HEW

Recent developments in social services policy were affected by changes in welfare personnel in the late 1960s and early 1970s in HEW. Until 1967, HEW welfare officials tended to perceive their role as one of prodding state welfare departments to improve the quality of welfare assistance, especially by up-grading the training of caseworkers and expanding services.

> Before 1962, welfare professionals had taken it as a matter of faith that they could help overcome problems of economic dependency by the application of social casework techniques. Small caseloads for the workers and large bundles of services for the clients were the ideals.[13]

While welfare officials in HEW's Bureau of Family Services had exhorted states to expand services during the 1960s, their conception of services was limited. First, they perceived services primarily as casework, due to their social work training, and second, as federal officials they perceived the federal government's role as one of providing technical guidance and requiring responsible program administration by the states, rather than of administering large programs.[14]

The Bureau of Family Services was abolished in 1967 and replaced by the Social and Rehabilitation Service (SRS). Within SRS, responsibility for services was

scattered among the six divisions brought together under a new Assistant Secretary's control. Actual payments of state claims for service reimbursements were made by the new Assistance Payments Administration, which also reimbursed states for their income maintenance expenditures. Several other former HEW bureaus were incorporated almost intact into SRS--the Vocational Rehabilitation Administration (which became the Rehabilitation Services Administration), the Children's Bureau and the Administration on Aging. A new Medical Services Administration was established.

The gradual effect of the 1967 reorganization was to increase centralized control over welfare programs by generalists in HEW, and to decrease the power of the former specialized bureaus with their professionally-oriented staffs and narrowly-focused programs.[15] The 1969 regulations on services were in large part prepared not by longtime welfare professionals, but by generalists who were management-oriented (such as Jules Sugarman, who had worked for a number of federal agencies, including OEO just before becoming head of the Children's Bureau in HEW).

The 1969 regulations omitted prior requirements that states had to limit the size of caseloads per worker and increase the number of caseworkers with professional

training. New overtones emerged in which counseling activities were considered "soft" services, while "hard" services such as day care, drug treatment, and work training programs were considered more important.

Administratively the most important change was the shift in attitudes toward purchase-of-service arrangements. Caution had been inherent in the BFS approach. Purchase-of-service arrangements had been limited to contracts with other state agencies, with requirements that the funds could not be used to pay for the normal activities of these agencies, and that "levels of effort by other state agencies in respect to public assistance clients" were to be maintained.[16]

In their drive to expand service programs, the new SRS managers dropped these restrictions and encouraged states not only to expand contracts with other state agencies, but also authorized them to purchase services from private agencies.[17] In contrast to the restrictive attitude of the Bureau of Family Services, the new SRS managers had a more relaxed attitude toward the administrative capabilities of state welfare agencies, perhaps partly reflecting Nixon's "New Federalism" approach.

In 1969 SRS concentrated responsibility for services in a new bureau, the Community Services Administation (CSA). CSA, however, found it difficult to establish

leadership of service programs given its late arrival among the factions in SRS and HEW. Under James Bax, from June 1971 to June 1972, CSA achieved considerable success in persuading states to expand service programs. But frequent shifts in CSA's Commissioners and personnel have hindered it from performing a strong role. (From its inception in December 1969 through the end of 1975, CSA had eight different Commissioners, of whom five were "acting.")[18]

Several political changes in the late 1960s also affected the development of policy towards social services. The January 1969 service regulations were enacted by the outgoing Democratic administration; their application and interpretation was left to a new Republican administration which had had no part in their formulation. The continued rise in welfare rolls was increasing political conflict over welfare policy, and many new groups--civil rights, black power, welfare rights organizations--were claiming a right to influence welfare programs.

The Nixon administration's initial commitment to expand services was reversed in mid-1972, primarily because of their high cost, with no end in sight under the open-ended appropriation. After some political shilly-shallying, the White House encouraged Congress to close

the open-ended appropriation and the $2.5 billion annual ceiling was set in October 1972.

The effort to contract service expenditures also reflected the administration's growing concern with inflation and was part of its overall attempt to cut back on federal expenditures. The prevailing attitude was expressed by John Erlichman, then Nixon's domestic advisor:

> There seems to be a folk tradition around this town that it's somehow indecent to cut any social program. I don't think the second administration will be a believer in that folk tale. I think a President with a substantial mandate, who feels that the majority of the people are behind him will feel very comfortable in saying to a vested interest group, such as the social workers, "Look, your social program of the 1960s isn't working, and we're going to dismantle it so you'll just have to go out and find honest labor somewhere else."[19]

After his reelection, Nixon appointed a new Secretary of HEW, Caspar Weinberger, who had been in the Office of Management and Budget. Prior to that, Weinberger had been a budget officer under Reagan in California where he had helped implement Reagan's efforts to reduce welfare costs. The retrenchment signaled by Weinberger's appointment was reflected in the February 1973 proposed service regulations, which were considerably more restrictive than the 1969 regulations. (For details see Chapter 2.)

SRS underwent further reorganizations in 1973-4, during which most of the remaining career welfare professionals were transferred within or out of SRS.[20] Responsibility for services was further concentrated at the Assistant Secretary level. The reorganizations within HEW since 1967 thus progressively promoted persons whose allegiance lay primarily with HEW's central management and who were political appointees rather than social work professionals. Definitions of service goals became increasingly susceptible to changing political climates and conflicts, such as described above. Continuing conflicts can be expected to affect service programs until basic disagreements among members of the "donor" and "administrator" groups over the relationship between income support and service strategies to reduce poverty are resolved.

2. State Welfare Departments

The second component of the "administrative" part of the welfare system consists of top welfare administrators at the state level.

As at the national level, welfare payments did not become a salient political issue in most states until the mid-1960s when numbers and costs soared. State governments began to search for ways to alleviate the fiscal burden of

welfare, and several recognized the potential of the social service authorizations for increasing the federal share of state welfare costs. California, Illinois and New York were the earliest and most aggressive in pursuit of federal funds for services.[21] In some states, professional social work administrators lost control of welfare policy to more fiscally concerned managers, either in the governor's office or in state legislatures. Illinois and New York were examples of the former, and California of the latter.[22]

These states expanded service programs by utilizing an unplanned-for combination of legislative provisions and regulations, including the relaxed procedures for purchase-of-service arrangements, group eligibility, the broad definitions of the services eligible for federal matching; all based, of course, on the availability of open-ended funding. Many welfare costs which could be construed as related to services which had formerly been paid for elsewhere in state budgets began to be claimed as service expenditures. Much shifting of local welfare expenditures among accounts probably took place in some states (although this process was perhaps not very different from the shifts that took place under the system of categorical grants to maximize the inflow of federal funds).

Not all of the expansion of service expenditures in the early 1970s can be viewed as mere paperwork, however.[23] California began or expanded programs in day care, assistance for the ill, aged and handicapped, and other service programs during these years. Illinois instituted programs to help rehabilitate ex-convicts, expand mental retardation programs, and drug and alcoholism treatments programs. New York expanded day care and service centers for the elderly.

Illinois was the state that went furthest in enlarging the kinds of services that had traditionally been funded under Titles IV and XVI, by including many activities formerly regarded as the responsibility of other state institutions, e.g., prisoner rehabilitation, mental health, and vocational rehabilitation for the disabled.[24] State officials argued that such persons were "potential" welfare recipients because of their problems and poor prognosis for self-support without special assistance. In a state which had traditionally spent little on social services, Illinois officials could claim that these service expenditures represented an expansion of services available to state residents.

Clearly, the needs of Illinois citizens for these services had not suddenly increased in the early 1970s. Political power had shifted, however, with the election

of a liberal Republican governor, Richard Ogilvie, in 1968. Ogilvie brought in new budget managers and created a state budget office. His campaign platform had included expansion of state services. In addition, his administration had to deal with the rising welfare bill, which threatened his reelection prospects in 1972. Expansion of social services was perceived as a means of helping to meet the costs of welfare which happened to coincide with Ogilvie's promise to expand services.

Similarly in California and New York, the other two states receiving the largest shares of federal funds for services through 1973, it is difficult to disentangle the fiscal relief motives from the assertions that services were being expanded to meet "need." Both California and New York are relatively high-income states with relatively high social welfare expenditures. California was the only state to use the expanded authorizations for services contained in the 1962 amendments to a substantial degree (primarily to continue its publicly-supported day care programs). New York had been a leader in the movement to expand social services conceptually and organizationally since the early 1960s, as we described in Chapter 3. It was partly because of their awareness of "needs" for various services that these two states saw the potential for both service expansion and fiscal relief

in the late 1960s.

The motivations of the "johnny-come-lately" states, those which did not begin to apply for additional federal matching funds until the summer of 1972, were probably also mixed, but we suspect that the fiscal relief motive was often paramount.[25] This suspicion finds additional support in the lack of continued rapid increase in social service expenditures on the part of many of these states, compared to their projections at the Governors' Conference in the summer of 1972. Many states were not using their quota of federal service funds established under the $2.5 billion ceiling. See Tables 5.2 and 5.3.

C. The "Delivery" Component of the Welfare System

Social work professionals have long pressed the development of services as a major component of public welfare programs. The adoption of a psychiatric-therapeutic approach by the profession in the 1930s led to an emphasis on one-to-one interactions with clients, a focus on personality problems, extensive development of counseling techniques, and development of techniques to influence attitudes and behavior.

One definition o social work asserts that:

> Social work seeks to enhance the social functioning

Table 5.2

Projections of Social Service Expenditures by Participants in the National Governors' Conference, July 1972

($ million) State	Federal share of social service costs in 1971	May 1972 estimates of federal share of social service costs in 1973	July 1972 estimates of federal share of social service costs in 1973
Alabama	$ 6.8	$ 41.2	$ 144.5
Alaska	1.8	18.9	19.7
Arizona	2.8	6.3	6.7
Arkansas	2.0	4.7	18.4
California	210.8	273.0	273.0
Colorado	11.7	22.7	29.8
Connecticut	7.6	15.8	18.8
Delaware	2.8	35.0	46.7
District of Columbia	7.0	10.1	32.0
Florida	12.5	112.6	112.6
Georgia	12.1	58.0	222.6
Hawaii	.5	2.1	2.4
Idaho	1.2	2.3	3.9
Illinois	28.3	147.5	172.5
Indiana	2.5	6.7	15.0
Iowa	6.8	12.8	13.5
Kansas	5.9	7.4	8.4
Kentucky	6.4	19.4	30.0
Louisiana	9.3	16.3	34.9
Maine	3.6	7.2	20.0
Maryland	15.0	21.8	417.7
Massachusetts	8.4	19.7	60.0
Michigan	17.6	85.8	85.9
Minnesota	15.4	24.1	96.5
Mississippi	1.1	14.2	463.6
Missouri	11.9	16.3	16.3
Montana	2.1	3.3	1.0
Nebraska	5.8	12.6	12.6
Nevada	1.0	2.0	2.0
New Hampshire	2.0	3.0	6.0

(Table 5.2 continued)

State	Federal share of social service costs in 1971	May 1972 estimates of federal share of social service costs in 1973	July 1972 estimates of federal share of social service costs in 1973
New Jersey	$ 20.0	$ 38.3	$ 58.3
New Mexico	3.8	6.4	47.0
New York	88.2	618.4	850.0
No. Carolina	11.6	47.1	50.4
No. Dakota	2.5	4.0	5.0
Ohio	11.1	22.5	60.0
Oklahoma	7.5	11.6	54.0
Oregon	25.6	24.9	30.7
Pennsylvania	36.3	100.6	265.0
Rhode Island	4.4	6.2	15.8
So. Carolina	3.6	14.1	214.1
So. Dakota	2.0	2.9	2.9
Tennessee	9.9	43.5	230.2
Texas	13.0	42.4	178.6
Utah	3.1	5.2	7.2
Vermont	1.6	2.6	2.6
Virginia	10.2	19.6	32.0
Washington	31.1	57.9	74.1
W.Virginia	7.9	7.9	15.4
Wisconsin	18.0	58.5	113.5
Wyoming	.7	.6	.6
TOTAL	$ 745.9	$2158.3	$4692.5

Source: John K. Iglehart, "Welfare Report/Nixon, Congress Decline to Check Rising Social Service Costs," National Journal, August 12, 1972, p. 1302.

Table 5.3

Federal Expenditures for Social Services by State, 1972-5

($ million)

State	1972	1973*	1974*	1975*	Ceiling	1975 as percentage of ceiling*
TOTAL	1,685	1,719	1,610	1,954	2,500	78
Alabama	12	16	20	21	42	49
Alaska	4	6	3	3	4	83
Arizona	3	3	3	4	23	15
Arkansas	3	6	6	9	24	36
California	199	212	246	253	246	103
Colorado	19	22	25	28	28	99
Connecticut	9	21	44	53	37	143
Delaware	12	8	5	6	7	82
District of Columbia	10	8	9	10	9	110
Florida	43	42	20	88	87	101
Georgia	32	48	39	45	57	79
Guam	NA	0	0	0	NA	NA
Hawaii	1	2	6	8	10	78
Idaho	2	5	7	11	9	116
Illinois	188	139	113	90	135	67
Indiana	7	7	7	6	64	9
Iowa	10	13	16	25	35	73
Kansas	6	7	8	13	27	47
Kentucky	13	26	10	29	40	73
Louisiana	30	21	21	23	45	52

(Table 5.3 continued)

State	1972	1973*	1974*	1975*	Ceiling	1975 as percentage of ceiling*
Maine	7	9	7	9	12	75
Maryland	21	27	30	39	49	79
Massachusetts	23	17	29	52	69	74
Michigan	28	58	66	98	109	90
Minnesota	27	29	39	52	47	112
Mississippi	2	12	5	6	27	18
Missouri	13	15	18	22	57	38
Montana	3	4	4	5	9	59
Nebraska	7	10	12	18	18	98
Nevada	2	2	2	3	6	48
New Hampshire	3	4	5	7	9	72
New Jersey	37	39	45	68	88	77
New Mexico	4	7	8	8	13	62
New York	589	332	238	254	220	115
North Carolina	19	23	16	30	63	47
North Dakota	3	4	4	4	8	54
Ohio	20	42	47	53	129	41
Oklahoma	14	25	17	21	32	66
Oregon	25	27	28	30	26	114
Pennsylvania	51	88	102	121	143	84
Puerto Rico	NA	2	2	2	NA	NA
Rhode Island	7	9	11	11	12	94
South Carolina	6	21	11	17	32	53
South Dakota	2	2	2	3	8	43
Tennessee	14	25	16	17	48	35

(Table 5.3 continued)

State	1972	1973*	1974*	1975*	Ceiling	1975 as percentage of ceiling*
Texas	54	99	94	141	140	101
Utah	4	5	6	7	14	53
Vermont	2	3	3	5	6	84
Virgin Islands	NA	0	0	0	NA	NA
Virginia	16	20	24	28	57	48
Washington	34	77	64	45	41	109
West Virginia	7	8	11	15	21	71
Wisconsin	38	59	35	40	54	74
Wyoming	1	1	1	2	4	52

* Unadjusted totals for federal expenditures. Adjustments include reducing federal expenditures to the maximum ceiling for each state.

Sources:
FY 1972 - HEW, Statement released February 15, 1973 by the Office of Public Affairs of SRS, pp. 5-6.
FY 1973 - HEW, SRS, "State Expenditures for Public Assistance Programs Approved Under Title I, IV-A, XIV, XVI, and XIX of the Social Security Act., FY 1973, p. 29.
FY 1974 - HEW, SRS, "State Expenditures for Public Assistance Programs Approved Under Title I, IV-A, XIV, XVI, and XIX of the Social Security Act," FY 1974, p. 24.
FY 1975 - HEW, Preliminary data provided by SRS, Division of Finance, as of February 1976.
Title XX allotments by state were taken from the Congressional Record, November 30, 1973, p. S 21536.

> of individuals, singly and in groups, by activities focussed upon their social relationships which constitute the interaction between man and his environment. The activities can be grouped into three functions: restoration of impaired capacity, provision of individual and social resources, and prevention of social dysfunction.[26]

The persons most receptive to such therapeutic approaches have generally been of middle and upper class backgrounds, the classes that also could most easily afford the expense of this type of treatment, whether in the form of social work or psychiatry. "It is just the middle-class rational mentality which takes most readily to the notion that families and personalities can be studied and repaired like bodies or automobiles."[27] Most graduate social workers take positions in private agencies where the pay is better and the clients more receptive to the social work approach than the clients of public welfare agencies.[28]

During the 1950s, social workers in public assistance agencies were confronted with rapidly increasing numbers of cases and with new types of welfare recipients. The pressure of numbers dramatically exposed the limitations of intensive and time-consuming counseling techniques. "An approach to social services which had been developed by voluntary social welfare agencies working with a limited clientele could not be converted into a large-scale national program manned by inexperienced

staff."[29]

The different needs of many welfare recipients called into question the goals of the therapeutic approach itself. Family counseling and personality development seemed to accomplish little or nothing in the shortrun, and their expected longterm benefits in terms of reducing poverty became ever more difficult to demonstrate. Because of their continued emphasis on the psychiatric model for social work, private social work organizations have not had a significant impact on the problem of poverty in the United States. For this reason, we have not included such organizations in our analysis of the "delivery" part of the welfare system. (This situation may, however, be changing as private agencies increasingly contract with public assistance agencies to provide various services under purchase-of-service arrangements. Not only are private agencies beginning to treat different kinds of clients, but methods are also beginning to change as use of various "group work" techniques widens, e.g., community development services and classes for persons with similar problems in addition to individual counseling.)

Moreover, caseworkers in practice usually had little time to provide these services. A 1968 study in New York City showed that, for public assistance case-

workers, while on the average 71% felt that providing services was very important, only 48% performed service functions at least once a week. See Table 5.4. For child welfare workers, 83% felt that providing services was important, but only 48% on the average provided such services at least weekly. The greatest discrepancy between attitudes and performance among child welfare caseworkers occurred in the category of "referrals for service," probably the most concrete, from a recipient's point of view, of the services studies: 87% of the caseworkers thought they were important, but only 16% furnished them at least weekly. Granted the ambiguity in interpreting what "furnishing a service weekly" might mean, the caseworkers themselves clearly perceived a large gap between their ideals and their practice.

The reasons for the discrepancies between expressed importance of services and frequency of provision was blamed by caseworkers primarily on lack of time, due to the size of their caseloads and the necessity of completing multitudinous forms. About 75% of public assistance caseworkers cited lack of time, and about 40% of child welfare workers cited this difficulty.[30]

Because of these problems professional social workers have consistently pressed for smaller caseloads and increased training. Social work organizations lobbied

Table 5.4

New York City - Importance and Performance of Social Work Service by Rank and Bureau

	Service Very Important	Performed Weekly at Least
CASEWORKERS: PUBLIC ASSISTANCE		
Personal-Emotional Problems	51.4	48.4
Job Training	84.5	52.4
Child's Education	86.4	46.4
Medical Care	64.8	48.0
Minimum N	(212)	(202)
CASEWORKERS: CHILD WELFARE		
Child's Behavior	94.2	76.7
Referrals for Services	86.7	16.4
Child's Education	65.8	56.4
Child's Medical Care	76.5	44.3
Minimum N	(241)	(231)
SUPERVISORS: PUBLIC ASSISTANCE		
Conferences with Subordinates	83.5	85.9
Training Subordinates	85.2	70.3
Reviewing Records	69.6	68.5
Casework with Clients	11.9	24.6
Minimum N	(403)	(403)
SUPERVISORS: CHILD WELFARE		
Conferences with Subordinates	89.7	90.5
Training Subordinates	91.6	69.2
Reviewing Records	70.1	58.5
Casework with Clients	10.5	4.8
Minimum N	(105)	(105)

Source: Ronald Miller and Lawrence Podell, Role Conflict in Public Social Services (New York State Office of Community Affairs, 1970) Table 3, p. 18.

Congress vigorously to get these principles incorporated into the 1962 amendments to the Social Security Act and to increase federal funds for services and training, on the hope that federal financial inducements might overcome the budgetary conservatism and traditional attitudes of state and local welfare agencies.

Several motivations seem to underlie social workers' efforts to expand services and to separate services from income maintenance programs during the late 1960s. First, changes in the needs of many welfare recipients seems to have resulted in changed perceptions of these needs on the part of some caseworkers. Second, while caseworkers continued to perceive their role as "helping" agents, the emphasis shifted for some from the interactions between caseworker and client to the interactions between clients and "the system," i.e., the institutional context of welfare. In this view, "the system" included welfare agencies, the job market, political institutions and social structure relationships in general.[31] Many caseworkers began perceiving their role as "advocate" for their clients' rights rather than as an agent to improve clients' personal functioning and adjustment to the system. Third, social workers began to realize that their jobs were in jeopardy if they continued to spend most of their time on the paperwork involved in

processing cash assistance grants. Let us examine these last two developments in more detail.

1. Changes in Caseworkers' Perceptions and Roles

Caseworkers in public assistance agencies have generally had little professional training and low professional orientations. A 1966 study showed that only 25% of the personnel of public welfare agencies had any graduate social work training,[32] while in 1960 only 8% had had MSW degrees.[33] A 1968 study in New York City revealed that only 42% of HRA's caseworkers and other personnel could be considered as having "any commitment" to social work, as shown in Table 5.5.

Table 5.5

Social Work Orientations among HRA Personnel

1968

1) Socialized Professional - with a commitment to social work combined with a positive disposition to the Department - 24.8%;
2) Detached Professional - with a commitment to social work but with a negative or neutral view of the Department - 17.5%;
3) Bureaucratic Official - with a positive attitude towards the Department but no professional commitment - 24.2%;
4) Uncommitted Employee - with no commitment to social work and with a negative or neutral attitude towards the Department - 33.5%.

Source: Ronald Miller and Lawrence Podell, Role Conflict in Public Social Services (New York State Office of Community Affairs, 1970), p. 8.

Another study described caseworkers as follows:

> The vast majority of public assistance workers are not professional social workers, are not particularly interested in that career or their job, and soon leave. Those who are interested in social work find public assistance work frustrating, and also leave. The caseworkers [on home visits] discuss superficial things, stay away from sensitive subjects, and do not enforce troublesome rules...
>
> ...the number of caseworker visits, amount of time spent per visit, caseworker turnover, and caseworker training and orientation...determine both the regulatory and service features of the AFDC program. Neither feature will be present, as we found in this study, if the bureaucracy lacks the resources.[34]

The negative attitudes prevalent among caseworkers reported by the Miller and Podell and the Handler and Hollingsworth studies seem to be typical of most public assistance agencies. During the 1960s, however, perhaps influenced by the general trend toward activism in public service during these years, activists emerged in the welfare field as interest in the community organization aspect of social work revived. Cloward and Piven of Columbia University's School of Social Work, organizers of the "Mobilization for Youth" program in New York City in the early 1960s, were among the most militant and vocal in their efforts to persuade social workers to involve themselves in community organization efforts.

Caseworker advocacy included advising welfare recipients on their legal rights, particularly with regard to benefits and appeal procedures such as "fair hearings."

Pressure from social workers, among others, resulted in legal services being included in the list of services eligible for federal reimbursement in the 1969 HEW regulations on services. HEW attempted to delete legal services in its proposed regulations of February 1973. Legal services are eligible for federal reimbursement under Title XX.

2. Job Definitions and Job Security

In addition to their heightened activism on behalf of welfare recipients, caseworkers in New York City were seriously affected by their strike in 1965. The theme of this strike had been "social work, not paperwork," with more time being demanded for services and simplified procedures for determining eligibility and processing grants. (It has often been estimated that 80-90% of a caseworker's time is spent on these tasks.) It is also likely that the graduate social work training many caseworkers received, often at federal expense under the 1962 amendments, had reinforced conceptions of social work that conflicted strongly with the realities of work in public assistance agencies.[35]

The 1965 strike demonstrated that social workers had indeed been spending most of their time on paperwork, and also that the paperwork could be done by other, less

expensively-trained workers such as the clerks hired to help during the strike. Subsequent pressure by social workers to expand their ability to provide services can be viewed as partly motivated by a desire to maintain a rationale for their jobs. Their pressure for separation of the administration of services from income maintenance can also be partly attributed to this motivation. We described in Chapter 3 the difficulties that New York City's Human Resources Administration experienced in attempting to substitute clerks for social workers in processing income maintenance grants. Nevertheless, the clerks have stayed as the routinization and automation of public assistance paperwork continues.

D. The "Recipients"

All too often in attempting to assess needs for welfare and supportive services, inquiry is not made of those who are presumed to be needy. The British assessment of social services under Lord Seebohm, for example, admitted that, "We were, regrettably, unable to sound consumer reaction to the services in any systematic fashion."[36] In his critique of the Seebohm Report, British socialist Peter Townsend suggested that,

> The implications of failing to find out consumer opinion run deep. Some far-reaching criticisms of professional activity may be either undetected

> or underestimated. Some needs which are felt by individuals or groups may be ignored. Most important, some of the rights of the consumer to a voice in planning and administration may be unrecognized.[37]

We have termed assertions of need by one group on behalf of another group, or by groups or individuals on their own behalf, "subjective" measures of need. But people may not perceive their own or others' needs accurately, and the discrepancies are influenced by different class, race, status, occupational and organizational affiliations, as well as by personal idiocyncracies and misunderstandings.

Welfare recipients have usually been at a disadvantage in this process, for, until recently, they rarely spoke publicly on their own behalf. Policies have most often been formed on the basis of what other groups in the society have asserted were the problems and needs of the poor. Some use has also been made of surveys and statistical studies of income levels and family problems. Let us examine these two sources of information on welfare recipients' needs for supportive services.

1. Factors Affecting Public Expression of Need by Welfare Recipients

Why have welfare recipients traditionally been quiescent, uncomplaining, passive? Handler and Hollingsworth suggest that,

> Lack of regulation explains one of the reasons for client satisfaction with welfare. The other reason is economic security, even though at a low level.... In other words, the positive responses of AFDC recipients toward welfare must be read in the context of what life was like before welfare and within a framework of low expectations.[38]

Another observer cites the stigma attached to welfare:

> Despite official statements about the right of people to receive public assistance, there is overwhelming evidence from all sides--the press, governmental debates, scholarly studies--that the stigma attached to the welfare check is almost as tangible as the paper it is written on. One would be hard put to quarrel with Sarbin's categorization of welfare recipients as non-persons--those with a degraded social identity.[39]

Welfare recipients have often described their feelings of shame and stigma.

> When I first came on welfare, I was ashamed, because society has taught us to be ashamed of something like that.... We were taught that welfare was begging, charity, and when you have a little pride, you don't want to do that. So for awhile I hid it.[40]

> I was afraid that the Welfare Department would say I was a bad mother and try to take my children from me, and I was afraid of being accused of neglect and fraud and stuff like that.[41]

> I kept hoping somehow we wouldn't have to go. You should work for what you get. It seemed wrong to go. This is meant for slum people. I would not have applied at all if it weren't for a physical injury. I would have starved first.[42]

The founding of "welfare rights" groups in the late 1960s signaled a profound change in some recipients' attitudes toward welfare and themselves. Welfare rights

organizations were influenced by the example of the Civil Rights and Black Power movements, especially since so many recipients were both poor and black. Many academic social workers supported the new welfare rights organizations,[43] which also received "major impetus from neighborhood-based anti-poverty workers."[44]

Welfare rights organizations changed both the tone and the substance of the interaction between welfare recipients and many welfare agencies. Members are often aggressive, openly hostile, and push hard the notion that welfare is a right, not charity. By organizing recipients to present their demands en masse, by educating them to understand what rules and regulations really said, welfare rights organizations have been able to counteract the passivity of many recipients.

> So we went to the capital in Madison to protest the cuts. That's when I really started learning. I had been learning little by little, but that's when I really learned how bad the system is, how we are really hated, and how people could make you feel degraded and how humiliating it really is to be a welfare recipient to a person who just really doesn't understand.... All of a sudden, I realized what we were up against, and then I was determined to fight. I was determined.[45]

Participation in employment training programs, such as WIN, also seems to have affected the attitudes of some recipients.

> We are learning too much too fast thanks to WIN.

> We can read what you write, we can understand what you are saying.... We no longer have to go by what someone else reads to us.... We can understand your half-truths.[46]

> I'm a case aide and a welfare recipient for three of four years. Now we were the pioneers, we were the goal setters for the WIN program and everything else and we are still on welfare. We have an AA degree and we are still on welfare. We were the link between the professional and the client and we're still on welfare. Do you understand me? They don't intend for you to move, you are not going to move anywhere.[47]

The National Welfare Rights Organization (NWRO) was founded in June 1966 by George Wiley. By 1970 the national office claimed there were 200 groups in 70 cities in 37 states.[48] The major strategy of most groups has been to press for full implementation of benefits under existing regulations. Tactics have included not only a great deal of legal manoeuvering, but also direct confrontations with workers, supervisors, and welfare administrators. The results have varied.[49]

> They recently changed around all the offices in the Welfare Department. They say they did it for convenience, but they did it because Welfare Rights learned where the supervisors' offices were and how to get to them. They got tired of us walking in and yelling at them and demanding our rights.[50]

Welfare rights groups have affected legislation in some states through their marches, demonstrations, testimony at hearings and legal suits. At the national level, these tactics seem to have been successful in

getting welfare recipients heard, which rarely happened previously. However, neither they nor any other political coalition has yet succeeded in persuading Congress to adopt substantial welfare reform.

The NWRO opposed Nixon's proposed Family Assistance Plan and undoubtedly contributed to its defeat. NWRO's opposition was based on a fear "that the working poor would be helped at the expense of urban welfare mothers."[51] In order to meet both groups' needs, much higher support levels would have been required than proposed by FAP.

> [NWRO] leaders could not compromise with reality. Their constituents, mostly black, were downtrodden but militant, indignant over long decades of mistreatment. Once their resentment against society was converted into claims for their due, appeasement was out of the question. The welfare mothers demanded a guaranteed "adequate" income as their right, the birthright of all Americans, and they demanded jobs for their men.... In 1971 they demanded a guaranteed income of $6,500. Although it was anathema to the general public, NWRO could not retreat from its proclamation of the right to income without work.[52]

The NWRO mounted a strong lobbying campaign in Congress against the FAP, labeling it "racist," and manipulating the guilt feelings of many white liberals. They argued that FAP was racist because it proposed the same minimum guaranteed income of $2400 per year for a family of four as for a poor elderly couple. This meant that the primarily white recipients of old age assistance (80% of two-person families receiving public assistance

were white), would receive more per person than the larger AFDC families who were nearly half black.

Since George Wiley left NWRO in late 1972 and his tragic death in 1973, NWRO's national exposure has declined substantially. This decline may also result from the temporary disappearance of welfare reform as a national issue. Certainly the debate of social services that produced Title XX in December 1974 was nearly unnoticed compared to that over Nixon's proposed FAP. NWRO was not a member of the coalition that produced the social services legislation (Table 5.1).

As representatives of welfare recipients, welfare rights organizations are probably here to stay, for they have increased the benefits available to recipients in many states. They do not necessarily represent the interests of the non-welfare poor, however, as evidenced by their opposition to the proposed Family Assistance Plan.

It is too soon to predict what influence welfare rights organizations might have on future efforts of welfare recipients and other poor persons to speak out on their own behalf. An important factor will be the nature of future debates over welfare reform. For unless the basic structure of the present system is altered, and means tests eliminated, the severe stigma attached to welfare recipiency will remain, and this stigma will

continue to affect poor persons' perceptions of their needs and to limit their willingness to speak out on their own behalf.

Finally, it is difficult to evaluate the impact of welfare rights groups on the attitudes of other groups in the welfare system. Although they have affected attitudes and behavior of many service "deliverers," there remain large gaps between recipients and welfare "administrators" and "donors." The welfare rights groups may have initiated a process, according to one observer, which may eventually lead to a lessening of some of the dehumanizing aspects of the present welfare system.

> The welfare rights groups themselves offer an example of those at the bottom of a hierarchy, with increased comprehension of the essence of the system, acting on the assumption that change can come from below. The extent to which welfare rights pressures in and of themselves result in the institutions' greater responsiveness remains problematic. My thesis has been that an answer lies in what the staff does with the process that the groups have initiated.[53]

2. Surveys of Need for Services

Surveys to ascertain need have long been a tradition in the social work field. Their contribution to theoretical notions about the nature and causes of need for public assistance has been limited, however, since many of the key definitions differ depending on community context and on the perceptions of different

researchers. A highly structured interview schedule might seem a solution to the problem of comparability, but it narrows the range of permissible responses to the ones anticipated by the researchers. Since social definitions of problems change only slowly over time, this is a major constraint in studies presumably designed to discover new needs or new expressions of need.

Interpretation of surveys for program planning purposes must also wrestle with the problems that occur because, 1) respondents may refuse to express needs they feel they have; 2) respondents may not recognize that they have certain needs, and 3) respondents may express both need and desire for appropriate services, but fail to utilize the services when and if they become available. A recent study of the last problem concluded:

> Our evidence suggests that earlier statements of personal need and willingness to use public programs are not a good indicator of later behavior.[54]

With these problems in mind, let us review the results of several recent attempts to ask welfare recipients about their personal needs.

a) Handler and Hollingsworth in their sample survey of welfare recipients in six counties in Wisconsin asked the respondents several questions concerning their use of Wisconsin's program of grants for "special needs."

The results show that although most (96%) of the respondents knew of the program and about two-thirds had made at least one request, most recipients made only one or two requests, averaging one or less per year. More than half (56%) of the requests were for basic needs such as clothing, household items, special food, and home necessities. Although more than two-thirds of the requests were met, the overall number was so low that "practically 90 percent of the respondents received nothing extra for rehabilitation or social service needs."[55]

Thus, a detailed survey of welfare recipients in Wisconsin leaves us with very little indication as to what social service needs Wisconsin's welfare recipients may indeed have and/or perceive themselves as having.

b) Another type of survey was carried out by the Booz-Allen and Hamilton consultants under a contract with the Polk County, Iowa, government. The survey was designed to help the county apply for federal assistance to "integrate" its provision of services under the proposed "Allied Services Integration Act" (vetoed by President Ford in 1974). The consultants adopted HEW's concept of identifying "barriers" to achieving the "goals" of self-support, self-care, family care, or improved community care. The survey results were tabulated by frequency of occurrence of the "barriers" among both individuals and

households.

The most prevalent barriers for individuals follow.

vocational training	13%
job counseling/placement	10
medical-dental services	6
transportation	4
family planning	3
housing	3
home-family management	2
child day care	1

[56]

While most individuals had no barriers (70%), five percent had one, 10% had two, and 4%, three or more.[57] Summing by households showed clearly that many multi-problem families lived in the county. About 50% of the households had no individuals with barriers, 30% had individuals with one or two barriers, and 6% had three with barriers, while 12% had individuals with four or more barriers.[58]

The study showed that the most frequent combinations of barriers were (a) job counseling and vocational training, and (b) medical-dental and transportation.[59] Cross-tabulation of these results with the socio-economic characteristics of the survey respondents also permitted the study to describe the kinds of persons who usually had these problems.

Because it was a stratified random sample of the

entire county, the survey gave detailed information on the perceived needs and socio-economic characteristics of Polk County's population, which was approximately 100,000 at the time of the survey. We do not know what use Polk County officials made of the survey results. Substituting "problems" or "needs" for the specific term "barriers" would probably not reduce the replicability of the study significantly. Its substantial cost, however, would probably be a hindrance to many local governments.

c) Following the expansion of federal expenditures for social services in the early 1970s, many states began planning to expand their service programs. Ohio's Geauga County Welfare Department conducted a survey of service needs in January 1973 among all 814 of the county's welfare recipients (all except those in institutional facilities). Of the 54% who responded, half needed or were receiving medical services, about 20% needed or were receiving vocational, transportation, legal or housing services, and fewer felt a need for the other services listed on the questionnaire.[60] Table 5.6 shows the raw results of the survey.

About 30% of the welfare recipients who responded expressed no need for the services listed.[61] Among the factors which might have decreased the accuracy of

Table 5.6

Survey of Service Needs of Geauga County, Ohio, Welfare Recipients

Category	Receiving		In Need		Will Need		Do Not Need	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Medical	121	(27.3)	56	(12.6)	49	(11.1)	217	(49.0)
*Vocational	11	(2.5)	35	(7.9)	47	(10.6)	350	(79.0)
Transportation	7	(1.6)	38	(8.6)	38	(8.6)	360	(81.2)
*Legal	7	(1.6)	26	(5.9)	48	(10.8)	362	(81.7)
*Housing	10	(2.3)	40	(9.0)	24	(5.4)	369	(83.3)
*Consumer	2	(.5)	24	(5.4)	22	(5.0)	395	(89.2)
+*Day Care	25	(5.6)	3	(.7)	41	(9.3)	374	(84.4)
+Homemaker	13	(2.9)	9	(2.0)	29	(6.5)	392	(88.5)
+Substitute Care	12	(2.7)	5	(1.1)	21	(4.7)	405	(91.4)
Education	5	(1.1)	10	(2.3)	13	(2.9)	415	(93.7)
*Counseling	12	(2.7)	6	(1.4)	13	(2.9)	412	(93.0)
*Family Planning	12	(2.7)	7	(1.6)	9	(2.0)	415	(93.7)
+Unmarried Parents	6	(1.4)	6	(1.4)	7	(1.6)	424	(95.7)

* Programs susceptible to purchase of service contracting.

+ Programs covered by existing staff.

Source: John P. Zimmerman, "Perceived Needs of Geauga County Welfare Clients," Public Welfare (Spring 1971): 49.

responses to the survey, the author mentions the "inability of clients to distinguish between social service functions and income maintenance functions."[62] The author also suggests his "lingering suspicion that many of these clients do have unmet service needs but reject the possibility of any further involvement with an agency which in their opinion has demeaned them in its income maintenance functions,"[63] although he presents no evidence of such attitudes.

The generally small number of welfare clients in Geauga County who felt they needed supportive social services may well disappoint those who wished to use the results to justify expansion of service programs. The technical limitations of most such studies must be kept in mind, however, as well as the inherent difficulties in interpreting any subjective assertion of need. More, not less, such studies should be undertaken in order to improve our technical and interpretative skills as well as our understanding of the processes by which such problems are socially expressed and socially defined.

Summary

We have traced the development of conceptions of social services during the 1960s and early 1970s. The pressure from social werkers to expand service programs was reflected in the 1962 amendments to the Social Security

Act which gave strong financial incentives to states to expand services. By 1967 service programs seemed to have had no effect on reducing welfare dependency if measured by the increasing numbers of persons receiving welfare. On the other hand, the evidence suggests that services were not really given an adequate test during these years since local public assistance agencies did not have adequate numbers of trained personnel to offer services. Nor do service programs seem to have expanded much during these years given what little information we have on expenditures.

The 1967 amendments to the Social Security Act continued the emphasis on services, but strengthened work requirements as well. The perceptions of members of the "donor" system that there was a close link between voluntary unemployment and welfare recipiency had changed little. The primary objective of policy-makers was to reduce welfare costs. Since welfare dependency seemed increasingly due to desertion and illegitimacy, service programs to try to combat these problems were also encouraged. Family planning services were supposed to be offered by states, and requirements for finding absent fathers were strengthened.

In 1970 federal expenditures for services began to mushroom, and by 1973 HEW attempted to issue restrictive

regulations that reflected two shifts in the attitudes of the White House towards services. First, there was the effort to bring federal expenditures under control. Second, there were continuing personnel changes at HEW that replaced former welfare professionals with more conservative, fiscally-oriented and politically-attuned managers. The newer managers were less convinced of the need for "soft" services such as casework counseling, and more in favor of "hard" services such as employment training and day care that were assumed to lead to self-support.

Among members of the "delivery" group, a trend toward community organization and client advocacy had developed, combined with increasing pressure for time to offer more services. We suggested that this trend was motivated both by philosophical commitments to the concept of providing services and by job security concerns in the face of the replacement of social workers by clerks in many income maintenance procedures.

Among welfare recipients, the late 1960s saw the growth of "welfare rights" organizations, which aggressively pushed welfare agencies to provide the full range of benefits that the law permitted. The organizations expressed some recipients' new willingness to express

their views publicly, and helped loosen up welfare programs in some states. On the other hand, the NWRO contributed to defeating Nixon's proposed Family Assistance Plan for fear it would aid low-income working families at the expense of existing recipients. Their impact on the attitudes of other groups in the welfare system is debatable. Some effects have been discerned on caseworker attitudes, but few so far on the attitudes of members of the "administrator" and "donor" groups.

Large gaps persist between perceptions of the service "needs" of the poor among members of the different groups in the welfare system, leading to continued disagreements over appropriate policies to reduce welfare dependency and poverty in the United States.

CHAPTER 5 FOOTNOTES

[1]Alvin Schorr, Explorations in Social Policy (New York: Basic Books, Inc., 1968), p. 9.

[2]Abraham Ribicoff, "The New Administration Looks at Social Welfare," The Social Welfare Forum, 1961 (New York: Columbia University Press, 1961), p. 23.

[3]Idem, "The New Look in Public Welfare," The Social Welfare Forum, 1962 (New York: Columbia University Press, 1962) p. 25.

[4]Idem, Memorandum for the President, November 1, 1962 (President's Office Files, HEW 1961, John F. Kennedy Archives, Waltham, Massachusetts). Cited by Martha Dethick, Uncontrollable Spending, p. 126.

[5]Gilbert Steiner, The State of Welfare (Washington, D.C.: The Brookings Institution, 1971), p. 39.

[6]U.S., Congress, House, Committee on Ways and Means, Report on Social Security Amendments of 1967, 90th Congress, 1st Session, August 7, 1967, H.R. 12080, p. 96.

[7]Schorr, p. 12. Schorr felt that "research might have tested and would certainly have undermined" this idea.

[8]A review of public statements on welfare by members of the "donor" group is contained in Appendix A of Goodwin, "Bridging the Gap," pp. 105-109.

[9]Betty Burnside, "The Employment Potential of AFDC Mothers in Six States," Welfare in Review (July-August 1971):4.

[10]A good chronology of the demise of the Family Assistance Plan is found in Vincent J. and Vee Burke, Nixon's Good Deed-Welfare Reform (New York: Columbia University Press, 1974).

[11]Senator Long's proposals included: 1) withdrawal of federal welfare aid from mothers with children over six years old and giving them jobs at $1.50 per hour; 2) wage supplements for welfare recipients who took low-paying private sector jobs; and 3) tax credits for low-paid workers covered by Social Security. U.S., Congress, Senate, Committee on Finance, Social Security and Welfare

Reform, Summary of the Principal Provisions of H.R.1 as determined by the Committee on Finance, 92nd Congress, 2nd Session, 1972, pp. 53-116.

[12]U.S., Congress, Senate, Committee on Finance, Social Security Amendments of 1973, Report 93-553, 93rd Congress, 1st Session, November 21, 1973, pp. 28-35.

[13]Steiner, p. 24.

[14]Derthick, Uncontrollable Spending, pp. 9 and 18.

[15]Ibid., p. 15.

[16]Ibid., p. 20.

[17]U. S. Department of Health, Education and Welfare, "Social Service Regulations," Section 226.1 (a)(5), Federal Register 34 (January 25, 1969):1243.

[18]Only two of the eight commissioners were in office for one year or longer. This data was provided by the Public Services Administration, the new name for the Community Services Administration of HEW, January 13, 1976.

[19]Quoted by James P. Gannon, "If President Wins Again, the Nation May Have a Do-Less Government," Wall Street Journal, October 18, 1972, p. 1.

[20]Interviews with personnel of the Community Services Administration during 1974-5.

[21]See John K. Iglehart, "Welfare Report/HEW program doubles in size as officials scramble to check its growth," National Journal (June 17, 1972):1007-1014; Martha Derthick, Uncontrollable Spending, Chapters 5 and 7.

[22]Derthick, Ibid.

[23]See descriptions contained in statements by state directors of welfare in U.S., Congress, Joint Economic Committee, Subcommittee on Fiscal Policy, Hearings on the Open-Ended Federal Matching of State Social Service Expenditures Authorized Under the Public Assistance Titles of the Social Security Act, 92nd Congress, 2nd Session, September 12, 13, 14, 1972.

[24]Ibid., Statement by Edward Weaver, Illinois Director of Public Aid, pp. 132-138, and critical comments by Congresswoman Martha Griffiths, p. 13.

[25]Iglehart, "Nixon, Congress decline to check rising social services costs," pp. 1300-1303.

[26]Warner W. Boehm, "The Nature of Social Work," Social Work 3 (1958): 18.

[27]Harold L. Wilensky and Charles N. Leveaux, Industrial Society and Social Welfare (New York: Free Press, 1965), p. 172.

[28]Ibid., pp. 201-293, and Steiner, p. 38.

[29]Sar Levitan, Martin Rein and David Marwick, Work and Welfare Go Together (Baltimore: Johns Hopkins University Press, 1972), p. 31.

[30]Ronald Miller and Lawrence Podell, Role Conflict in Public Social Services (Albany, N.Y.: New York State Office of Community Affairs, 1970), Tables 4 and 5, pp. 22 and 28.

[31]For example, see Ruth R. Middleman and Gale Goldberg, Social Service Delivery, A Structural Approach to Social Work Practice (New York: Columbia University Press, 1974).

[32]Morton Levine, "Trends in Professional Employment," in Edward E. Schwartz, ed., Manpower in Social Welfare: Research Perspectives (New York: National Association of Social Workers, 1966), p. 13.

[33]U.S. Department of Health, Education and Welfare, Public Social Welfare Personnel - 1960 (Washington, D.C.: Government Printing Office, 1962), p. 85.

[34]Joel F. Handler and Elizabeth J. Hollingsworth, The "Deserving Poor," A Study of Welfare Administration (Chicago: Markham Publishing Co., 1971), pp. 8-9.

[35]See the related findings of Lawrence Podell, "The Impact of Professional Social Work Education Upon Public Social Service Personnel," Public Welfare (Spring 1973): 64-68.

[36]Report of the Committee on Local Authority and Allied Personal Social Services (The Seebohm Report), (London: Her Majesty's Stationery Office, July 1968), p. 21.

[37]Townsend, Fifth Social Service, p. 11.

[38]Handler and Hollingsworth, p. 9.

[39]Naomi Gottlieb, The Welfare Bind (New York: Columbia University Press, 1974), p. 14. She refers to Theodore Sarbin, "Poverty and Social Identity," paper presented at the University of Wisconsin Conference on Psychological Factors in Poverty, June 1967.

[40]Mrs. Mildred Calvert, Welfare Mothers Speak Out (New York: W.W. Norton and Co., 1971), p. 25.

[41]Ibid., p. 28.

[42]Quoted by Gottlieb, p. 14.

[43]For example, see Richard Cloward and Richard Elman, "Advocacy in the Ghetto," Transaction 4 (1966):27-35; and Richard Cloward and Frances Piven, "We've Got Rights: The No-Longer Silent Welfare Poor," The New Republic 158 (August 5, 1967):23-24.

[44]Joseph E. Paull, "Recipients Aroused: The New Welfare Rights Movement," Social Work 12 (1967): 101.

[45]Calvert, p. 29.

[46]Ms. Francis Davis, welfare recipient enrolled in the WIN program in Brooklyn, New York, Statement at public hearings on new work projects being conducted by HRA, in What the People Think (New York: Human Resources Administration, 1970), p. 144.

[47]Ibid., p. 156. Statement by Ms. Everett Parish.

[48]Reported by Gottlieb, p. 54.

[49]Ibid., Chapter 5.

[50]Calvert, p. 41.

[51]Burke, p. 159.

[52]Ibid., p. 174.

[53]Gottlieb, p. 168.

[54]Edward A. Powers and Gordon L. Bultena, "Correspondence between Anticipated and Actual Uses of Public Services by the Aged," Social Service Review 48 (June 1974):245.

[55]Handler and Hollingsworth, pp. 96-100. The authors included the following as rehabilitative and/or social services: day care, telephone, transportation, education, employment retraining, and school needs.

[56]Booz-Allen Public Administration Services, Inc., "Final Report: Community (Household) Needs Survey of Polk County," June 30, 1973, p. 34. Copy made available by Booz-Allen and Hamilton, Inc., Washington, D. C.

[57]Ibid., p. 39.

[58]Ibid., p. 40.

[59]Ibid., p. 44.

[60]John P. Zimmerman, "Perceived Needs of Geauga County Welfare Clients," Public Welfare (Spring 1974):49.

[61]Ibid., p. 50.

[62]Ibid., p. 49.

[63]Ibid., p. 50.

CHAPTER 6

IMPACT OF ORGANIZATIONAL DYNAMICS AND POLITICAL RIVALRIES

The final two sets of factors which we hypothesized had contributed significantly to the development of social service programs in New York City from 1969 to 1973 were (1) the organizational dynamics within and among welfare agencies and (2) certain political rivalries. We suggest that these factors are important because the actual content and availability of services are determined by the interaction of the policy-making and implementation processes. Patterns of competition and conflict within and among welfare agencies are crucial to the actual implementation of service programs.

A. Organizational Dynamics Within and Among Welfare Agencies

There are two major sources of conflict within organizations. First, there is constant need to adapt to change (whether originating from within or without the agency), causing individuals to seek to protect their own interests, and/or those of the organization as they perceive them. Important kinds of change include the

introduction of new personnel, new ideas, shifts in internal organizational arrangements, budget changes, and changes in techniques, such as the introduction of computer technology.

A second source of conflict is the range of psychological and social differences among members of an organization. These may cause personality clashes and communication barriers due to varying racial, social, educational, occupational and professional backgrounds and commitments. The need to adapt to the kinds of change listed above will often intensify conflicts stemming from personal and social differences.

These kinds of conflict affect the quality and scope of social services in many ways, from reducing the time and resources available to social workers for providing services, to limiting the ability of public welfare agencies to make services accessible to welfare clients. We will analyze the effects on social service programs in New York City of conflicts (a) within HRA, (b) between HRA and other New York City agencies, (c) between HRA and the New York State Department of Social Services, and (d) between HRA and HEW.

1. Organizational Dynamics Within HRA

We described in Chapter 3 the development of social service programs and planning in HRA over the past

several years. In brief we discovered that (a) several attempts to develop methods for planning services had not resulted in a coherent or coordinated system, and (b) the quantity and quality of services offered to welfare recipients were limited, judged by the limited numbers receiving services and negative assessments of some services, especially "employment" services.[1]

Within HRA, organizational divisions persist which reinforce rivalries among the staffs of the different agencies brought together into HRA when it was established in 1966. In spite of the 1971 reorganization, the three major bureaus within HRA essentially implement different programs with varying degrees of federal funding.

Differing professional and organizational loyalties continue to characterize the staffs of the different bureaus. Compared to caseworkers in the Bureau of Public Assistance, Bureau of Child Welfare staff generally have had more social work training, have developed specialized skills in dealing with juvenile institutions and courts, and usually have smaller caseloads.[2] This specialization has sometimes led to poor cooperation between child welfare caseworkers and public assistance caseworkers, especially in providing services to

individuals who overlap the two categories, such as an AFDC child who needs foster care.

A major pattern of conflict emerged in HRA stemming from the differing personal and social backgrounds of professionally-oriented social workers and the so-called "management men." In the early 1970s, pressured by the growing costs and politicalization of welfare, Mayor Lindsay authorized HRA to hire large numbers of technical management personnel, mostly MBAs and computer experts.[3] A new management office was set up to try to create some order out of the administrative chaos of the income maintenance system.

Friction between these managers and traditional social workers was severe. The business production-oriented attitudes of many young MBAs were resented by experienced social workers trained to perceive their role as one of helping other people, not administering information networks. They were also annoyed by the frequent arrogance of the newcomers, who assumed they could solve the complex and subtle problems of the "welfare mess."[4]

At first there was little direct impact on services from the introduction of the management experts. Indirectly, however, the impact was considerable, since almost all of HRA's fiscal and management resources were

concentrated on the income maintenance program, especially fraud control and information systems. Efforts to separate the administration of services from income maintenance and to decentralize service delivery received little attention from HRA's top management from 1970 through 1973. In this vacuum, the semi-independent agencies within HRA began to develop a variety of competing and conflicting service planning systems.

Direct involvement of the new technical personnel in services began in mid-1973, when Charles Morris, Assistant Administrator for Income Maintenance, was charged with developing the "Social Service Information System" mandated by the New York State Department of Social Services in March 1973.

In October 1973 Sugarman shifted responsibility for services out of Morris' office (an arrangement which had violated HEW's mandate on the separation of services from income maintenance programs) back to the Office of Community Services. A new "Office of Services Planning" was also created at that time, headed by a young MBA who had begun in IM's fraud control office and eventually worked his way over to services. This office began anew the task of designing procedures and forms for a Social Services Information System. Personality clashes among several key persons responsible for coordinating services

continued to prevent logical lines of cooperation from emerging.

Another major source of conflict in HRA's service programs has been the effort to introduce computer technology in the form of an "SSIS." Case-workers unfamiliar with and uncomfortable with automated data manipulation techniques were required to deal with documents and machines they didn't understand.[5] Introduction of mapping techniques to show the geographic distribution of probable target populations by the Joint HRA/DCP Services Planning Project encountered some resistance bred of unfamiliarity.

Negative attitudes among social work personnel were also generated by resentment over the imposition of the "Goal-Oriented Social Services" and SSIS systems by outside agencies, first as a threat by HEW and then as a requirement by the New York State Department of Social Services.

Most important, however, lack of understanding and agreement among the different agencies as to what kinds and detail of information were needed at different levels of management prevented any of the proposed procedures for an SSIS from being effectively implemented. Further, the continuing efforts to design and implement the SSIS disrupted the usual patterns of bureaucratic in-fighting

for funds and personnel. Implementing the SSIS required that "needs" for social services among welfare recipients and other poor persons in the city be determined. Arguments persisted over the methods to be used to assess service needs, since different methods produced different results, leading to different allocations of funds and personnel which in turn affected the relative strengths and prestige of different offices within HRA.

As of the end of 1975 the various factions in HRA were still struggling, and it was uncertain whether the new Commissioner would be able to resolve the conflicts. In the meantime, HRA (once again the department of Social Services), still lacked coherent, consistent, or coordinated procedures for planning or delivering social services.

2. Conflicts Among HRA and Other New York Agencies

Politics and the competition for resources underlie most of the conflicts among HRA and other New York City agencies. City agencies compete both for federal funds --especially for research, demonstration, and experimental programs--and for city funds. About 70% of the city's public assistance costs are funded by the state and federal governments, but the total is so large that paying

its 30% puts a severe strain on the city's budget.

The relative political strengths of the heads of municipal agencies depend both on each agency's natural constituency and on personal relations between agency heads and the mayor. In both respects HRA is at a disadvantage. Its natural constituency consists of the city's lowest income persons, who are also those with the poorest voting records.

Second, HRA's administrator has traditionally been a social work professional rather than a political figure. Three of the four HRA Administrators were New York City welfare professionals, and one a child welfare professional from HEW.[6] While this pattern may have eased internal administration and communication problems, it has meant that HRA administrators lacked the political asset of close personal ties with New York City's mayor.

These factors have affected service programs primarily by hindering inter-agency coordination. The history of the Youth Services Administration is illustrative. The Youth Services Administration runs numerous school-year and summer recreation programs, and summer employment programs for youths aged 13 to 21. Funded primarily by the city, in the 1960s substantial funds came from OEO and other federal agencies. YSA was not included in HRA when it was created in 1966. In 1971

plans for reorganizing HRA called for the inclusion of YSA.[7] This never happened, and rumor has it that when Mayor Lindsay appointed a personal friend, Amelia Betanzos, Commissioner of YSA after a scandal had caused the former commissioner's resignation, one of her conditions was that YSA would remain independent.

In late 1973, as the Lindsay administration prepared to leave, Betanzos resigned. Lindsay appointed a new Commissioner and ordered YSA incorporated into HRA. However, in September 1974, Mayor Beame, as part of his promise to abolish the "superagencies," reconstituted HRA as the Department of Social Services, making YSA independent again in the process.

YSA's independence has affected the delivery of services to welfare recipients in New York City, because so many of the youth that form its target population are from AFDC and other poor families. As usual, organizational independence made coordination of services to such families exceedingly difficult. Further, YSA had developed a strong planning and demographic analysis capability, which has been underutilized by HRA because of rivalry between the agencies.[8]

3. HRA vs. the New York State Department of Social Services

We described in Chapter 3 the role of the New

York State Department of Social Service in the development of a "Social Services Information System" in HRA during 1973-74. Until 1971, the state had been rather passive in the welfare field. The New York State Department of Social Services was not closely attuned to developments in Washington and lagged well behind California and Illinois in expanding social service expenditures.

The State Department of Social Services began to exercise more initiative in 1971 when Abe Levine was appointed Commissioner, and Barry Van Lare, a budget-oriented protégé of Governor Rockefeller, became Assistant Commissioner. The DSS submitted plans for the state's service programs to HEW for the first time in 1972. The first state administrative letter to the local welfare agencies concerning purchase-of-service arrangements was issued on March 31, 1972. (See Table 3.1.)

A major confrontation between the state and HRA began in March 1973 when the state made the "GOSS/SSIS" proposals state requirements. The two departments approached the proposals for a social services information system quite differently. HRA, a leader in the movement to separate the administration of services from cash assistance during the 1960s, had seen its efforts to achieve separation founder on the twin rocks of intra-

agency conflicts and the necessity to devote the overwhelming portion of the agency's management resources to reducing the chaos in the income maintenance program. Further, it was not administratively possible for HRA's Administrator to enforce a coherent information system among HRA's semi-independent service agencies as long as their Commissioners were appointed by the Mayor (although coordination was enhanced when Sugarman became Commissioner of DSS as well as HRA Administrator).

The New York State Department of Social Services, on the other hand, with new leadership more attuned to the political and fiscal necessities of Governor Rockfeller's administration, began to exercise the state's responsibility for welfare policy more aggressively. In addition to their strong initiatives in social services, the state had attempted to cut back on welfare costs by imposing a one year's residency requirement (which was subsequently declared unconstitutional by the Supreme Court in 1969).

The state's insistence on its requirements for the social services information system seriously slowed the development of service programs in New York City, for the largest part of the time and energy of HRA's service administrators during 1973 and 1974 was spent revising and fighting the state proposals. While the state demands

were often unreasonable,[9] HRA also can be faulted for its lack of commitment to improving the planning and delivery of services, the efforts of many dedicated administrators and social workers notwithstanding. Even given its organizational constraints, HRA could have been more consistent and persistent in assigning responsibility for services and in coordinating the service programs of its various agencies.

B. Effects of Political Rivalries

In addition to these direct conflicts between HRA and the state Department of Social Services over service programs in New York City, several other actions of state government indirectly affected service programs during these years.

1. The New York State Welfare Inspector General

One of the chief factors contributing to the politicization of the welfare issue in New York City was Governor Rockefeller's appointment of George Berlinger as "Welfare Inspector General" in August 1971. Berlinger waged a constant publicity campaign accusing New York City of fraud and incompetence in its handling of welfare.[10] The HRA Administrator had to spend considerable time defending the Mayor against these attacks. Berlinger's attacks were one reason HRA concentrated most of its

management talent on the income maintenance program rather than on social services during this period.

Rockefeller's establishment of the Office of Welfare Inspector General was clearly part of his continuing political rivalry with Mayor Lindsay. Their rivalry stemmed both from the traditional political tensions between metropolitan New York City and the more rural, conservative northern part of the state, as well as from the competing personal ambitions of the two men.

Two factors make continuing tension between the city and state governments likely, however, regardless of the personalities in office at any one time. The pattern of political party differences is likely to persist, with the state government in Albany being dominated by upstate Republicans, while New York City continues its series of Democratic/Liberal mayors. Second, although over three-quarters of the state's expenditures on welfare are made in New York City,[11] the state must also take care of the welfare needs of a large poor population scattered in rural upstate New York. These political differences and the sheer fiscal magnitude of New York City's welfare caseload will continue to cause disagreements over welfare policy between city and state administrators.

2. Other New York State Initiatives in Welfare

There were two other state government actions that affected welfare and services in New York City during this period.

(a) The New York State Temporary Commission to Revise the Social Service Law, established in 1971, studied alternatives to the present welfare system for several years. A bipartisan legislative commission headed by State Senator Smith, the Commission published its preliminary report in December 1972. Legislation was enacted in late 1973 revising the organization of the State Department of Social Service, but was vetoed by Governor Wilson. The Commission received additional funds to continue its work, but no further legislation had yet resulted by 1975. The Commission's major recommendation was that the state take over the direct administration of cash assistance programs, while leaving the delivery of services to reorganized local "Family Service Agencies."[12]

The state used the threat to takeover the income maintenance programs to try to force New York City to comply with its directiveness on welfare policy and social services, a tactic which contributed to the hostile relations between HRA and the State Department of Social Services.

Such a state takeover of the income maintenance program at the local level would almost certainly disrupt service programs when and if it occurred, since the close coordination of activities which would be required between the state and local welfare agencies is not likely to be achieved rapidly. Difficulties similar to those encountered in coordinating locally-provided services to recipients of the new federally-administered Supplemental Security Income program for the aged, disabled, and blind can be anticipated, especially conceptual and technical problems in the systems for information exchange. Continued political tensions between the city and state governments would also affect implementation of such a system.

On the other hand, a major advantage of such a takeover might be a lessening of bureaucratic tensions between the state and local welfare agencies. States which now administer their welfare programs directly, rather than performing a supervisory role over local welfare agencies as New York does, not only may avoid the political difficulties that arise when different parties control the state and local governments, but are also less likely to issue regulations that are impossible for local agencies to meet.[13]

(b) A second state initiative that affected the development of services in New York City during this time by contributing to the political conflicts between the city and the state was the report on social services of the "State Study Commission for New York City," created by Governor Rockefeller in 1972. Although the report was drafted by five well-known experts in the welfare field, the tone of its opening sentences suggests the political impact the report was probably intended to have:

> In the field of publicly assured general social services, New York City is so underserved and so poorly provided for that many of its troubled and endangered citizens can find no aid. There is no evidence of any commitment to the delivery of social services to people who need them...
>
> ...HRA has a very long way to go before its considerable social services expenditure budget can be said to pay off in services to people who desperately need them. While there are some exceptions--day care and drug rehabilitation services have been more available than other programs--most social services, when they exist at all, are not sufficient in quantity or quality.[14]

These accusations, which contain elements of truth for New York City, might also be made for any city in the U. S., and New York City in general provides more services for its citizens than many cities. Provision of services for the poor in any significant way is only a recent addition to the welfare system in this country, and no state is yet providing all the services "needed"

by its citizens. The report's lack of constructive criticism of HRA's admitted weaknesses is unfortunate, given the extensive experience of its authors.

C. City - Federal Relations

Service programs in New York City have also been affected by a variety of direct contacts between HRA and the federal government. Such contacts include testimony by HRA administrators at Congressional hearings, direct negotiations between HRA and HEW, lobbying efforts by HRA and other New York City municipal agencies in Washington, occasional personnel interchanges, and common professional backgrounds among many city and federal welfare officials.

By far the most important recent personnel interchange--in terms of its impact on services in New York City--was the appointment of Jules Sugarman as Administrator of HRA in July 1970. Sugarman had been involved in designing the Headstart program, drafting the 1969 Social Service regulations, and was head of HEW's Children's Bureau at the time of his appointment to HRA. Knowing the regulations and legislative provisions on social services inside and out, Sugarman introduced a much more aggressive approach to services in New York City. He often made trips back to Washington to testify at Congressional hearings, to lobby the New York Congressional

delegation, and negotiate with HEW.

HRA's efforts to secure increased federal funds for its massive welfare program were successful at first: the federal share of New York City's welfare expenditures increased from 38% to 48% from 1967-8 to 1972-3. (See Appendix B.) Congress and HEW were not always happy about New York's bargaining power, however.

> Chairman Griffiths. Secretary Richardson has been quoted in the National Journal as saying that the New York State people negotiating with HEW for program changes were tough bargainers. What sort of bargaining was involved, and what were the issues?
>
> Why didn't you come up with some regulations, why did you wait?
>
> You tell us that New York outbargained you. You say that you were open to political pressures. There have been laws and regulations. Why didn't you write clearer regulations?[15]

After Congress placed the annual ceiling on federal expenditures for social services in October 1972, New York City continued its high level of service expenditures, using its full allotment of federal funds each year, an indication that the city's expansion of service expenditures was motivated by a commitment to provide social services as well as by the opportunity to expand federal contributions to its welfare budget. (See Table 5.3.)

Summary

In this chapter we have attempted to describe the impact on service programs in New York City of the organizational dynamics of welfare agencies and of various political conflicts. We showed that conflicts within HRA and among HRA and other New York City agencies had strong adverse effects on HRA's ability to plan and deliver social services in the late 1960s and early 1970s. The sources of conflict identified included: inconsistencies in bureaucratic responsibilities and structural arrangements, competing professional and organizational loyalties, frequent shifting of responsibility for services within HRA, and the effects of trying to introduce new techniques, such as automated information systems.

The results of these conflicts were lack of coordination among service agencies in providing services to needy clients, lack of sustained leadership in rationalizing the planning of services, and more administrative energy being devoted to bureaucratic infighting than to the development of services. As a consequence, HRA made slow progress toward (a) the development of a coherent system for planning and evaluating services, and (b) the expansion of service programs to welfare recipients and other target populations.

Also contributing to HRA's difficulties were strained relations with the New York State Department of Social Services, especially the conflict over the implementation of the state requirements for a social services information system. Already strained relations between HRA and the state Department of Social Services were exacerbated by the political rivalry between Albany and New York, particularly the appointment of a state "Welfare Inspector General" for New York City, and the State Study Commission's report on social services in New York City. These political tensions contributed to a lack of cooperation between the city and the state, adversely affecting the development and expansion of services to poor persons in New York City.

Such political tensions cannot be expected to disappear in the future. The conflicts they generate will continue to affect service programs in New York City whether (a) welfare remains a city responsibility as it now is, (b) the state takes over income maintenance programs but leaves the provision of services to local agencies, or (c) the state takes over both income maintenand and service programs. If (b) occurs, serious difficulties in coordinating the income maintenance and service programs can be anticipated, with the likelihood that the quantity and quality of social services provided

to welfare recipients will decrease. If (c) occurs, New York City welfare recipients and other poor persons will receive services from the state through some new organizational arrangement. Whatever that arrangement, elements of the present struggles will persist, for it is difficult to imagine that the state would be able to eliminate the present welfare bureaucracy in New York City entirely. The reorganization process would be long and difficult, and the delivery of services would most likely suffer in the process.

CHAPTER 6 FOOTNOTES

[1]For a description of the lack of success the New York State Department of Employment has had in training New York City's welfare recipients, see David Lyon, et al., "Employment and Job Training Programs for Welfare Recipients in New York City," (HRA: Office of Policy Research, December 1973). Criticism of these and other work programs by recipients are contained in What the People Think, Public Hearings on the Incentives for Independence (IFI) and the Public Service Work Opportunities Project (PSWOP), held on July 20, 1972, by the New York City Human Resources Administration.

[2]Miller and Podell, Role Conflict, and David W. Young, "Referral and Placement in Child Care: The New York City Purchase-of-Service System," Public Policy 22 (Summer 1974):293-327.

[3]There were over 600 "Management" position in FY1973-4 according to the FY 1973-4 Expense Budget.

[4]The viewpoint of the management experts was expressed by Kenneth L. Harris, "The MBAing of New York City's Welfare System," MBA 8 (June 1974):21-26.

[5]Many public welfare agencies have begun to experience these problems, and articles about them have appeared in social work journals. For example, Edith Fein, "A Data System for an Agency," Social Work 20 (January 1975):21-24, and George Hoshino and Thomas McDonald, "Agencies in the Computer Age," Ibid., pp. 10-14.

[6]Mitchell Sviridoff - 1966-68; Mitchell Ginsberg - 1968-70; and James Dumpson - 1974 to 1976. Jules Sugarman came from HEW and was HRA Administrator from 1970 to 1974.

[7]Economic Development Council of New York City, Reorganization Plan for the City of New York Human Resources Administration (New York: Human Resources Administration, 1972) pp. 5, 14.

[8]An example of the Youth Services Agency's planning efforts is the "Youth Poverty Index" compiled by Selma Glick.

[9]Examples are the March 1973 New York State Administrative letters mandating the Social Services Information System, which carried an implementation deadline of July 1973, and the State's instructions of October 1973 requiring new forms for purchase-of-service arrangements which carried a deadline of January 1974, much too short a period for HRA to convert its hundreds of existing agreements to the new form.

[10]Lewis Grossberger, "Sugarman and Berlinger, The Paperwork Tigers," New York Post, September 18, 1973, pp. 2 and 62.

[11]76% and 78% in FYs 1971 and 1972, respectively. See Table 3.3.

[12]Temporary Commission to Revise the Social Services Law, Report on the Preliminary Recommendations on Social Services and Income Maintenance (Albany, N. Y.: 1972).

[13]One of HRA's experienced service administrators, David Fitzgerald, pointed to Maine, Florida, Oregon, and Georgia as examples. Interview, June 20, 1975.

[14]State Study Commission for New York City, Social Services in New York City (New York: March 1973), p. 1.

[15]Joint Economic Committee, Open-Ended Federal Matching, p. 101.

SUMMARY AND CONCLUSIONS

Two major strategies have been proposed to reduce poverty in the United States, often in combination--income support and supportive social services. The problem of poverty is officially the responsibility of the public welfare system, which has traditionally concentrated on providing income assistance to certain types of poor households. Greater emphasis on services was advocated by social work professionals in the early 1960s, but major federal expenditures for services occurred, for mostly other reasons, only in the early 1970s.

Because of (1) the relatively unexplored potential of services for reducing poverty in this country, and (2) the considerable public funds now being spent on so-called social services, questions should be raised about the recent growth of social services. In order to do this we have analyzed the recent development of service programs in order to try to identify the factors most likely to influence their development and possible impact on reducing poverty.

We have traced the development of social service programs both at the national level, in Chapter 2, and

at a local level, using New York City as a case study, in Chapter 3. We have confronted two basic issues: (1) What was the nature and scope of social service programs in New York City during the period of rapidly expanding expenditures from 1969 to 1973? (2) What were the major factors affecting the development of these programs? We hypothesized that four sets of factors were most important: a) changing needs for services on the part of welfare recipients, b) changing perceptions of need for these services among those groups who determine welfare policy, c) organizational conflicts within and among welfare agencies, and d) certain political rivalries.

A. Findings

1. New York City

(a) Nature and Scope of Service Programs in New York City

Prior to 1970, most social services were not a distinct activity in public assistance agencies. A few separate programs existed for providing temporary homemaker and housekeeper service, adoption and foster care, and assistance for the elderly poor. Otherwise, services consisted of (1) helping poor persons receive cash assistance, (2) individual counseling, and (3) referring clients to other programs or agencies to meet specific needs for particular problems. Little reliable informa-

tion exists as to how many welfare recipients received specific services, or whether these services met their needs.

New York City's Human Resources Administration began in 1969 to try to "separate" the administration and delivery of services from that of income maintenance grants. Services were to become voluntary, more specific responses to clients' expressed needs, aimed toward agreed-upon goals and provided for limited time periods. Since HRA was not able to provide itself the variety of services welfare recipients needed, the agency contracted for many services through "purchase of service" arrangements with other public and private agencies.

Our assessment of service programs in New York City from 1969 to 1973 reveals that, in fact, these proposed shifts in program conception and implementation took place very slowly. The separation of services seem to have taken over five years, and HRA seems to have been equally slow in tailoring service programs to meet specific needs, and in reorganizing its agencies to actually deliver concrete services.

The two major areas in which large increases in services seem to have occurred were day care and services for the indigent elderly. Both programs were funded by HRA principally through contracts with private agencies.

The ceiling on federal social service expenditures in 1973 halted expansion of day care at that time. On the other hand, HRA took over the funding of some senior citizen centers when HEW restricted access to the centers as a requirement for federal reimbursement.

The best, and very general, estimates we could find of the numbers of persons "being served" by the variety of HRA programs ranged from 200,000 to 400,000 persons annually. Gross estimates, based on census data and demographic characteristics, of numbers of persons who might "need" services ranged upward from double to five times that number, depending on type of service and geographic area within the city. Gross estimates of numbers of persons who might "need" services based on estimates of the size of the low-income population in New York City ranged from 1.6 to 2.8 million people.

The costs of providing services in New York City were exceedingly difficult to ascertain. New York State data indicate that, after imposition of the ceiling on federal expenditures, about $218 million in state and federal funds were spent for services in FY 1972. We estimated that the city spent an additional $75 to $100 million for services. (Our estimates are described in Appendix B.)

Because of the difficulties in defining and

measuring both the quantity and quality of services provided by HRA during these years, it is impossible to evaluate whether the approximately $300 million being spent annually is either well-spent or ill-spent. Until better information is available, overall evaluations will continue to reflect personal values and experiences.

(b) Effects of Differing Perceptions of "Need" for Services in New York City

The social service programs that we have studied were authorized by the Social Security Act as part of the public assistance programs until Title XX was added in 1974. Title XX authorizes states to provide services independently of their income maintenance programs, although the majority of federal social service funds must be spent for services to poor persons who receive federal income maintenance support.

During the period of our study, the principal eligibility criterion for services was receipt of welfare, whether as a "former," current, or "potential" recipient. (See Chapter 2 for definitions.) The major exception was the provision for "group eligibility"--elderly persons and teenagers residing in designated poverty areas were eligible for services provided by centers in those areas.

The basic criteria for judging "need" for services were thus low-income and eligibility for welfare.

Title XX relaxes both criteria slightly: low-income persons not receiving welfare are now eligible to receive publicly subsidized services, and families of slightly higher incomes are also eligible if some fees are charged.

From a social worker's point of view, these general criteria for judging "need" are insufficient. More specific information is required on what "needs" clients have both in their own and the social worker's judgment. Diagnostic interviewing and testing are clearly required to make such judgments on an individual level. These processes are the subject of social work training and are outside the scope of our study except for one aspect: the effects of their training on ways social workers tend to perceive the needs of their clients.

Our study focused on the problem of judging "need" for services at local planning levels. Supportive services, rather than one-to-one counseling, cannot exist without organized efforts to provide them, and any service program requires planning, preparation and implementation. Our review of methods to measure "need" for services for local planners' purposes revealed four basic approaches: sample surveys of clients' expressed needs, review of case records of current clients, polling of local professional experts, and use of small-area

data from the census and city-agency files.

Each of these methods has advantages and disadvantages (see Chapter 4). The joint HRA/DCP pilot project for planning services in New York City demonstrated the advantages of the fourth method when time and cost constraints are severe. (Chapter 3.) Obviously, these methods may be combined in a variety of ways to produce information within optimal time and cost constraints for particular local situations.

Our project in New York City also demonstrated that demographic data characterizing small areas within cities, presented in a variety of graphic as well as tabular forms, can be used by non-statistically-oriented social workers.

The larger question, however, is to what extent "objective" measures of need such as collected by our project actually affect who gets what services. In the case of New York City, the information developed by our project was used in decisions concerning the number and location of senior citizen centers and day care centers. But other processes were also important in determining who received what services. On the policy level, decisions about which kinds of services the federal government would pay for, who was eligible, and how much money the federal government was willing to spend were made in

Washington by the "donor" group in the welfare system. On the individual level, social workers' perceptions and the availability of service programs were of primary importance.

While national policy decisions continue to set the parameters within which local programs must operate, at the time of our study these constraints were quite broad in all three areas--content of programs, eligibility criteria, and amount of federal funds available; and they are even broader under Title XX. There was thus great leeway for the attitudes of welfare administrators and social workers to influence the content of local programs, for example, by deciding whether to emphasize counseling services or housing programs, day care or employment training. Perceptions of local administrators and "deliverers" of services influenced not only which kinds of services were offered, but also which groups received them.

Our study also showed that organizational rivalries, such as between the former Bureau of Child Welfare and the newer Agency for Child Development and between the Office of Community Social Services and the Income Maintenance office, strongly affected the local availability of particular programs. The ability of HEW and top HRA administrators to induce change was limited

by these traditional rivalries and by new ones that developed, for example, over the introduction of automated data processing systems. Political rivalries at urban and state levels, such as between HRA and the New York State Department of Social Services and between Mayor Lindsay and Governor Rockefeller, also affected decisions by both governments concerning program choices and levels of funding.

2. Impact of Differing Perceptions at the National Level

Since the policy framework for social service programs is set by the "donor" groups in the welfare system--members of Congress and the President and his aides--what impact on policy decisions have their perceptions of welfare recipients' needs for services tended to have? If these groups' perceptions do not correspond to the needs perceived by welfare recipients themselves, their decisions will probably not have the intended results. Has such a gap existed, and if so, what have been its effects on the development of social services in the United States?

First, our study supports others' findings[1] that a major gap persists between "donor" groups' perceptions of the "needs" of the poor and poor persons' perceptions of their own needs. Public statements by political leaders

rarely reflect personal acquintance with poor peoples' views, but rather their own conceptions of the causes and consequences of poverty. For example, the "welfare mess" is still defined by President Ford and his aides and many members of Congress as a result of fraud by recipients who are lazy and don't want to work.[2]

Repeated surveys of recipients have shown that, on the contrary, most would prefer to work but cannot do so because of ill-health, child care obligations, and/or inability to find a job because of lack of skills. The widespread prevalence of poor educational and occupational skills among poor people tends to be perceived by "donor" groups as due to individual failure, while poor persons tend to perceive systemic failure as the most important cause. Depending on which viewpoint is adopted, different remedies are advocated.

However, a wide range of view persists among members of the "donor" group, and policy decisions reflect compromises among them. Also influencing these compromises are the tactics of members of the "administrative" group--HEW officials and state welfare officials. Many of these administrators are from professional social work backgrounds in contrast to the political backgrounds of most Congress members and Presidential staff.

A major philosophical split between some members

of these groups developed over whether welfare strategy should emphasize income support or supportive services. Most professional social workers emphasize services, while the Ford administration would prefer to see a straight income strategy. Title XX reflects compromises not only between these opposing views, but also with the preferences of some Congressmen (e.g., Senator Long) who wish to turn social service programs into a form of "special revenue sharing," severing their ties with the welfare program.

As in New York City, political conflicts at the national level, as well as differing perceptions of "need" for services, affected policy decisions on service programs. Rivalry between Congress and the President was partly responsible for the demise of President Nixon's proposed FAP, which represented a pure income support strategy. Pressure from key Republican governors influenced Nixon in early 1972 to allow continued growth of federal expenditures for social services far beyond original HEW and OMB projections.[3] Within HEW, political conflicts were reflected in reorganizations that shifted responsibility for services out of the control of professional social workers and also downgraded the role of service programs in current federal welfare strategy.

Let us examine the implications of our findings for the future of social service programs--are they

likely to continue at their current levels, to expand, or to be supplanted by an income support strategy entirely?

B. Interpretation of Findings

We will examine the implications of our findings for four processes: 1) policy determination for social services; 2) policy determination for welfare programs; 3) emerging concepts of social services in the United States; and 4) methods of applied social research.

1. Future of Social Services Policy

One of the underlying difficulties of contemporary social service programs in the U.S. is their eclectic nature and diffuse goals. It is inherently impossible to develop any single criterion of "need" for these programs because in fact there are many different programs designed to meet very different "needs." Title XX transfers responsibility for this nasty problem from the federal government to the states. This shift will probably have several results.

First, no coherent policy towards social services can emerge from this process. Second, no coherent conception of services is likely to emerge from the varied programs now being developed by state and local governments. Third, the issue of deciding priorities among

services will continue to be fought in political arenas since there will be no generally accepted set of principles to guide such decisions.

Fourth, the probability is strengthened that service programs will continue to focus on individuals' needs, although concern with family and community problems seems to be growing. This trend is suggested because, in the absence of any more coherent conception of services, these programs are likely to evolve slowly out of existing practice, with few additional funds which might allow significant innovation. "Incrementalism" in both the funding and content of service programs is likely in the short term.

And finally, the lack of a coherent and consistent conception of a services policy will place proponents of a "services strategy" at a considerable disadvantage vis-à-vis advocates of an income support strategy in the continuing debate over American welfare policy. Unless ameliorated, the current lack of good measures of quality and effectiveness of services in meeting needs will aggravate this situation.

The issue of deciding priorities among services is particularly difficult. Traditionally, American local governments try to do a little of everything that different groups want, rather than setting specific goals

in response to judgments about the relative importance of different "needs." Given limited resources, this means not only that social service programs must compete with other public programs for funds, but also that service programs must compete with each other. Should senior citizen centers be funded more than day care centers? Should assistance for drug addicts and alcoholics be emphasized, or therapy for physically disabled persons? Should the "needs" of one group be met almost completely while those of another group be served minimally?

A recent U. S. study of the needs of disabled youth, noting the "conflicting aspects of the goals... and society's...resource constraints," suggests that trade-offs of services among different population groups have to be made. A government agency may decide to:

- Restrict current public expenditures--which implies low emphasis on services, especially expensive services such as education.

- Minimize total expected public expenditures over the lifetime of the handicapped--which implies high emphasis on vocational rehabilitation and preventive services and considerably less emphasis on welfare.

- Emphasize services provided primarily to the severly handicapped and the poor--which implies

conscious discrimination against the mildly handicapped and the non-poor.

- Emphasize services for the mildly handicapped when doing so achieves greater effectiveness per dollar expended--which implies discrimination of another extreme.

- Increase the number of people served for a given fixed budget to increase equity--which can imply that those having relatively greater needs may not be served, or a large number of people may be served at an ineffective level or quality.[4]

Obviously such choices are rarely made explicitly by governments, but such trade-offs and combinations of strategies do occur, and the less explicit and reasoned they are, the more they are determined by the value orientations of the groups administering and delivering services, as our study has shown.

2. Future of Welfare Policy

The passage of Title XX to the Social Security Act in December 1974 was preceded by almost two years of open struggle between advocates of an income support strategy vs. a supportive services strategy. Neither side won. Services were retained, although their major eligibility criterion--receipt of income maintenance--

was weakened and other low and moderate income persons (the latter if fees are charged) are now eligible to receive publicly subsidized social services. On the other hand, since proponents of services cannot show that the programs contribute significantly to the reduction of poverty, advocates of income support are still pressing the substitution of some form of "guaranteed minimum income" for the present collection of welfare programs.

The cost of either strategy carried out on a broad scale would be enormous. One of the reasons that Nixon's proposed FAP was defeated was the desertion of liberals who claimed that the proposed support level of $2400 had to be much higher before they would support it. Annual costs of Senator Ribicoff's proposed program with a $3000 floor were estimated at $13 billion over the 1972 welfare program.[5]

If social services were provided to all who "needed" them without fees, the cost would also be enormous. The rationale for universal, rather than selective, provision of services is the desire to eliminate stigmatization of recipients. The assumption is that service programs accepted by the middle and upper classes for themselves are not likely to be stigmatized, and therefore would be acceptable to everyone in need. The

Director of the Baltimore Department of Social Services suggested in 1970 that, "Services should be universal--not directed only at the poor--in order to unify society, not polarize it."[6] However, if need for supportive services is widespread among all groups in society, subsidizing them out of the public purse may require more money than we can afford. This problem is exacerbated by the nature of costs for such services, which are labor-intensive and tend to have only slow increases in productivity.[7]

A second problem is the likelihood that public sector services will not be of high enough quality, given the cost constraints, to satisfy middle and upper class clients. If these groups prefer to pay higher fees for services in the private sector, we may end up with virtually the same situation as now, with only the poor, because of their lack of economic choice, patronizing low-quality publicly-subsidized service programs. The legal apparatus of public assistance eligibility requirements which formalizes the stigma now attached to welfare clients would disappear, but the change in social attitudes might be negligible. Public sector services would still be poorer services for the lower classes.

On the other hand, there is no guarantee, in fact little likelihood, of any different outcome if a

pure income support strategy were adopted. There are several reasons for this. First, income support strategies are based on the principle of letting recipients (consumers) decide how to spend their additional income in the market. But certain "needs" cannot be met through existing markets. And further, the small increments to their incomes that poor people would receive would most likely be insufficient to allow them to make their demands effective, i.e., eliciting new markets to meet their needs, as supply and demand theory suggests should occur. There is also no guarantee that poor persons will make wise choices in spending their money, "wise" in the sense that they will lead to a reduction in the number of poor people in the country. And if an income support strategy does not lead to a significant reduction of poverty, it would not achieve its intended goal.

So, the necessity of defining goals more clearly confronts us again. Do we as a society wish to eliminate poverty, however we define it, or merely reduce its incidence to some "tolerable" level?

Are there certain services in modern industrial society that we wish to provide on a minimum basis to all, regardless of income, such as education, health care, clothing, housing, in order to protect society's interest

in the mental and physical health and productive capabilities of its citizens? Such services would also attempt to protect children against the consequences of lack of opportunity and/or poor decisions by their parents, and thus have also been justified because of their tendency to enhance equality of opportunity for all classes, races and ethnic groups. Certain universal service programs have the potential over many years, in fact, of altering class relationships and muting social conflicts. Yet, are we willing as a society to pay for each programs as preventive and restorative measures when some groups can see that others benefit equally or perhaps more than their own? And further, when there is no guarantee that these services, by themselves, will eliminate poverty?

If we were to choose as a society to provide a minimum income to all, but few "in-kind" services, would such a program fulfill our obligation to help our poor, and allow us to ignore--in terms of public policy--the kinds of poverty that would most likely persist?

Combinations of the two strategies have been adopted by most Western European nations, with generally positive results in terms of reducing poverty by their standards. But the cost of their programs is high and rising, and these countries are facing more and more

difficult decisions about relative priorities.[8] These programs are also implemented in social structures significantly different in many ways from that in the U. S. Importing the same programs would thus probably not have at all the same results here. Is the recent expansion of social service expenditures in the U. S. an indication, nevertheless, that the principles underlying Western European social welfare systems are being adopted here?

3. Emerging Conceptions of Social Services and Welfare in the U. S.

There are five official goals for service programs stated in Title XX:

1) achieving or maintaining economic self-support to prevent, reduce or eliminate dependency;
2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families;
4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions. (See Appendix A.)

Richard Titmuss, a leading British advocate of supportive services, suggests several major objectives for a comprehensive program of services:

1. To raise worker productivity, increase worker mobility, and to add to economic growth;...
2. To insure and protect the worker against the risks and hazards of industrialism and partially to reward those who undertake the 'dirty' jobs in our societies;...
3. ...To increase or decrease the birthrate;
4. To prevent juvenile delinquency, crime and other forms of culturally determined anti-social behavior;...
5. To prevent sickness and ill-health in the interests of productivity,...or because sick people...are experiencing suffering and pain;
6. To integrate all citizens into society;...
7. To increase or decrease inequalities in the distribution of incomes and command-over-resources-over-life set by the economic system.[9]

These suggested goals of social service programs are considerably broader than those listed in Title XX, although there is some overlap. But the American statement of goals does not explicitly include reduction of the income inequalities generated by our economic system. There is greater emphasis on helping people to become self-supporting by fitting into the existing economic system, and also on reducing public expenditures for

other types of care by helping persons to achieve "self-sufficiency" and encouraging home-based and Community-based rather than institutional care. (Deinstitutionalization may not, in fact, be society's least expensive way of providing care needed by dependent persons, since institutions may have some economies of scale and the opportunity costs for the relatives and neighbors who provide home and community-based care may be quite high.)[10]

Others have suggested that expansion of publicly-subsidized services is inevitable as new "needs" emerge in our changing society. Wilensky and Lebeaux suggest six main "links between the effects of industrialization of American society, on the one hand, and the nature of welfare services and the practice of social work, on the other:"

1) Increasing social problems (family breakup, delinquency, mental and physical illness, poverty);

2) greatly increased income from industrialization making increased welfare expenditures possible;

3) increasing specialization of modern life leading to the liaison function of social work;

4) shifts in stratification, affecting the services demanded, relations with clients, and status of social work;

5) increasing numbers of bureaucratic organizations, which create problems of leadership and conflicts between increasing professionalism and pressure for social reform;

6) American cultural values, which affect kinds of services, and the organization and amount of funds spent on services.[11]

The key points for anticipating changing patterns of need seem to be changing patterns of stratification and specialization. Wilensky and Lebeaux assert that changing class structure will result in a smaller portion of services being directed toward the poorest groups in society, with more aimed at the problems of the growing middle classes. They suggest that,

> The most disadvantaged and demoralized families... have absorbed a large share of the "environmental" services--relief, medical care, child care.... But they have not clearly been seen as subjects for positive rehabilitative "treatment" in the family agencies. They are difficult to approach, do not come of their own volition for help, and for the most part are lost from sight in the larger ocean of "independent poor."[12]

Wilensky and Lebeaux predict two effects of increasing specialization in the provision of services. First, social workers will have an increasing liaison function to perform, helping persons to identify and gain access to the particular services they need. Second, it

will be necessary to provide counseling and related services to those who find it difficult to adapt to the life-style changes necessitated by participation in large-scale bureaucratic institutions. This would also reflect changing stratification patterns, since increasing numbers of working class persons are expected to "move-up" to middle-class status as they find jobs in bureaucratically-organized businesses and institutions.

Although outside the scope of our study, these hypotheses concerning the nature of changing demands for services could be tested. Has the number of persons considered "middle class" compared to "working class" increased? Does the composition of service agency case-loads, both public and private, reflect greater numbers of middle-class clients? Have changing family patterns involving less support of aging relatives, more working women, and increased specialization and bureaucratization made it more difficult for individuals to adjust to new work patterns and to find "needed" services?

Another American advocate of expanded social services also argues that the major role of supportive services is to respond to changing "needs" generated by fundamental social change:

> ...in the normal course of industrialization, society must guarantee and institutionalize

> the means to assure that essential old functions are discharged in new ways and that new functions are recognized as legitimate responses to new circumstances.[13]

Do the goals stated in Title XX and the political compromises contained in its provisions reflect such a conception of social service programs? Yes and no. No, because I do not believe that the legislation was intended to reflect such a conception, judging by Congressional statements at the time of its passage. The primary motivations of Congressional supporters seem to have been (a) to resolve the months-old controversy over social services regulations, (b) to save federal dollars ("It is a compromise that will truly benefit millions of Americans at no additional cost to the Federal Government"),[14] and (c) to transfer decision-making on priorities and program development to state governments ("The bill relies heavily on a State planning process in which the State will determine what services to provide and to whom,"[15] and it "would keep the lid on Federal social service expenditures while enabling the States to operate their social service programs under sensible guidelines").[16]

On the other hand, the broad nature of the goals stated and the explicit delegation to states of authority to decide what constitutes social services allows the state governments to respond to expressions of changing

"needs" and to create new service programs at will. A potential thus exists for responding to new needs, but, as we suggested above, it is unlikely that the resulting varied programs will resemble the European pattern of comprehensive and integrated services and income support programs.

On the contrary, I expect that American social service programs will become a "grab-bag" of "public goodies," minimally integrated into whatever income support programs we develop, and allocated in response to political pressures brought by the most articulate and organized groups in society. The opening wedge for this process was the extension of income eligibility cutoffs to families with incomes up to 80% of the state or national median income. According to Senator Mondale, the new eligibility requirements

> will open participation in childcare and other services to moderate-income families on a reduced-fee basis, while assuring that a substantial share of services must be directed toward the poor. Too often programs for the poor alone suffer from poverty themselves at budget time. And too often we have ignored the crying needs of hard-working, tax-paying families, who struggle to make ends meet and who deserve a helping hand.[17]

But, however laudable it may be to assist moderate-income families, making these groups eligible for publicly subsidized services which were originally justified

because they would help to reduce poverty, further diffuses the national commitment to helping the poor and obscures the goals of national welfare policy.

While social service programs in 1975 were being funded at ten times the level of 1968, and states have been delegated the freedom and potential to respond to the many varied needs for supportive services of their low and moderate income residents, the great expansion of service expenditures in the early 1970s seems to have been an accident resulting from a coincidence of budgetary loopholes and political pressures. The institutionalization and codification of these programs in Title XX does not seem either (1) to reflect growing acceptance of the European conception of supportive services, or (2) to contribute to the development of an integrated income support and services strategy in the United States. How "needs" for services will be defined will vary from state to state and city to city, depending on the interaction of the processes we have described: the development of better "objective" measures of need; the influences of varying "subjective" perceptions of "need" by key groups; and the effects of local organizational conflicts and political rivalries.

And in the absence of clear national goals and guidelines, it can be expected that, in the short-term

at least, the allocation of services will probably reflect and even reinforce existing social patterns and cleavages. In the long-run, however, service programs, depending on the way they are implemented, have the potential for shifting social structure relationships by enhancing equal educational and employment opportunities and by helping individuals and families to overcome the social and psychological disadvantages, with income support to help overcome the economic disadvantages, of poverty and isolation.

4. Suggestions for Future Research

The implications of our study for applied social science research fall in three main areas. First, if social service programs are to be improved, we need to refine our concepts of services, the goals they are supposed to achieve, our ability to measure the quality of services provided, and our ability to measure outcomes--whether the goals have been achieved. Better measures in all of these areas will then permit us to analyze the cost-effectiveness of various service programs and to test alternative methods of providing services in systematic ways.[18]

Second, our research points up the importance of improving our "objective" measures to "need" for services. Several approaches should continue to be

developed, especially the efforts to refine various "social indicators" and to develop "small area data" based on information collected by local government agencies as well as special surveys and census information.

Third, and most important, is the importance of improving our ability to measure "subjective" perceptions of "need" and to understand their consequences for political action. Continued refinement of attitude surveys is essential, but we also should study further how such perceptions change and what the possible consequences of change might be. Such understanding is essential to achieveing our ultimate goal of reducing the barriers to communications and understanding among divided social groups that so frequently lead to policies based on misperceptions and misunderstandings.

SUMMARY FOOTNOTES

[1]For example, see Goodwin, Do the Poor Want to Work? (Washington, D.C.: The Brookings Institution, 1972) and Shiller, "Empirical Studies of Welfare Dependency."

[2]Gerald Ford, "State of the Union Message," January 19, 1976. Presidential Documents 12 (January 26, 1976), pp. 48-49.

[3]Derthick, Uncontrollable Spending.

[4]Kakalik, pp. 4-5.

[5]Burke, Nixon's Good Deed, p. 181.

[6]Maurice A. Harmon, "Major Social Service Issues of 1970," Public Welfare (January 1971):86.

[7]William J. Baumol, "Macroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis," American Economic Review (June 1967):415-426. For an in-depth study of the sources of increases in social welfare expenditures over the past decade in New York City, see Charles Brecher, Where Have All the Dollars Gone? Public Expenditures for Human Resource Development in New York City, 1961-71 (New York: Praeger, 1974).

[8]Theodore R. Marmor, "The Conditions for Future Social Policy: Some Political Considerations," International Institute for Labour Studies Bulletin 8 (1971) (Geneva).

[9]Richard M. Titmuss, Commitment to Welfare (New York: Random House, 1968), pp. 64-65.

[10]For example, see William Pollak, "Costs of Alternative Care Settings for the Elderly," (Washington, D.C.: The Urban Institute, March 12, 1973), Working Paper 963-11.

[11]Wilensky and Lebeaux, pp. 14-15.

[12]Ibid.

[13]Alfred Kahn, Social Policy and Social Services (New York: Random House, 1973), p. 16. Emphasis added.

[14]U.S., Congress, House, Congressman Rostenkowski, 93rd Congress, 2nd Session, December 9, 1974, Congressional Record, p. H 11417.

[15]U.S., Congress, House, Congressman Ullman, 93rd Congress, 2nd Session, December 9, 1974, Congressional Record, p. H 11416.

[16]U.S., Congress, House, Congressman Pettis, 93rd Congress, 2nd Session, December 9, 1974, Congressional Record, p. H 11417.

[17]U.S., Congress, Senate, Senator Mondale, 93rd Congress, 2nd Session, December 20, 1974, Congressional Record, p. S 22523.

[18]For example, the kind of systematic experimentation suggested by Alice Rivlin, Systematic Thinking for Social Action (Washington, D.C.: The Brookings Institution, 1973).

APPENDIX A

Title XX to the Social Security Act

93D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 93-1643

SOCIAL SERVICES AMENDMENTS OF 1974

DECEMBER 19, 1974.—Ordered to be printed

Mr. ULLMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 17045]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Social Services Amendments of 1974".

PART A—SOCIAL SERVICES AMENDMENTS

SEC. 2. The Social Security Act is amended by inserting at the end thereof the following new title:

"TITLE XX—GRANTS TO STATES FOR SERVICES

"APPROPRIATION AUTHORIZED

"SEC. 2001. For the purpose of encouraging each State, as far as practicable under the conditions in that State, to furnish services directed at the goal of—

"(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency,

"(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency,

"(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families.

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"(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

"(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

there is authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States under section 2002.

"PAYMENTS TO STATES

"SEC. 2002. (a) (1) From the sums appropriated therefor, the Secretary shall, subject to the provisions of this section and section 2003, pay to each State, for each quarter, an amount equal to 90 per centum of the total expenditures during that quarter for the provision of family planning services and 75 per centum of the total expenditures during that quarter for the provision of other services directed at the goal of—

"(A) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency,

"(B) achieving or maintaining self-sufficiency, including reduction or prevention of dependency,

"(C) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families,

"(D) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care, or

"(E) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

including expenditures for administration (including planning and evaluation) and personnel training and retraining directly related to the provision of those services (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions). Services that are directed at these goals include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services, and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts.

"(2) (A) No payment with respect to any expenditures other than expenditures for personnel training or retraining directly related to the provision of services may be made under this section to any State for any fiscal year in excess of an amount which bears the same ratio to $2,700,000,000 as the population of that State bears to the population of the fifty States and the District of Columbia. The Secretary shall promulgate the limitation applicable to each State for each fiscal

year under this paragraph prior to the first day of the third month of the preceding fiscal year, as determined on the basis of the most recent satisfactory data available from the Department of Commerce.

"(B) Each State with respect to which a limitation is promulgated under subparagraph (A) for any fiscal year shall, at the earliest practicable date after the commencement of such fiscal year (and in accordance with regulations prescribed by the Secretary), certify to the Secretary whether the amount of its limitation is greater or less than the amount needed by the State, for uses to which the limitation applies, for such fiscal year and, if so, the amount by which the amount of such limitation is greater or less than such need.

"(C) If any State certifies, in accordance with subparagraph (B), that the amount of its limitation for any fiscal year is greater than its need for such year, then the amount of the limitation of such State for such year shall be reduced by the excess of its limitation amount over its need, and the amount of such reduction shall be available for allotment as provided in subparagraph (D).

"(D) Of the amounts made available, pursuant to subparagraph (C), for allotment for any fiscal year, the Secretary (i) shall allot to the jurisdiction of Puerto Rico $15,000,000, to the jurisdiction of Guam $500,000, and to the jurisdiction of the Virgin Islands $500,000, which shall be available to each such jurisdiction in addition to amounts available under section 1108 for purposes of matching the expenditures of such jurisdictions for services pursuant to sections 3(a)(4) and (5), 403(a)(3), 1003(a)(3) and (4), 1403(a)(3) and (4), and 1603(a)(4) and (5): Provided, That if the amounts made available, pursuant to subparagraph (C), are insufficient to meet the requirements of this clause, then such amounts as are available shall be allotted to each of the three jurisdictions in proportion to their respective populations.

"(3) No payment may be made under this section to any State with respect to any expenditure for the provision of any service to any individual unless—

"(A) the State's services program planning meets the requirements of section 2004, and

"(B) the final comprehensive annual services plan in effect when the service is provided to the individual includes the provision of that service to a category of individuals which includes that individual in the descriptions required by section 2004(2)(B) and (C) of the services to be provided under the plan and the categories of individuals to whom the services are to be provided.

The Secretary may not deny payment under this section to any State with respect to any expenditure on the ground that it is not an expenditure for the provision of a service or is not an expenditure for the provision of a service directed at a goal described in paragraph (1) of this subsection.

"(4) So much of the aggregate expenditures with respect to which payment is made under this section to any State for any fiscal year as equals 50 per centum of the payment made under this section to the State for that fiscal year must be expended for the provision of services to individuals—

"(A) who are receiving aid under the plan of the State approved under part A of title IV or who are eligible to receive such aid, or

"(B) whose needs are taken into account in determining the needs of an individual who is receiving aid under the plan of the State approved under part A of title IV, or who are eligible to have their needs taken into account in determining the needs of an individual who is receiving or is eligible to receive such aid, or

"(C) with respect to whom supplemental security income benefits under title XVI or State supplementary payments, as defined in section 2007(1), are being paid, or who are eligible to have such benefits or payments paid with respect to them, or

"(D) whose income and resources are taken into account in determining the amount of supplemental security income benefits or State supplementary payments, as defined in section 2007(1), being paid with respect to an individual, or whose income and resources would be taken into account in determining the amount of such benefits or payments to be paid with respect to an individual who is eligible to have such benefits or payments paid with respect to him, or

"(E) who are eligible for medical assistance under the plan of the State approved under title XIX.

"(5) No payment may be made under this section to any State with respect to any expenditure for the provision of any service to any individual—

"(A) who is receiving, or whose needs are taken into account in determining the needs of an individual who is receiving, aid under the plan of the State approved under part A of title IV, or with respect to whom supplemental security income benefits under title XVI or State supplementary payments, as defined in section 2007(1), are being paid, or

"(B) who is a member of a family the monthly gross income of which is less than the lower of—

"(i) 80 per centum of the median income of a family of four in the State, or

"(ii) the median income of a family of four in the fifty States and the District of Columbia,

adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family,

if any fee or other charge (other than a voluntary contribution) imposed on the individual for the provision of that service is not consistent with such requirements (including requirements prohibiting the imposition of any such fee or charge) as the Secretary shall prescribe.

"(6) No payment may be made under this section to any State with respect to any expenditure for the provision of any service, other than an information or referral service or a service directed at the goal of preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, to any individual who is not an individual described in paragraph (5), and—

"(A) who is a member of a family the monthly gross income of which exceeds 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, or

"(B) who is a member of a family the monthly gross income of which—

"(i) exceeds the lower of—

"(I) 80 per centum of the median income of a family of four in the State, or

"(II) the median income of a family of four in the fifty States and the District of Columbia,

adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family, and

"(ii) does not exceed 115 per centum of the median income of a family of four in the State, adjusted, in accordance with regulations prescribed by the Secretary, to take into account the size of the family,

unless a fee or other charge reasonably related to income is imposed on the individual for the provision of the service.

The Secretary shall promulgate the median income of a family of four in each State and the fifty States and the District of Columbia applicable to payments with respect to expenditures in each fiscal year prior to the first day of the third month of the preceding fiscal year.

"(7) No payment may be made under this section to any State with respect to any expenditure—

"(A) for the provision of medical or any other remedial care, other than family planning services, unless it is an integral but subordinate part of a service described in paragraph (1) of this subsection and Federal financial participation with respect to the expenditure is not available under the plan of the State approved under title XIX; or

"(B) for the purchase, construction, or major modification of any land, building or other facility, or fixed equipment; or

"(C) which is in the form of goods or services provided in kind by a private entity; or

"(D) which is made from donated private funds, unless such funds—

"(i) are transferred to the State and are under its administrative control, and

"(ii) are donated to the State without restrictions as to use, other than restrictions as to the services with respect to which the funds are to be used imposed by a donor who is not a sponsor or operator of a program to provide those services, or the geographic area in which the services with respect to which the contribution is used are to be provided, and

"(iii) do not revert to the donor's facility or use if the donor is other than a nonprofit organization; or

"(E) for the provision of room or board (except as provided by paragraph (11)(C)) other than room or board provided for a period of not more than six consecutive months as an integral but subordinate part of a service described in paragraph (1) of this subsection.

"(8) No payment may be made under this section with respect to any expenditure if payment is made with respect to that expenditure under section 403 or 422 of this Act.

"(9)(A) No payment may be made under this section with respect to any expenditure in connection with the provision of any child day care service, unless—

"(i) in the case of care provided in the child's home, the care meets standards established by the State which are reasonably in accord with recommended standards of national standard-setting organizations concerned with the home care of children, or

"(ii) in the case of care provided outside the child's home, the care meets the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare and the Office of Economic Opportunity on September 23, 1968; except that (I) subdivision III of such requirements with respect to educational services shall be recommended to the States and not required, and staffing standards for school-age children in day care centers may be revised by the Secretary, (II) the staffing standards imposed with respect to such care in the case of children under age 3 shall conform to regulations prescribed by the Secretary, and (III) the staffing standards imposed with respect to such care in the case of children aged 10 to 14 shall require at least one adult for each 20 children, and in the case of school-aged children under age 10 shall require at least one adult for each 15 children, except as provided in subparagraph (B).

"(B) The Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives, after December 31, 1976, and prior to July 1, 1977, an evaluation of the appropriateness of the requirements imposed by subparagraph (A), together with any recommendations he may have for modifications of those requirements. No earlier than ninety days after the submission of that report, the Secretary may, by regulation, make such modifications in the requirements imposed by subparagraph (A) as he determines are appropriate.

"(C) The requirements imposed by this paragraph are in lieu of any requirements that would otherwise be applicable under section 522(d) of the Economic Opportunity Act of 1964 to child day care services with respect to which payment is made under this section.

"(10) No payment may be made under this section with respect to any expenditure for the provision of any educational service which the State makes generally available to its residents without cost and without regard to their income.

"(11) No payment may be made under this section with respect to any expenditure for the provision of any service to any individual living in any hospital, skilled nursing facility, or intermediate care facility (including any such hospital or facility for mental diseases or for the mentally retarded), any prison, or any foster family home except—

"(A) any expenditure for the provision of a service that (i) is provided by other than the hospital, facility, prison, or foster family home in which the individual is living, and (ii) is provided, under the State's program for the provision of the services described in paragraph (1), to individuals who are not living in a hospital, skilled nursing facility, intermediate care facility, prison, or foster family home,

"(B) any expenditure which is for the cost, in addition to the cost of basic foster care, of the provision, by a foster family home,

to an individual living in that home, of a service which meets a special need of that individual, as determined under regulations prescribed by the Secretary, and

"(C) any expenditure for the provision of emergency shelter provided to a child, for not in excess of thirty days, as a protective service.

"(12) No payment may be made under this section with respect to any expenditure for the provision of cash payments as a service.

"(13) No payment may be made under this section with respect to any expenditure for the provision of any service to any individual to the extent that the provider of the service or the individual receiving the service is eligible to receive payment under title XVIII with respect to the provision of the service.

"(b)(1) Prior to the beginning of each quarter the Secretary shall estimate the amount to which a State will be entitled under this section for that quarter on the basis of a report filed by the State containing its estimate of the amount to be expended during that quarter with respect to which payment must be made under this section, together with an explanation of the bases for that estimate.

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

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

"PROGRAM REPORTING

"SEC. 2003. (a) Each State which participates in the program established by this title shall make such reports concerning its use of Federal social services funds as the Secretary may by regulation provide."

"(b) Each State which participates in the program established by this title shall assure that the aggregate expenditures from appropriated funds from the State and political subdivisions thereof for the provision of services during each services program year (as established under the requirements of section 2002(a)(3)) with respect to which payment is made under section 2002 is not less than the aggregate expenditures from such appropriated funds for the provision of those services during the fiscal year ending June 30, 1973, or the fiscal year ending June 30, 1974, with respect to which payment was made under the plan of the State approved under title I, VI, X, XIV, or XVI, or part A of title IV, whichever is less, except that the requirements of this subsection shall not apply to any State for any services program year if the payment to the State under section 2002, for each fiscal year any part of which is included in that services program year, with respect to expenditures other than expenditures for personnel training or retraining directly related to the provision of services, equals the allotment of the State for that fiscal year under section 2002(a)(2).

"(c)(1) If the Secretary, after reasonable notice and an opportunity for a hearing to the State, finds that there is a substantial failure to comply with any of the requirements imposed by subsections (a) and

(b) of this section, he shall, except as provided in paragraph (2), notify the State that further payments will not be made to the State under section 2002 until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no further payments to the State.

"(2) The Secretary may suspend implementation of any termination of payments under paragraph (1) for such period as he determines appropriate and instead reduce the amount otherwise payable to the State under section 2002 for expenditures during that period by 3 per centum for each of subsections (a) and (b) of this section with respect to which there was a finding of substantial noncompliance and with respect to which he is not yet satisfied that there will no longer be any such failure to comply.

"(d)(1) Each State which participates in the program established by this title shall have a plan applicable to its program for the provision of the services described in section 2002(a)(1) which—

"(A) provides that an opportunity for a fair hearing before the appropriate State agency will be granted to any individual whose claim for any service described in section 2002(a)(1) is denied or is not acted upon with reasonable promptness;

"(B) provides that the use or disclosure of information obtained in connection with administration of the State's program for the provision of the services described in section 2002(a)(1) concerning applicants for and recipients of those services will be restricted to purposes directly connected with the administra- of that program, the plan of the State approved under part A of title IV, the plan of the State developed under part B of that title, the supplemental security income program established by title XVI, or the plan of the State approved under title XIX;

"(C) provides for the designation, by the chief executive officer of the State or as otherwise provided by the laws of the State, of an appropriate agency which will administer or supervise the administration of the State's program for the provision of the services described in section 2002(a)(1);

"(D) provides that the State will, in the administration of its program for the provision of the services described in section 2002(a)(1), use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the program, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods;

"(E) provides that no durational residency or citizenship requirement will be imposed as a condition to participation in the program of the State for the provision of the services described in section 2002(a)(1);

"(F) provides, if the State program for the provision of the services described in section 2002(a)(1) includes services to individuals living in institutions or foster homes, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions or homes which are reasonably in accord

with recommended standards of national organizations concerned with standards for such institutions or homes, including standards related to admissions policies, safety, sanitation, and protection of civil rights;

"*(G) provides, if the State program for the provision of the services described in section 2002(a)(1) includes child day care services, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such services which are reasonably in accord with recommended standards of national organizations concerned with standards for such services, including standards related to admission policies for facilities providing such services, safety, sanitation, and protection of civil rights;*

"*(H) provides that the State's program for the provision of the services described in section 2002(a)(1) will be in effect in all political subdivisions of the State; and*

"*(I) provides for financial participation by the State in the provision of the services described in section 2002(a)(1).*

Notwithstanding clause (C), if on December 1,1947, the State agency which administered or supervised the administration of the portion of the plan of the State for services to the aged, blind, or disabled approved under title VI of this Act which related to blind individuals was different from the agency which administered or supervised the administration of the rest of that plan, the State agency which administered or supervised the administration of the portion of the plan of the State for services to the aged, blind, or disabled related to blind individuals may be designated to administer or supervise the administration of the portion of the State's program for the provision of the services described in section 2002(a)(1) related to blind individuals and a separate State agency may be designated to administer or supervise the administration of the rest of the program; and in such case the part of the program which each agency administers, or the administration of which each agency supervises, shall be regarded as a separate program for the provision of the services described in section 2002(a)(1) for purposes of this title. The date selected by the State pursuant to section 2004(1) as the beginning of the services program year for each of the separate programs shall be the same.

"*(2) The Secretary shall approve any plan which complies with the provisions of paragraph (1).*

"*(e)(1) No payment may be made under section 2002 to any State which does not have a plan approved under subsection (g).*

"*(2) In the case of any State plan which has been approved by the Secretary under subsection (d), if the Secretary, after reasonable notice and an opportunity for a hearing to the State, finds—*

"*(A) that the plan no longer complies with the provisions of subsection (d)(1), or*

"*(B) that in the administration of the plan there is a substantial failure to comply with any such provision,*

the Secretary shall, except as provided in paragraph (3), notify the State that further payments will not be made to the State under section 2002 until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no further payments to the State.

"(3) The Secretary may suspend implementation of any termination of payments under paragraph (2) for such period as he determines appropriate and instead reduce the amount otherwise payable to the State under section 2002 for expenditures during that period by 3 percent for each clause of subsection (d)(1) with respect to which there is a finding of noncompliance and with respect to which he is not yet satisfied that there will no longer be any such failure to comply.

"SERVICES PROGRAM PLANNING

"SEC. 2004. A State's services program planning meets the requirements of this section if, for the purpose of assuring public participation in the development of the program for the provision of the services described in section 2002(a)(1) within the State—

"(1) the beginning of the fiscal year of either the Federal Government or the State government is established as the beginning of the State's services program year; and

"(2) at least ninety days prior to the beginning of the State's services program year, the chief executive officer of the State, or such other official as the laws of the State provide, publishes and makes generally available (as defined in regulations prescribed by the Secretary after consideration of State laws governing notice of actions by public officials) to the public a proposed comprehensive annual services program plan prepared by the agency designated pursuant to the requirements of section 2003(d)(1)(C) and, unless the laws of the State provide otherwise, approved by the chief executive officer, which sets forth the State's plan for the provision of the services described in section 2002(a)(1) during that year, including—

"(A) the objectives to be achieved under the program,

"(B) the services to be provided under the program, including at least one service directed at at least one of the goals in each of the five categories of goals set forth in section 2002(a)(1) (as determined by the State) and including at least three types of services (selected by the State) for individuals who are recipients of supplemental security income benefits under title XVI and who are in need of such services, together with a definition of those services and a description of their relationship to the objectives to be achieved under the program and the goals described in section 2002(a)(1),

"(C) the categories of individuals to whom those services are to be provided, including any categories based on the income of individuals or their families,

"(D) the geographic areas in which those services are to be provided, and the nature and amount of the services to be provided in each area,

"(E) a description of the planning, evaluation, and reporting activities to be carried out under the program,

"(F) the sources of the resources to be used to carry out the program,

"(G) a description of the organizational structure through which the program will be administered, including

the extent to which public and private agencies and volunteers will be utilized in the provision of services,

"(II) a description of how the provision of services under the program will be coordinated with the plan of the State approved under part A of title IV, the plan of the State developed under part B of that title, the supplemental security income program established by title XVI, the plan of the State approved under title XIX, and other programs for the provision of related human services within the State, including the steps taken to assure maximum feasible utilization of services under these programs to meet the needs of the low income population,

"(I) the estimated expenditures under the program, including estimated expenditures with respect to each of the services to be provided, each of the categories of individuals to whom those services are to be provided, and each of the geographic areas in which those services are to be provided, and a comparison between estimated non-Federal expenditures under the program and non-Federal expenditures for the provision of the services described in section 2002(a)(1) in the State during the preceding services program year, and

"(J) a description of the steps taken, or to be taken, to assure that the needs of all residents of, and all geographic areas in, the State were taken into account in the development of the plan; and

"(3) public comment on the proposed plan is accepted for a period of at least forty-five days; and

"(4) at least forty-five days after publication of the proposed plan and prior to the beginning of the State's services program year, the chief executive officer of the State, or such other official as the laws of the State provide, publishes a final comprehensive annual services program plan prepared by the agency designed pursuant to the requirements of section 2003(d)(1)(C) and, unless the laws of the State provide otherwise, approved by the chief executive officer, which sets forth the same information required to be included in the proposed plan, together with an explanation of the differences between the proposed and final plan and the reasons therefor; and

"(5) any amendment to a final comprehensive services program plan is prepared by the agency designated pursuant to section 2003(d)(1)(C), approved by the chief executive officer of the State unless the laws of the State provide otherwise, and published by the chief executive officer of the State, or such other official as the laws of the State provide, as a proposed amendment on which public comment is accepted for a period of at least thirty days, and then prepared by the agency designated pursuant to section 2003(d)(1)(C), approved by the chief executive officer of the State unless the laws of the State provide otherwise, and published by the chief executive officer of the State, or such other official as the laws of the State provide, as a final amendment, to-

gether with an explanation of the differences between the proposed and final amendment and the reasons therefor.

"EFFECTIVE DATE OF REGULATIONS PUBLISHED BY THE SECRETARY

"SEC. 2005. *No final regulation published by the Secretary under this title shall be effective with respect to payments under section 2002 for expenditures during any quarter commencing before the beginning of the first services program year established by the State under the requirements of section 2002(a)(3) which begins at least sixty days after the publication of the final regulation.*

"EVALUATION; PROGRAM ASSISTANCE

"SEC. 2006. *(a) The Secretary shall provide for the continuing evaluation of State programs for the provision of the services described in section 2002(a)(1).*

"*(b) The Secretary shall make available to the States assistance with respect to the content of their services program, and their services program planning, reporting, administration, and evaluation.*

"*(c) Within six months after the close of each fiscal year, the Secretary shall submit to the Congress a report on the operation of the program established by this title during that year, including—*

"*(1) the evaluations carried out under subsection (a) and the results obtained therefrom, and*

"*(2) the assistance provided under subsection (b) during that year.*

"DEFINITIONS

SEC. 2007. For purposes of this title—

"*(1) the term 'State supplementary payment' means any cash payment made by a State on a regular basis to an individual who is receiving supplemental security income benefits under title XVI or who would but for his income be eligible to receive such benefits, as assistance based on need in supplementation of such benefits, as determined by the Secretary, and*

"*(2) the term 'State' means the fifty States and the District of Columbia.".*

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 3. (a)(1) Section 402(a)(5) of the Social Security Act is amended by striking out "(A)" and striking out everything after "proper and efficient operation of the plan" and inserting "; and" in lieu thereof.

(2) Section 402(a) of that Act is further amended by striking out paragraphs (13) and (14).

(3) Section 403(a)(3) of that Act is amended to read as follows:

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

"*(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for em-*

ployment by the State agency or by the local agency administering the plan in the political subdivision, and

"(B) one-half of the remainder of such expenditures, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a)(1) of this Act other than services the provision of which is required by section 402(a)(19) to be included in the plan of the State; and"

(4) Section 403 of that Act is further amended by striking out subsection (e).

(5) Section 406 of that Act is amended by striking out subsection (d).

(6) Section 422(a)(1)(A)(i) of that Act is amended by striking out "the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title" and inserting "the individual or agency designated pursuant to section 2003(d)(1)(C) to administer or supervise the administration of the State's services program" in lieu thereof.

(7) Section 422(a)(1)(A)(ii) of that Act is amended by striking out "the organizational unit in such State or local agency established pursuant to section 402(a)(15)" and inserting "a single organizational unit in such State or local agency, as the case may be," in lieu thereof.

(8) Section 402(a)(15) of that Act is amended by inserting "as part of the program of the State for the provision of services under title XX" immediately after "provide".

(b) Title VI of the Social Security Act is repealed.

(c) Section 1115 of the Social Security Act is amended by—

(1) striking out "or XIX" and inserting "XIX, or XX" in lieu thereof,

(2) striking out "or 1902" clause (a) and inserting "1902, 2002, 2003, or 2004" in lieu thereof,

(3) striking out "or 1903" in clause (b) and inserting "1903, or 2002" in lieu thereof, and

(4) inserting "or expenditures with respect to which payment shall be made under section 2002," immediately after "administration of such State plan or plans," in clause (b).

(d) Section 1116 of the Social Security Act is amended by—

(1) striking out "or XIX" in subsections (a)(1) and (b) and inserting "XIX or XX" in lieu thereof,

(2) striking out "or 1904" and inserting "1904, or 2003" in lieu thereof in subsection (a)(3), and

(3) inserting "XX," immediately after "XIX," in subsection (d).

(e)(1) Section 1130 of the Social Security Act is repealed.

(2) Sections 3(a), 403(a), 1003(a), 1403(a), and 1603(a) of that Act (relating to payments to States with approved State plans) are each amended by striking out "(subject to section 1130)".

(f) Any child day care service provided under any plan of a State approved under part A, or developed under part B, of title IV of the Social Security Act must meet the requirements applicable, under subsection (a)(9) of section 2002 of the Social Security Act, as

amended by this Act, to child day care services with respect to which payment is made under that section. The requirements imposed by this subsection are in lieu of any requirements that would otherwise be applicable under section 522(d) of the Economic Opportunity Act of 1964 to child day care services provided under any plan of a State approved under part A, or developed under part B, of title IV of the Social Security Act.

(g) Section 12(a) of Public Law 93-233 is amended by striking out "January 1, 1975" and inserting "October 1, 1975" in lieu thereof. Notwithstanding the provisions of section 12(a) of Public Law 93-233, the Secretary may make any modification in any regulation described in that section if the modification is necessary to implement the provisions of this part.

(h) Section 422 of the Social Security Act is amended by inserting at the end thereof the following new subsection:

"(c) If on December 1, 1974, the agency of a State administering its plan under this part was not the agency designated pursuant to section 402(a)(3), subsection (a)(1)(A) of this section shall not apply with respect to such agency but only so long as such agency is not the agency designated under section 2003(d)(1)(C), and if on December 1, 1974, the local agency administering the plan of a State under this part in a subdivision of the State is not the local agency in such subdivision administering the plan of such State under part A of this title, subsection (a)(1)(A) of this section shall not apply with respect to such local agency but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX."

(i) Section 1108(a) of the Social Security Act is amended by striking out "The total amount" and inserting in lieu thereof "Except as provided in 2002(a)(2)(D), the total amount".

(j) Notwithstanding the provisions of paragraph (2) of section 2002(a) of the Social Security Act, as amended by this Act, the limitation imposed by such paragraph (2) for the fiscal year beginning July 1, 1975, with respect to any State shall be the allotment of the State for that fiscal year as determined under section 1130 of the Social Security Act. In determining, for the purposes of that limitation, the total amount of the payments made to any State with respect to expenditures during fiscal year beginning July 1, 1975, there shall be included the amount of any payments made to the State that are chargeable against the allotment of the State for the fiscal year beginning July 1, 1975, under such section 1130.

REPORT BY THE SECRETARY

SEC. 4. Prior to July 1, 1977, the Secretary shall submit to the Congress a report on the effectiveness of the program established by title XX of the Social Security Act, as amended by this Act, during calendar years 1975 and 1976, together with recommendations, if any, for improvements in that program.

PAYMENTS TO STATES FOR EDUCATIONAL PURPOSES

SEC. 5. (a) Section 3(a)(4)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended

by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(b) Section 403(a)(3)(A)(iii) of the Social Security Act is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(c) Section 1003(a)(3)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(d) Section 1403(a)(3)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions)" following "training".

(e) Section 1603(a)(4)(A)(iv) of the Social Security Act (as applicable to Puerto Rico, the Virgin Islands, and Guam) is amended by inserting "(including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled at such institutions)" following "training".

DEFINITION OF SECRETARY

SEC. 6. As used in this part and the amendments made by this part, the term "Secretary" means, unless the context otherwise requires, the Secretary of Health, Education, and Welfare.

EFFECTIVE DATES

SEC. 7. (a)(1) The amendments made by sections 2 and 5 of this Act shall be effective with respect to payments for quarters commencing after September 30, 1975.

(2) Notwithstanding the provisions of section 2004 of the Social Security Act, as amended by this Act, the first services program year of each State shall begin on October 1, 1975, and end with the close of, at the option of the State—

(A) the day in the twelve-month period beginning October 1, 1975, or

(B) the day in the twelve-month period beginning October 1, 1976,

which is the last day of the twelve-month period established by the State as its services program year under that section. Notwithstanding the provisions of subsection (b) of section 2003 of the Social Security Act, as amended by this Act, the aggregate expenditures required by that subsection with respect to the first services program year of each State shall be the amount which bears the same ratio to the amount that would otherwise be required under that subsection as the number of months in the State's first services program year bears to twelve.

(b) The amendments made by section 3 of this Act shall be effective with respect to payments under sections 403 and 603 of the Social Security Act for quarters commencing after September 30, 1975, except that the amendments made by section 3(a) shall not be effective with respect to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

Part B—Child Support Programs

CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

In General

SEC. 101. (a) Title IV of the Social Security Act is amended by adding after part C the following new part:

"Part D—Child Support and Establishment of Paternity

"APPROPRIATION

"SEC. 451. For the purpose of enforcing the support obligations owed by absent parents to their children, locating absent parents, establishing paternity, and obtaining child support, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part.

"DUTIES OF THE SECRETARY

"SEC. 452. (a) The Secretary shall establish, within the Department of Health, Education, and Welfare a separate organizational unit, under the direction of a designee of the Secretary, who shall report directly to the Secretary and who shall—

"(1) establish such standards for State programs for locating absent parents, establishing paternity, and obtaining child support as he determines to be necessary to assure that such programs will be effective;

"(2) establish minimum organizational and staffing requirements for State units engaged in carrying out such programs under plans approved under this part;

"(3) review and approve State plans for such programs;

"(4) evaluate the implementation of State programs established pursuant to such plan, conduct such audits of State programs established under the plan approved under this part as may be necessary to assure their conformity with the requirements of this part, and, not less often than annually, conduct a complete audit of the programs established under such plan in each State and determine for the purposes of the penalty provision of section 403(h) whether the actual operation of such programs in each State conforms to the requirements of this part;

"(5) assist States in establishing adequate reporting procedures and maintain records of the operations of programs established pursuant to this part in each State;

"(6) maintain records of all amounts collected and disbursed under programs established pursuant to the provisions of this part and of the costs incurred in collecting such amounts;

"(7) *provide technical assistance to the States to help them establish effective systems for collecting child support and establishing paternity;*

"(8) *receive applications from States for permission to utilize the courts of the United States to enforce court orders for support against absent parents and, upon a finding that (A) another State has not undertaken to enforce the court order of the originating State against the absent parent within a reasonable time, and (B) that utilization of the Federal courts is the only reasonable method of enforcing such order, approve such applications;*

"(9) *operate the Parent Locator Service established by section 453; and*

"(10) *not later than June 30 of each year beginning after December 31, 1975, submit to the Congress a report on all activities undertaken pursuant to the provisions of this part.*

"(b) *The Secretary shall, upon the request of any State having in effect a State plan approved under this part, certify the amount of any child support obligation assigned to such State to the Secretary of the Treasury for collection pursuant to the provisions of section 6305 of the Internal Revenue Code of 1954. No amount may be certified for collection under this subsection except the amount of the delinquency under a court order for support and upon a showing by the State that such State has made diligent and reasonable efforts to collect such amounts utilizing its own collection mechanisms, and upon an agreement that the State will reimburse the United States for any costs involved in making the collection. The Secretary after consultation with the Secretary of the Treasury may, by regulation, establish criteria for accepting amounts for collection and for making certification under this subsection including imposing such limitations on the frequency of making such certifications under this subsection.*

"(c)(1) *There is hereby established in the Treasury a revolving fund which shall be available to the Secretary without fiscal year limitation, to enable him to pay to the States for distribution in accordance with the provisions of section 457 such amounts as may be collected and paid (subject to paragraph (2)) into such fund under section 6305 of the Internal Revenue Code of 1954.*

"(2) *There is hereby appropriated to the fund, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts collected under section 6305 of the Internal Revenue Code of 1954, reduced by the amounts credited or refunded as overpayments of the amounts so collected. The amounts appropriated by the preceding section shall be transferred at least quarterly from the general fund of the Treasury to the fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.*

"PARENT LOCATOR SERVICE

"SEC. 453. (a) *The Secretary shall establish and conduct a Parent Locator Service, under the direction of the designee of the Secretary referred to in section 452(a), which shall be used to obtain and trans-*

mit to any authorized person (as defined in subsection (c)) information as to the whereabouts of any absent parent when such information is to be used to locate such parent for the purpose of enforcing support obligations against such parent.

"(b) Upon request, filed in accordance with subsection (d) of any authorized person (as defined in subsection (c)) for the most recent address and place of employment of any absent parent, the Secretary shall, notwithstanding any other provision of law, provide through the Parent Locator Service such information to such person, if such information—

"(1) is contained in any files or records maintained by the Secretary or by the Department of Health, Education, and Welfare; or

"(2) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (c), from any other department, agency, or instrumentality, or the United States or of any State.

No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1).

"(c) As used in subsection (a), the term 'authorized person' means—

"(1) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under such plans to seek to recover any amounts owed as child support (including, when authorized under the State plan, any official of a political subdivision);

"(2) the court which has authority to issue an order against an absent parent for the support and maintenance of a child, or any agent of such court; and

"(3) the resident parent, legal guardian, attorney, or agent of a child (other than a child receiving aid under part A of this title) (as determined by regulations prescribed by the Secretary) without regard to the existence of a court order against an absent parent who has a duty to support and maintain any such child.

"(d) A request for information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

"(e)(1) Whenever the Secretary receives a request submitted under subsection (b) which he is reasonably satisfied meets the criteria established by subsections (a), (b), and (c), he shall promptly undertake to provide the information requested from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States or of any State.

"(2) Notwithstanding any other provision of law, whenever the individual who is the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized to be provided by the Secretary under this section, such individual shall promptly cause a search to be made of the files and records maintained by such department, agency, or instrumentality with a view to determining whether the information re-

quested is contained in any such files or records. If such search discloses the information requested, such individual shall immediately transmit such information to the Secretary, except that if any information is obtained the disclosure of which would contravene national policy or security interests of the United States or the confidentiality of census data, such information shall not be transmitted and such individual shall immediately notify the Secretary. If such search fails to disclose the information requested, such individual shall immediately so notify the Secretary. The costs incurred by any such department, agency, or instrumentality of the United States or of any State in providing such information to the Secretary shall be reimbursed by him. Whenever such services are furnished to an individual specified in subsection (c)(3), a fee shall be charged such individual. The fee so charged shall be used to reimburse the Secretary or his delegate for the expense of providing such services.

"(f) The Secretary, in carrying out his duties and functions under this section, shall enter into arrangements with State agencies administering State plans approved under this part for such State agencies to accept from resident parents, legal guardians, or agents of a child described in subsection (c)(3) and, after determining that the absent parent cannot be located through the procedures under the control of such State agencies, to transmit to the Secretary requests for information with regard to the whereabouts of absent parents and otherwise to cooperate with the Secretary in carrying out the purposes of this section.

"STATE PLAN FOR CHILD SUPPORT

"SEC. 454. A State plan for child support must—

"(1) provide that it shall be in effect in all political subdivisions of the State;

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

"(3) provide for the establishment or designation of a single and separate organizational unit, which meets such staffing and organizational requirements as the Secretary may by regulation prescribe, within the State to administer the plan;

"(4) provide that such State will undertake—

"(A) in the case of a child born out of wedlock with respect to whom an assignment under section 402(a)(26) of this title is effective, to establish the paternity of such child, and

"(B) in the case of any child with respect to whom such assignment is effective, to secure support for such child from his parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States, except that when such arrangements and other means have proven ineffective, the State may utilize the Federal courts to obtain or enforce court orders for support;

"(5) provide that, in any case in which child support payments are collected for a child with respect to whom an assignment under section 402(a)(26) is effective, such payments shall be made to the State for distribution pursuant to section 457 and shall not be paid directly to the family except that this paragraph shall not apply to such payments (except as provided in section 457(c)) for any

month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;

"*(6) provide that (A) the child support collection or paternity determination services established under the plan shall be made available to any individual not otherwise eligible for such services upon application filed by such individual with the State, (B) an application fee for furnishing such services may be imposed, except that the amount of any such application fee shall be reasonable, as determined under regulations of the Secretary, and (C) any costs in excess of the fee so imposed may be collected from such individual by deducting such costs from the amount of any recovery made;*

"*(7) provide for entering into cooperative arrangements with appropriate courts and law enforcement officials (A) to assist the agency administering the plan, including the entering into of financial arrangements with such courts and officials in order to assure optimum results under such program, and (B) with respect to any other matters of common concern to such courts or officials and the agency administering the plan;*

"*(8) provide that the agency administering the plan will establish a service to locate absent parents utilizing—*

"*(A) all sources of information and available records, and*

"*(B) the Parent Locator Service in the Department of Health, Education, and Welfare;*

"*(9) provide that the State will, in accordance with standards prescribed by the Secretary, cooperate with any other State—*

"*(A) in establishing paternity, if necessary,*

"*(B) in locating an absent parent residing in the State (whether or not permanently) against whom any action is being taken under a program established under a plan approved under this part in another State,*

"*(C) in securing compliance by an absent parent residing in such State (whether or not permanently) with an order issued by a court of competent jurisdiction against such parent for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State, and*

"*(D) in carrying out other functions required under a plan approved under this part;*

"*(10) provide that the State will maintain a full record of collections and disbursements made under the plan and have an adequate reporting system;*

"*(11) provide that amounts collected as child support shall be distributed as provided in section 457;*

"*(12) provide that any payment required to be made under section 456 or 457 to a family shall be made to the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children; and*

"*(13) provide that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locat-*

ing absent parents, establishing paternity, obtaining support orders, and collecting support payments.

"PAYMENTS TO STATES

"SEC. 455. *From the sums appropriated therefor, the Secretary shall pay to each State for each quarter, beginning with the quarter commencing July 1, 1975, an amount equal to 75 percent of the total amounts expended by such State during such quarter for the operation of the plan approved under section 454 except that no amount shall be paid to any State on account of furnishing collection services (other than parent locator services) to individuals under section 454(6) during any period beginning after June 30, 1976.*

"SUPPORT OBLIGATIONS

"SEC. 456. (a) *The support rights assigned to the State under section 402(a)(26) shall constitute an obligation owed to such State by the individual responsible for providing such support. Such obligation shall be deemed for collection purposes to be collectible under all applicable State and local processes.*

"(1) *The amount of such obligation shall be—*

"(A) *the amount specified in a court order which covers the assigned support rights, or*

"(B) *if there is no court order, an amount determined by the State in accordance with a formula approved by the Secretary, and*

"(2) *Any amounts collected from an absent parent under the plan shall reduce, dollar for dollar, the amount of his obligation under paragraphs (1) (A) and (B).*

"(b) *A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.*

"DISTRIBUTION OF PROCEEDS

"SEC. 457. (a) *The amounts collected as child support by a State pursuant to a plan approved under this part during the 15 months beginning July 1, 1975, shall be distributed as follows:*

"(1) *40 per centum of the first $50 of such amounts as are collected periodically which represent monthly support payments shall be paid to the family without any decrease in the amount paid as assistance to such family during such month;*

"(2) *such amounts as are collected periodically which are in excess of any amount paid to the family under paragraph (1) which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);*

"(3) *such amounts as are in excess of amounts retained by the State under paragraph (2) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and*

"(4) such amounts as are in excess of amounts required to be distributed under paragraphs (1), (2), and (3) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

"(b) The amounts collected as child support by a State pursuant to a plan approved under this part during any fiscal year beginning after September 30, 1976, shall be distributed as follows:

"(1) such amounts as are collected periodically which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(2) such amounts as are in excess of amounts retained by the State under paragraph (1) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

"(3) such amounts as are in excess of amounts required to be distributed under paragraphs (1) and (2) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

"(c) Whenever a family for which child support payments have been collected and distributed under the plan ceases to receive assistance under part A of this title, the State may—

"(1) continue to collect such support payments from the absent parent for a period of not to exceed three months from the month following the month in which such family ceased to receive assistance under part A of this title, and pay all amounts so collected to the family; and

"(2) at the end of such three-month period, if the State is authorized to do so by the individual on whose behalf the collection will be made, continue to collect such support payments from the absent parent and pay the net amount of any amount so collected to the family after deducting any costs incurred in making the collection from the amount of any recovery made.

"INCENTIVE PAYMENT TO LOCALITIES

"SEC. 458. (a) When a political subdivision of a State makes, for the State of which it is a political subdivision, or one State makes, for another State, the enforcement and collection of the support rights assigned under section 402(a)(26) (either within or outside of such State), there shall be paid to such political subdivision or such other State from amounts which would otherwise represent the Federal share of assistance to the family of the absent parent—

"(1) an amount equal to 25 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for 12 months; and

"(2) an amount equal to 10 per centum of any amount collected (and required to be distributed as provided in section 457 to reduce or repay assistance payments) which is attributable to the support obligation owed for any month after the first twelve months for which such collections are made.

"(b) Where more than one jurisdiction is involved in such enforcement or collection, the amount of the incentive payment determined under paragraphs (1) and (2) of subsection (a) shall be allocated among the jurisdictions in a manner to be prescribed by the Secretary.

"CONSENT BY THE UNITED STATES TO GARNISHMENT AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS

"SEC. 459. Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States (including any agency or instrumentality thereof and any wholly owned Federal corporation) to any individual, including members of the armed services, shall be subject, in like manner and to the same extent as if the United States were a private person, to legal process brought for the enforcement, against such individual, of his legal obligations to provide child support or make alimony payments.

"CIVIL ACTIONS TO ENFORCE CHILD SUPPORT OBLIGATIONS

"SEC. 460. The district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of Health, Education, and Welfare under section 452(a)(8) of this Act. A civil action under this section may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides."

Collection of Child Support Obligations

(b)(1) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"Sec. 6305. Collection of Certain Liability.

"(a) In General.—Upon receiving a certification from the Secretary of Health, Education, and Welfare, under section 452(b) of the Social Security Act with respect to any individual, the Secretary or his delegate shall assess and collect the amount certified by the Secretary of Health, Education, and Welfare, in the same manner, with the same powers, and (except as provided in this section) subject to the same limitations as if such amount were a tax imposed by subtitle C the collection of which would be jeopardized by delay, except that—

"(1) no interest or penalties shall be assessed or collected,

"(2) *for such purposes, paragraphs (4), (6), and (8) of section 6334(a) (relating to property exempt from levy) shall not apply,*

"(3) *there shall be exempt from levy so much of the salary, wages, or other income of an individual as is being withheld therefrom in garnishment pursuant to a judgment entered by a court of competent jurisdiction for the support of his minor children, and*

"(4) *in the case of the first assessment against an individual for delinquency under a court order against such individual for a particular person or persons, the collection shall be stayed for a period of 60 days immediately following notice and demand as described in section 6303.*

"(b) *Review of Assessments and Collections.—No court of the United States, whether established under article I or article III of the Constitution, shall have jurisdiction of any action, whether legal or equitable, brought to restrain or review the assessment and collection of amounts by the Secretary or his delegate under subsection (a), nor shall any such assessment and collection be subject to review by the Secretary or his delegate in any proceeding. This subsection does not preclude any legal, equitable, or administrative action against the State by an individual in any State court or before any State agency to determine his liability for any amount assessed against him and collected, or to recover any such amount collected from him, under this section.".*

(2) *The table of sections for such subchapter is amended to adding at the end thereof the following new item:*

'SEC. 6305. Collection of certain liability.".

Amendments to Part A of Title IV

(c)(1) *Notwithstanding the provisions of section 402(a) of the Social Security Act, in addition to the amounts required to be disregarded under clause (8)(A) of such section, there is imposed the requirement (and the State plan shall be deemed to include the requirement) that for the 15 months beginning July 1, 1975, in making the determination under clause (7), the State agency shall with respect to any month in such year and in addition to the amounts required to be disregarded under clause (8)(A), disregard amounts payable under section 457(a)(1).*

(2) *Section 402(a)(9) is amended to read as follows:*

"(9) *provide safeguards which permit the use or disclosure of information concerning applicants or recipients only to (A) public officials who require such information in connection with their official duties, or (B) other persons for purposes directly connected with the administration of aid to families with dependent children;".*

(3) *Section 402(a)(19) is amended by inserting immediately before "be furnished" the following: ", subject to paragraphs (25) and (26),".*

(4) *Section 402(a)(11) is amended to read as follows:*

(11) *provide for prompt notice (including the transmittal of all relevant information) to the State child support collection*

agency (established pursuant to part D of this title) of the furnishing of aid to families with dependent children with respect to a child who has been deserted or abandoned by a parent (including a child born out of wedlock without regard to whether the paternity of such child has been established);".

(5) Section 402(a) is further amended—

(A) by striking out "and" at the end of paragraph (23);

(B) by inserting immediately before the first word in paragraph (24) the following: "provide that"; and

(C) by striking out the period at the end of paragraph (24) and inserting in lieu thereof a semicolon and the following:

"(25) provide (A) that, as a condition of eligibility under the plan, each applicant for or recipient of aid shall furnish to the State agency his social security account number (or numbers, if he has more than one such number), and (B) that such State agency shall utilize such account numbers, in addition to any other means of identification it may determine to employ in the administration of such plan;

"(26) provide that, as a condition of eligibility for aid, each applicant or recipient will be required—

"(A) to assign the State any rights to support from any other person such applicant may have (i) in his own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid, and (ii) which have accrued at the time such assignment is executed,

"(B) to cooperate with the State (i) in establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, and (ii) in obtaining support payments for such applicant and for a child with respect to whom such aid is claimed, or in obtaining any other payments or property due such applicant or such child and that, if the relative with whom a child is living is found to be ineligible because of failure to comply with the requirements of subparagraphs (A) and (B) of this paragraph, any aid for which such child is eligible will be provided in the form of protective payments as described in section 406(b)(2) (without regard to subparagraphs (A) through (E) of such section); and

"(27) provide, that the States have in effect a plan approved under part D and operate a child support program in conformity with such plan.".

(6)(A) Section 403 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of this Act, the amount payable to any State under this part for quarters in a fiscal year shall with respect to quarters beginning after December 31, 1976, be reduced by 5 per centum of such amount if such State is found by the Secretary as the result of the annual audit to have failed to have an effective program meeting the requirements of section 402(a)(27) in any fiscal year beginning after September 30, 1976 (but, in the case of the fiscal year beginning October 1, 1976, only considering the second, third, and fourth quarters thereof).".

(B) Section 404 of such Act is amended by adding at the end thereof the following new subsections:

"(c) No State shall be found, prior to January 1, 1977, to have failed substantially to comply with the requirements of section 402(a)(27) if, in the judgment of the Secretary, such State is making a good faith effort to implement the program required by such section.

"(d) After December 31, 1976, in the case of any State which is found to have failed substantially to comply with the requirements of section 402(a)(27), the reduction in any amount payable to such State required to be imposed under section 403(h) shall be imposed in lieu of any reduction, with respect to such failure, which would otherwise be required to be imposed under this section."

(7) Section 406 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of subsection (b), the term 'aid to families with dependent children' does not mean payments with respect to a parent (or other individual whose needs such State determines should be considered in determining the need of the child or relative claiming aid under the plan of such State approved under this part) of a child who fails to cooperate with any agency or official of the State in obtaining such support payments for such child. Nothing in this subsection shall be construed to make an otherwise eligible child ineligible for protective payments because of the failure of such parent (or such other individual) to so cooperate.".

(8) Section 402(a) (17), (18), (21), and (22), and section 410 of such Act are repealed.

Conforming Amendments to Title XI

(d) Section 1106 of such Act is amended—

(1) by striking out the period at the end of the first sentence of subsection (a) and inserting in lieu thereof the following: "and except as provided in part D of title IV of this Act.";

(2) by adding at the end of subsection (b) the following new sentence: "Notwithstanding the preceding provisions of this subsection, requests for information made pursuant to the provisions of part D of title IV of this Act for the purpose of using Federal records for locating parents shall be complied with and the cost incurred in providing such information shall be paid for as provided in such part D of title IV."; and

(3) by striking out subsection (c).

Authorization of Appropriations

(e) There are authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary to plan and prepare for the implementation of the program established by this section.

Effective Date

(f) The amendments made by this section shall become effective on July 1, 1975, except that section 459 of the Social Security Act, as

added by subsection (a) of this section shall become effective on January 1, 1985, and subsection (c) of this section shall become effective upon the date of enactment of this Act.

And the Senate agree to the same

AL ULLMAN,
JAMES A. BURKE,
MARTHA GRIFFITHS,
DAN ROSTENKOWSKI,
H. T. SCHNEEBELI,
BARBER B. CONABLE,
JERRY L. PETTIS,

Managers on the Part of the House.

RUSSELL B. LONG,
VANCE HARTKE,
ABE RIBICOFF,
W. F. MONDALE,
PAUL FANNIN,
CLIFFORD P. HANSEN,
ROBERT DOLE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17045) to amend the Social Security Act to establish a consolidated program of Federal financial assistance to encourage provision of services by the States submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The social services provisions generally follow the House bill, which provides the conditions for State entitlement to social services funds under a new title XX of the Social Security Act with the following exceptions:

The Senate provisions requiring that three types of services be available to recipients of supplemental security income and that family planning services be offered to each appropriate person receiving aid to families with dependent children were accepted.

The House provision for fees for services for families and individuals with incomes between 80 and 115 percent of the State's median family income was retained with a provision that the Secretary of Health, Education, and Welfare is to issue regulations relating to fees for those with incomes below this level and for welfare recipients.

The conferees agreed to the Senate provisions regarding standards for child care with respect to the ratio of adults to children of various ages and making the educational component of child care recommended rather than mandatory. In the case of children under three, the ratio is left to regulations of the Secretary of Health, Education, and Welfare.

The Senate bill included provision for Puerto Rico, the Virgin Islands, and Guam to share in the $2.5 billion ceiling for Federal expenditures for social services on the basis of their populations in relation to that of the States. Money would be available for them only if it remained unused in the amount available for payment to the States. There was no comparable provision in the House bill. The conference agreement provides that Puerto Rico may receive up to $15 million for social services (if it is available after the States have received their allotments) and Guam and the Virgin Islands may each receive up to $300,000 under the same circumstances.

The conferees agreed to that part of the Senate amendment which would retain provisions of existing law [illegible] the role agen-

cies which have been authorized to administer services to the blind and child welfare services. The House bill contained no explicit provision on this subject.

The conference agreement eliminates many of the requirements in the Senate bill regarding program reporting, evaluation and audits, permitting the Secretary to require reports concerning the cost of services for which shall be the basis of his annual report to the Congress. The House provision for a hearing to the State in the case of failure to comply under the requirements is retained, and the Secretary is given the alternative of terminating payments to the state or imposing a reduction of three percent for each area of activity in which there is substantial noncompliance.

The provisions of the House bill regarding maintenance of effort were retained but clarified so that they applied only to appropriated funds and not to donated funds.

The effective date was advanced from July 1, 1975, to October 1, 1975, with the existing moratorium on regulations remaining in effect until that time.

A Senate provision regarding the funding of social work training made existing law explicit by specifying that States might make such grants to persons in educational institutions and to the institutions.

The Senate amendment providing a tax credit for low-income workers and families was dropped by the conferees.

The conference agreement generally accepts the Senate provisions on child support with the following modifications. It does not require appointment of an Assistant Secretary for child support but does require the Secretary of Health, Education, and Welfare to designate a person in charge of an organizational unit responsible for child support activities. It provides that the Internal Revenue Service shall be used for collection of child support obligations only based on noncompliance with a court order and only after a one-time 60-day notice to a parent of the intent to enforce payments under this procedure. The procedures for child support apply equally to absent fathers and absent mothers. A provision in the Senate amendment for the establishment of regional laboratories to perform the blood-typing work necessary for the purposes of establishing paternity was deleted.

AL ULLMAN,
JAMES A. BURKE,
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APPENDIX B

Estimates of Social Service Expenditures in New York City from 1969 to 1973

This appendix presents information on New York City's social service expenditures and our estimates concerning these expenditures for 1969 through 1973. There are several reasons for examining these budget figures. First, they are one of the few sources of data on social service expenditures available for the years of interest to our study, since the administration of services was not fully separated from that of income maintenance programs until after 1975. Second, the expense budgets contain details on the types of expenditures made by each agency within HRA, thus permitting us to examine priorities as reflected in the allocation of personnel and other resources among different agencies and activities. Finally, we are also interested in the impact of social service and welfare expenditures on the city's fiscal situation.

A. Estimates of Social Service Expenditures

As we indicated in Chapter 3, information on the costs of New York City's social service programs that could be related to numbers of people served was difficult to obtain. We presented in Table 3.2 the information

available from HRA's 1972 Annual Report, and in Table 3.3 and 3.4 information from HRA's claims for federal reimbursements and from New York State data. These sources provided data only for 1970 to 1973. In this appendix we will describe the amounts and types of social service expenditures made by New York City as shown in the city's annual expense budgets from Fiscal Year 1967-1968 to FY 1973-4.

For HRA itself and for each agency within it, i.e., the Department of Social Services (DSS), the annual expense budget shows the level of funds authorized for the coming fiscal year by two categories: "personal service" and "other than personal service" (OTPS). We will use the authorized figures rather than the "modified" figures showing what was actually allocated the previous year because 1) the differences between the two sets of figures were minor in general, and 2) because the authorizations represent the official targets of the city administration.

The expense budget also authorizes the maximum number of full-time equivalent positions for each agency and subagency. The funds allocated for personal service are based on the number of positions authorized. The OTPS category is broken out by "code" title, indicating the kinds of things for which these funds were spent:

supplies, rent, public assistance funds, foster care for children, etc.

Utilizing the information in these budgets and knowledge of the activities of each of the DSS agencies, estimates were made for each agency of what portion of its funds could be considered transfers of resources to welfare recipients, in both cash and services, and what part represented administrative costs. For agencies whose primary functions are service-oriented, i.e., child welfare, it was estimated that most, 80-90%, of the funds for salaries (personal service) represented a transfer to clients.[1] The salaries were used as a proxy for the costs of services for which clients would otherwise have had to purchase from the private sector. Public assistance funds, listed in the breakout of OTPS funds, were counted as transfers. A portion of the remaining OTPS funds were counted as transfers in the form of services (other than caseworkers' time which was counted under personal service). Tables B-1 and B-2 summarize our findings.

As shown in Table B-2, for DSS, estimated administrative costs as a percentage of total costs ranged from 16% to 20%, declining in recent years (Column 3). This decline was probably partly due to the decline in the total number of personnel in DSS, from a

Table B-1

Estimates of Welfare Expenditures by New York City's Department of FY 1967-8 to 1973-4

	Department of Estimated Transfers			
Fiscal Year	Income Maintenance (1)	Medicaid (2)	Services (3)	Total (4)
1973-4 - $	1,160.2	600.0	194.2	1,954.3
% of total	59.4	30.7	9.9	
% increase from previous year	-1.3	19.3	1.4	5.0
1972-73 - $	1,175.9	503.0	191.5	1,870.4
% of total	62.9	26.9	10.2	
% increase	1.4	22.7	24.3	8.5
1971-72 - $	1,159.2	410.0	154.0	1,723.3
% of total	67.3	23.8	8.5	
% increase	5.9	36.7	56.6	15.4
1970-71 - $	1,094.7	300.0	98.3	1,493.0
% of total	73.3	20.1	6.6	
% increase	22.7	-6.3	33.5	16.1
1969-70 - $	892.1	320.0	73.7	1,285.8
% of total	69.4	24.9	5.7	
% increase			120.6	15.9
1968-69 - $	1,075.6		33.4	1,109.0
% of total	97.0		3.0	
% increase			-48.5	46.9
1967-68 - $	560.4	130.0	64.8	755.2
% of total	74.2	17.2	8.6	
% increase				

ble B-1

ment of Social Services and Human Resources Administration,
1973-4 ($ million)

ent of Social Services						HRA[a]	DSS+HRA
	Estimated Administrative Expenditures				Total (9)	Total (10)	Total (11)
	Income Maintenance Personnel (5)	Services Personnel (6)	All[b] Other (7)	Total (8)			
3	142.6	56.4	175.1	374.1	2,328.4	103.6	2,432.0
	38.1	15.1	46.8				
0	-5.6	-11.7	25.5	5.5	4.7	-11.1	3.9
4	151.0	63.9	139.5	354.4	2,224.8	116.5	2,341.3
	42.6	18.0	39.4				
5	24.3	3.8	31.6	22.6	10.6	-4.1	9.8
3	121.5	61.5	106.0	289.1	2,012.3	121.1	2,133.4
	42.0	21.3	36.7				
4	6.1	1.7	8.7	6.0	14.0	-2.5	13.3
0	114.5	60.5	97.6	272.6	1,765.7	118.1	1,883.8
	42.0	22.2	35.8				
1	22.3	-31.9	16.2	-1.6	13.0	14.1	13.1
8	147.3	45.9	84.0	277.2	1,562.9	103.5	1,666.4
	53.1	16.6	30.3				
9	-6.9	14.8	7.3	2.9	12.8	-16.9	10.4
0	158.1	39.9	78.3	276.4	1,385.4	124.5[c]	1,509.9
	57.2	14.5	28.3				
9	37.5	51.3	43.3	40.1	45.7	12.8	42.3
2	115.0	26.4	54.6	196.0	951.2	110.4	1,061.0
	58.7	13.5	27.9				

Table B-1 Notes

(a) The HRA expenditures reported here include estimates of that portion of HRA's expenses related to supervising the DSS and monitoring all income maintenance and other aspects of the service programs. Costs related to monitoring other smaller agencies within HRA whose activities were not directly part of the welfare program were not included.

(b) "All other" includes personnel costs of administering the Medicaid program and all "Other than personal service" expenditures besides estimated "transfers."

(c) HRA figures for FY 1968-69 are modified budget figures.

Source: Estimates are based on the authorized budget figures published in the Expense Budgets of the City of New York for each fiscal year.

Table B-2

Estimated Administrative Costs of HRA's Welfare Programs FY 1967-68 to FY 1973-74 ($ million)

Fiscal Year	Dept. of Social Services			HRA + DSS Expenditures		
	Total Expenditures (1)	Administrative Expenditures (2)	Percentages (3)	Total Expenditures (4)	Administrative Expenditures (5)	Percentages (6)
1973-4	2,328.4	374.1	16.1	2,432.0	477.7	19.6
1972-3	2,224.8	354.4	15.9	2,341.3	470.9	20.1
1971-2	2,012.3	289.1	14.4	2,133.4	410.2	19.2
1970-1	1,765.7	272.6	15.4	1,883.8	390.7	20.7
1969-70	1,562.9	277.2	17.7	1,666.4	380.7	22.9
1968-9	1,385.4	276.4	20.0	1,509.9	400.9	26.6
1967-8	951.2	196.0	20.6	1,061.0	306.4	28.9

Source: Estimates are based on the authorized budget figures published in the Expense Budgets of the City of New York for each fiscal year.

high of 35,779 in 1968-9, to 29,454 in 1973-4. See Table B-3. Further, since HRA personnel do not provide services directly themselves, all welfare-related HRA costs were counted as administrative expenditures (Table B-1, Column 10). Total HRA and DSS administrative expenditures as a percentage of total HRA and DSS expenditures ranged from 29% in 1967-8 to 19.6% in 1973-4, according to our estimates (Table B-2, Column 6).

Estimated transfers are shown according to whether they were cash (income maintenance), medical assistance, or services (Columns 1, 2, 3). After rapid expansion in the mid-1960s, cash assistance payments began to level off in 1971-2, and in 1973-4 even suffered a slight decline. This decrease may have been due to a temporary leveling off of the total caseload, and to the shifting of the assistance programs for the disabled, aged, and blind to the federally-funded Supplemental Security Income program as of January 1974.

Medical assistance payments under the Medicaid program have increased at a rapid rate, about 20% annually. About half of the recipients of medical assistance are low-income families <u>not</u> on welfare, but whose medical assistance payments are administered by DSS.

Estimated costs of service transfers have increased

Table B-3

Changes in Personnel, HRA and DSS
1967-1973

Fiscal Years	DSS	HRA
1973-74	29,454	1815
1972-73	30,421	1888
1971-72	34,720	1836
1970-71	33,884	1442
1969-70	35,149	1467
1968-69	35,779	1785
1967-68	28,465	684

Source: Expense Budgets of the City of New York, authorizations for each fiscal year, except 1968-69, when figures are for DSS modified budget.

greatly over the seven-year period, but the rapidity of increase slowed recently, to about 1.4% between 1972-3 and 1973-4 (Column 3). This leveling off was probably related to the ceiling placed on federal reimbursements for services in October 1972 which became effective in July 1973. Although these budget figures include some funds spent for child welfare services reimbursed under Title IV-B as well as those reimbursed under Titles IV-A and XVI, these costs were minor, and it is most likely that the substantial increases were primarily due to the growth in service expenditures under Titles IV-A and XVI.

Among the estimated transfers shown in Table B-1, income maintenance transfers declined relative to medical assistance payments and to services over these years. Medical assistance payments steadily increased, while services increased as a proportion of total expenditures, ranging from 5.7% to 9.9% in 1973-4. This relationship was in part due to the fact that the separation of income maintenance from service personnel was not yet reflected in the expense budgets during these years; otherwise, we would have expected a much greater increase in service expenditures relative to income maintenance costs.

In terms of estimated administrative costs, the

portion attributable to income maintenance declined from about 58% to 38% (Column 5), the portion for services rose and then declined to about its original level, 15% (Column 6), and the portion due to debt service, employee fringe benefits and other OTPS steadily increased, from 28% to 47% (Column 7). Within this last category, employee fringe benefits increased most, other OTPS next, and the much smaller debt service increased only slowly, as shown in Table B-4.

The distribution of estimated "other administrative" costs between income maintenance and service programs wasdetermined by applying to these costs the percentage that income maintenance personnel constituted of all DSS personnel. In 1973-4, for example, income maintenance personnel made up 62.7% of DSS personnel. This percentage was applied to the estimated "other administrative" costs for that year, resulting in $109.8 million of the $175.1 million total (Column 7) allocated to income maintenance administrative costs, and $65.3 million to administrative costs for services.[2] Administrative costs for income maintenance and medical assistance were combined, since the income maintenance staff authorizes all Medicare and Medicaid payments.

In Tables B-5 and B-6 we show the percentage of total costs for income maintenance and services represent-

Table B-4

Estimated Administrative Expenditures for DSS

($ million)

FY	Personnel[a]	Debt Service	Fringe Benefits	Other OTPS[b]
1973-74	$ 56.4	$ 1.8	$ 102.8	$ 70.5
1972-73	63.9	1.3	85.1	53.1
1971-72	61.5	1.2	64.2	40.6
1970-71	60.5	1.1	52.6	44.9
1969-70	45.9	1.2	42.8	40.0
1968-69	40.0	1.2	36.8	40.2
1967-68	26.4	1.3	31.9	21.4

a) Salaries for the following groups of employees were classified as administrative costs:
all salaries of income maintenance,
Agency for Child Development,
Food Stamp service,
Executive Services and Debt Management personnel,
50% of Auxiliary Services personnel salaries,
10% of adult services personnel,
20% of child welfare personnel.

b) Other OTPS includes overhead such as rent, supplies, etc.

Source: Estimates based on information in New York City Expense Budgets, FY 1967-8 through FY 1973-4.

Table B-5

DSS Estimated Expenditures for Social Services

($ million)

Fiscal Year	Total Services	Estimated Transfers	Estimated Administrative	% Admin. of Total
1973-74	$ 315.9	$ 194.2	$ 121.7	38.5%
1972-73	312.2	191.5	120.7	38.7
1971-72	256.9	154.0	102.9	40.1
1970-71	198.5	98.3	100.2	50.5
1969-70	145.6	73.7	71.9	49.4
1968-69	97.0	33.4	63.6	65.6
1967-68	106.3	64.8	41.5	39.0

Source: Estimated from New York City Expense Budgets FY 1967-8 to FY 1973-4.

Table B-6

DSS Estimated Expenditures for Income Maintenance and Medical Assistance

($ million)

Fiscal Year	Total Services	Estimated Transfers	Estimated Administrative	% Admin. of Total
1973-74	$2012.6	$1760.2	$ 252.4	12.5%
1972-73	2063.6	1678.9	233.7	11.3
1971-72	1876.2	1569.2	186.1	9.9
1970-71	1681.6	1394.7	172.4	10.3
1969-70	1564.7	924.1	205.3	13.1
1968-69	1288.3	1075.6	212.7	16.5
1967-68	959.8	690.4	154.4	16.1

Source: Estimated from New York City Expense Budgets FY 1967-8 to FY 1973-4.

ed by estimated administrative costs. Administrative costs were estimated by adding personnel costs to our estimates of "other administrative" costs. Transfers were estimated as explained above, although we combined income maintenance and medical transfers in Table B-6. Service programs have much higher administrative costs (38-65%) than do the income maintenance and medical assistance programs (10-16%) by three to four times.

For both, these seems to have been a trend toward a decreasing percentage of expenditures being spent for administrative costs in recent years, although it is difficult to know whether this may have been due primarily to the decrease in numbers of personnel in DSS, as shown in Table B-3. On the other hand, an increase in efficiency may not be the appropriate inference from these figures, since the quality of administrative services has deteriorated during these years according to both clients and workers. And, of course, our estimates of the percentage of service expenditures spent for administrative costs is probably quite low, given our generous assumptions about the amount of caseworkers' salaries that might represent a transfer of resources to clients. DSS's administrative costs relative to its transfers may be high. Comparisons that suggest themselves include foreign aid

programs, the Federal Housing Administration programs, and other states' and cities' welfare programs, but these comparisons were outside the scope of our study.

In sum, our estimates show that approximately $ 316 million was spent in 1973-4 by New York City on services for welfare recipients and others who participated in the Food Stamp program. Of this, we estimated that about $194 million might represent resource transfers to recipients, and about $122 million, administrative costs. The $194 million represents about 10% of total estimated transfers, of which 59% were estimated to be income maintenance grants and 31% medical assistance. The percentage of estimated transfers classified as services seems to have increased, from about 6% in 1969-70, to 10% in 1973-4. The actual amount for services increased from an estimated $106 million in 1967-8 to $316 million in 1973-4. It must be emphasized that these estimates are entirely our own, and that HRA officials may not agree with them. We take full responsibility for the procedures used to make the estimates.

B. Sources of Welfare Funds: City, State, Federal

The New York City budgets provide a breakdown of the total DSS budget by source of funds. Table B-7 shows

Table B-7

Sources of DSS Funds

FY 1967-8 to 1973-4

($ million)

FY	Total	City	%	State	%	Federal	%
1973-74	$2,328	$759	32.6	$650	27.9	$ 919	39.5
1972-73	2,225	576	25.9	575	25.9	1073	48.2
1971-72	2,012	602	30.0	559	27.8	851	42.3
1970-71	1,766	543	30.8	489	27.7	733	41.5
1969-70	1,563	483	30.9	440	28.2	640	40.9
1968-69	1,385	437	31.6	431	31.1	517	37.3
1967-68	951	301	31.6	288	30.3	363	38.1

Source: New York City Expense Budgets, FY 1967-8 through FY 1973-4.

the composition of the DSS budget and how it changed over the years of our study. The city contribution was relatively stable, around 30%, hitting a low of 26% in 1972-3 and a high of 32.6% in 1973-4. The state share remained stable at about 28%. The federal share reached a high of 48% in 1972-3 and declined to about 39% in 1973-4. The federal high point in 1972-3 was probably due to the great increase in social service funds received by New York City that year, and the decline was probably due in large part to the limit on these funds that went into effect in July 1973. The transfer of the cash assistance programs for the disabled, aged, and blind to the Supplemental Security Income program in January 1974 probably also contributed to the decline in federal funds. The city seems to have made up the shortfall in federal funds, both by cutting back expenditures and by increasing its share relative to that of New York State.

Table B-8 shows the percentage changes in each government's share of the welfare budget, broken down by "personal service" and OTPS. Total federal funds actually decreased by 14% in 1973-4, while the city's share increased by 32% and the state's share by 13%. Within the federal share, the greatest decline took place in personnel costs, down by 28%, compared to 12% decline

Table B-8

Changes in Each Government's Share of
New York City's Welfare Budget
FY 1967-8 to 1973-4 ($ million)

FY	Total	City Total	PS	OTPS	State Total	PS	OTPS	Federal Total	PS	OTPS
1973-74	4.7%	31.8%	7.5%	33.5%	13.1%	1.0%	14.5%	-14.4%	-28.1%	-12.3%
1972-73	10.6	4.3	-10.2	13.5	2.8	-11.5	4.9	26.1	46.7	23.5
1971-72	14.0	10.8	1.1	12.2	14.3	4.7	15.9	16.1	6.2	17.5
1970-71	13.0	12.4	.7	14.2	11.2	4.5	12.4	14.6	-8.4	18.9
1969-70	12.8	10.5	-4.9	13.4	2.1	-4.5	3.3	23.7	5.2	27.9
1968-69	45.7	45.5	34.5	47.7	49.8	34.9	53.0	42.5	43.1	42.4
1967-68										

Source: New York City's Expense Budgets, FY 1967-8 through FY 1973-4.

for OTPS. This shift was probably due to the decline in federal reimbursements for social services resulting from imposition of the ceiling on federal funds effective in July 1973, as services involved much higher personnel costs than income maintenance programs. However, the city's and state's increases in personnel costs did not make up for all of the federal decline, since the number of personnel was also cut (See Table B-3). The impact of the city's share of the welfare budget on its fiscal situation is thus considerable, as it provided over $750 million toward welfare costs in 1973-4.

APPENDIX B FOOTNOTES

[1]One HRA administrator suggested that, in fact, only 40-50% of these salaries should be counted as possible transfers of resources, since the paperwork demands on social workers are so great and since their productivity is known to be low.

[2]Income maintenance personnel represented 62.7% of the total DSS personnel in FY 1973-4; 59.3% in 1972-3; 60.9% in 1971-2; 59.3% in 1970-1; 69.1% in 1969-70; 69.7% in 1968-9; and 72.3% in 1967-8.

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