

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Reagan, Ronald: Gubernatorial Papers,
1966-74: Press Unit

Folder Title: [Welfare] – Governor’s Task Force on
Public Assistance (Control #1), December 1970
(1 of 2)

Box: P39

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

CONFIDENTIAL

GOVERNOR'S TASK FORCE ON PUBLIC ASSISTANCE

December 1970

Gov. Ronald Reagan-Control #1

This document is a confidential communication and is privileged under Sections 1040 and 917 of the Evidence Code and Section 6254 of the Government Code. Any unauthorized distribution of this document or its contents will constitute a violation of Section 19572 of the Government Code and appropriate action will be taken by the authors hereof.

Inasmuch as preliminary information of this nature recently has been furnished without authorization to litigants against the State of California, it is felt necessary to stress the applicability of the above statutes.

CONFIDENTIAL

Governor's Task Force
on Public Assistance

WORKING PAPER

Task Force Members

Chairman - Ned Hutchinson
John Mayfield
Jerry Fielder
Robert Carleson

Editor - Tom McMurray
Assisted by Ronald Zumbrun
and John Svahn

December 1970

SUMMARY OF CONTENTS

I	Table of Contents	I
II	The Charge -- The Number One Priority	II
III	Organization and Operation of Task Force	III
IV	Study Group One/Findings and Recommendations	IV
V	Study Group Two/Findings and Recommendations	V
VI	Study Group Three/Findings and Recommendations	VI
VII	Review of the Interdepartmental Welfare Task Force Recommendations	VII
	Appendix A: References	A
	Appendix B: Review of the State System of Audit and Control of County Determinations of Eligibility for Welfare and Medi-Cal	B

I. Table of Contents

I.	Table of Contents	I-1	
II.	The Charge - The Number One Priority	II-1	
	A. Governor Reagan Memorandum to Cabinet and Staff	II-2	
III.	Organization and Operation of Task Force	III-1	I
	A. Organization	III-2	
	B. Operation	III-3	II
IV.	Study Group One/Findings and Recommendations	IV-1	
	A. Introduction and Summary	IV-2	III
	B. Response Summary of County Welfare Interviews	IV-3	
	1. Interviews	IV-3	IV
	2. Education		
	3. Working level		
	4. Prior employment		
	5. Reason for entering profession		
	6. Work functions		
	7. Employ likes	IV-4	
	8. Employ dislikes		
	9. Work preference five years from now		
	10. Welfare program purpose		
	11. Contribution to purpose		
	12. Opinion of purpose		
	13. Differing grant level problems	IV-5	
	14. Cause of grant level inequities		
	15. Opinion of solution to inequities		
	16. Creation of inequities problems		
	17. Functional help to recipient		
	18. Functional help to taxpayer	IV-6	
	19. Hinderances to functional performance		
	20. Cause of hinderances to performance		
	21. Essential profession skill requirements		
	22. Profession skill development		

23. Management and administrative development	IV-7
24. Recommended principal change	
25. Recommended principal policy institution	
26. Work frustration	
27. Cause of work frustration	
28. Leisure time	IV-8
29. Most important work function	
30. Least important work function	
31. Work productivity measurement	
32. Planning of time utilization	
33. Inside organization affects on performance	IV-9
34. Cause of inside organization affect	
35. Outside organization affects on performance	
36. Cause of outside organization affect	
37. Principal problem not presently addressed	
38. Principal recommendation to Governor	
39. Other questions that should be asked	IV-10
40. Is interview effort on right track	
V. Study Group Two/Findings and Recommendations	V-1
A. Summary and Justification of Major Features	V-2
B. General Recommendations	V-4
#1 Replace MPB with equitable apportionment	V-4
#2 Eliminate open-end budget	
#3 Flat grants	
#4 Annual reports to the legislature	
#5 Eligibility based on minimum needs	V-5
#6 Reduce welfare eligibility to working poor level	
#7 Earned income and Section 11008	
#8 Judicially test maximum earned income in 11008	
#9 Standard deduction for work-related expenses	
#10 Average income	V-6
#11 Flat grants to counties for special needs	
#12 New approach to standard of need	
#13 Separate program for employable recipient	

#14	Reduce work-incentive deductions amount	V-7
#15	Enact legislative direction	
#16	Revise the "fair hearing" procedures	
#17	Property assets utilization for special needs	
#18	Increase OAS responsible relative scale	
#19	Legal staffing	
#20	Absent parent support obligation	V-8
#21	Gathering statistical data	
#22	Audit system	
#23	Strikers	
#24	Employment of recipients in child care centers	
#25	OAS recipient employment	
#26	Eliminate non-federally funded AFDC-U programs	
#27	State administration of welfare	
#28	Property liens	V-9
C.	Regulation Change Recommendations	V-10
#1	Fraud referral. Reg. 20-007.2	V-10
#2	Protective services for children. Reg. 30-103	
#3	Aid to seasonal workers. Reg. 30-157.6	V-11
#4	AFDC-U registration with HRD. Reg. 30-155	V-12
#5	Agency responsibility in AFDC application process. Reg. 40-115.223	V-13
#6	Immediate need. Reg. 40-129.4 & .5	V-14
#7	Eligibility of child up to 21 years of age for AFDC. Reg. 41-103.2	V-16
#8	AFDC eligibility after recipient ceases to be student. Reg. 41-103.4 & .5	
#9	Aid payment made to recipients living in other states. Reg. 41-207	V-18
#10	Property. Reg. 41-301	V-19
#11	Value of personal property to be excluded in determinating eligibility. Reg. 41-313.21	V-20
#12	Life estate in real property. Reg. 41-313.212	
#13	Aid paid during period of ineligibility due to transfer of property to qualify for aid. Reg. 41-321.4	V-21
#14	AFDC-U. Reg. 43-340	V-22

#15	College students on aid. Reg. 42-340.12	V-23
#16	Proof of deprivation of parent for AFDC. Reg. 42-350	V-25
#17	Responsible relative - OAS income. Reg. 42-509	V-26
#18	Income exempted as casual or inconsequential. Reg. 44-101.4	V-27
#19	Special need in eligibility determination. Reg. 44-201	V-28
#20	Fair Hearing Decisions	V-29
D.	Recommendations on Absent Parent Child Support	V-31
#1	Parental responsibility	V-32
#2	Prompt referral to district attorney	V-33
#3	Welfare worker responsibility	
#4	Parental relationship	
#5	Criminal sanction enforcement	V-34
#6	Coordinated efforts	V-35
#7	Computerized registration and central registry	
#8	Absent parent estate inheritance	V-36
#9	Enforcement Officers Manual and Guide to the Absent Parent Problem	V-37
#10	Conciliation Courts	
#11	Other recommendations	
	a. Out of state assets	V-37
	b. Civil file transfers	V-38
	c. Extradition procedure	
	d. District Attorney office funding	
	e. Attachment of federal employee income	
	f. Reduce application to referral time	
	g. Judiciary education	
	h. Interstate collection methods	
	i. Active role at state levels	
	j. Employment help to unemployed fathers	
	k. Federal insistence of enforcement	
#12	Conclusion	V-39

VI.	Study Group Three/Findings and Recommendations	VI-1
A.	Introduction	VI-2
B.	Recommendations	
	#1 Work related expense deductions from earned income (AFDC)	VI-2
	#2 Ceiling on "disregard income", the 30 and 1/3 exemption on earned income in AFDC	
	#3 Redefine unemployment to 30 hours or less	VI--3
	#4 Reduce personal needs allowances for recipients receiving out-of-home care to \$5	
	#5 Attendant Service Special Need or Adult Homemaker Services elimination	VI-4
VII.	Review of the Interdepartmental Welfare Task Force Recommendations	VII-1
A.	Interdepartmental Welfare Task Force Recommendations Summary	VII-2
B.	Task Force Review	VII-3
	#1 "Cash accounting" budget method	VII-3
	#2 Foster care services	
	#3 Redefinition of unemployment	VII-4
	#4 Income allocation to spouse	
	#5 Unwed minor mothers - parents to support	
	#6 "High income" families	VII-5
	#7 Wage attachments	VII-6
	#8 Enforcement of out-of-state relatives responsibility	
	#9 WIN counseling	
	#10 Supervisory ratios	VII-7
	#11 Standard deduction for work-related expenses	
	#12 Income from room and/or board	VII-8
	#13 Blood relatives as family heads in same home	
	#14 Value of automobiles	VII-9
	#15 Families living together without marriage	

#16	Number of dependents claimed	VII-10
#17	Past crop losses as income deductions	
#18	"In kind" contribution	
#19	Definition of residency	VII-11
#20	Illegal Aliens	
#21	Eligibility for foster care	VII-12
#22	Annual income	
#23	Eligibility during leave of absence from job	VII-13
#24	Single category for adult aids	VII-14
#25	Property liens	
#26	Potentially self-supporting blind	VII-15
#27	Real property limitations	
#28	Unnecessary Medical C Payments	VII-16
#29	Nonsupport complaints	
#30	State-County sharing ratios	VII-17
#31	Non-recurring lump sums	VII-18
#32	Income-producing property	
#33	Woman assuming role of spouse	
#34	Stepfather's responsibility	VII-19
#35	"Casual" income	

Appendix A	A-1
------------	-----

References	A-2
------------	-----

Appendix B	B-1
------------	-----

Review of State System of Audit and Control	B-2
---	-----

Draft Progress Report/November 30, 1970	B-3
---	-----

Forward	B-4
---------	-----

A. Progress Report	B-5
--------------------	-----

B. Review Objectives	
----------------------	--

C.	Scope of Review	B-6
D.	Progress to Date	
E.	Summary of Recommendations: Eligibility Control System - Available Information	B-7
	#1 SDSW formal reporting system	B-7
	#2 Issue monthly reports	
	#3 Direct reports to State and county officials	
	#4 Adjust next advance for actual errors	
	#5 Require 30 day county reaction period	
	#6 Determine county corrective steps within 60 days	
F.	Summary of Findings: Eligibility Control Bureau	B-7
G.	Summary of Findings: Field Audits Bureau	B-9
H.	Summary of Findings: Master Persons File	
I.	Summary of Findings: Medically Needy Operations Bureau	
J.	Plan for Completing Review	B-10

II. The Charge -- The Number One Priority

Memorandum

To : Cabinet and Senior Staff

Date : August 4, 1970

Subject : The Number One
Priority

Rm
From : Governor Reagan

Until the beginning of this Administration, expenditures for state services increased at a rate far in excess of population growth, resulting in a critical excess of expenditures over available revenues. In those program expenditures subject to normal legislative and executive determinations, we have successfully curbed the prior excessive rates of expenditures. However, in the public assistance and education programs of our State - which are virtually out of our realm of authority because of outmoded constitutional and statutory requirements and federal laws and regulations - we are continually confronted with outrageous demands for increased expenditures with no corresponding guarantee of an improvement in these programs. We are not getting our dollar's worth.

I consider it vital to the economic health and prosperity of California that State government conduct both of these programs in the most business-like and economical manner, and that the people of this state be assured that their tax dollars are spent wisely. We will not permit public assistance and education to continually place a heavy burden on our taxpayers without being held accountable.

I am, therefore, initiating a team effort to conduct a study of California's education and public assistance programs. We will ask proven leaders in business, labor, industry, local government and state government to volunteer to research for avenues so that we can improve and adjust these programs to make them operate within the normal levels of revenue growth. This effort must, of course, be closely coordinated with the members of the Cabinet and Staff.

This study will place heavy emphasis on the taxpayer as opposed to the taxtaker; on the truly needy as opposed to the lazy employable; on the student as opposed to educational frills; on basic needs as opposed to unmanageable enrichment programs; on measurable results as opposed to blind faith that an educator can do no wrong.

By January 1971, I expect to have recommendations directed at.....

1. Providing immediate improvement opportunities that can be realized by executive or administrative order. Some improvements will be implemented by department heads during the course of this study.

2. Suggesting operating and organizational improvements of a long-range nature for consideration by the legislature and suggesting a specific action plan to develop the required legislation.

3. Pinpointing problems with the federal government - purposefully distinguishing between federal statute and federal regulation - and proposing a specific action plan to obtain the necessary changes.

4. Focusing attention on local government's accountability by making clearly visible their responsibility to the people for their administrative and management actions or lack of actions while at the same time clarifying the relationships between the State and local government.

This study is to be broadly concerned with policy, administrative and operating functions of all levels of government in the State's public assistance and education programs. It will consider and deal with expenditure programs including those not now directly subject to legislation or executive determinations such as those program expenditures required by the constitution or authorized by statute and shall make recommendations on bringing all such expenditures under some reasonable control.

This study will in no way conflict with on-going task forces but will coordinate and bring them together in a unified effort.

I am determined to reduce these programs to essential services at a cost the taxpayers can afford to pay. This is our NUMBER ONE priority.

We must bring all our resources to bear on this endeavor. Therefore, I am asking you to make available your best employees including directors for this all-out war on the taxtaker.

If we fail, no one ever again will be able to try. We must succeed.

III. Organization and Operation of Task Force

A. ORGANIZATION

The Governor's memo to Cabinet and Senior Staff of August 4, 1970 established a team effort to conduct a study of California's public assistance program. In this memo the Governor stated that proven leaders in business, labor, industry, local government, and State government would be used to research this program for improvements necessary to make it conform to normal levels of revenue growth. The Governor appointed Ned Hutchinson, Appointments Secretary as Chairman; Jerry Fielder, Director, Department of Agriculture; Robert B. Carleson, Chief Deputy Director, Department of Public Works; and John Mayfield, Deputy Director, Department of Conservation, to be the nucleus of the Task Force on Public Assistance.

An initial decision was made by the Task Force to divide the public assistance program into the three broad areas of federal, state and county participation and assigned Fielder, Carleson and Mayfield, respectively, to a single area.

The Task Force decided that, due to time constraints, each member would recruit a small staff to assist him in reviewing his assigned area. The staffs were as follows:

John Mayfield

- 1) M. E. Younggreen, Business Assistance Company
Huntington Beach
- 2) Six interviewers recruited from the Department of Agriculture and the Department of Public Works on a short-term basis

Jerry Fielder

- 1) Walter S. Rountree, Attorney at Law, Los Angeles

Robert B. Carleson

- 1) Ronald A. Zumbrun, Attorney at Law, Department of Public Works
- 2) John A. Svahn, Special Assistant, Department of Public Works

Ned Hutchinson

- 1) Neil Papiano, Attorney at Law, Los Angeles
 - a) Jules Markowitz, Electric Systems Company
Los Angeles
 - b) Jerry Salzman, Portfolio Security Corporation
Los Angeles

- c) Brian Sweeney, California Thoroughbred Breeders Association
- d) Richard Moore, Attorney at Law, Los Angeles

B. OPERATION

A plan was developed by the Task Force nucleus to focus their efforts at both long-range and short-range solutions to the problems in welfare. Formal study began the second week of August 1970. The Task Force began with the initial objectives expressed in the Governor's memo of August 4. They were:

- 1) Providing immediate improvement opportunities that can be realized by executive or administrative order. Some improvements will be implemented by department heads during the course of this study.
- 2) Suggesting operating and organizational improvements of a long-range nature for consideration by the legislature and suggesting a specific action plan to develop the required legislation.
- 3) Pinpointing problems with the federal government--purposefully distinguishing between federal statute and federal regulation--and proposing a specific action plan to obtain the necessary changes.
- 4) Focusing attention on local government's accountability by making clearly visible their responsibility to the people for their administrative and management actions or lack of actions while at the same time clarifying the relationships between the State and local government.

The Task Force agreed on certain broad areas for initial investigation. Fielder was to coordinate and review the Federal program and the Family Assistance Plan. In doing this it was anticipated that he would make contacts with HEW and with Jim Jenkins in Washington to set up a method to check the Task Force's final recommendations through the federal structure.

Carleson's group was to study the State program and isolate problems within its administration. In addition, he was to review State regulations for loopholes allowing welfare abuse and for reform to bring them into line with the minimums required by State and federal law.

The county group, under Mayfield, was assigned the task of developing the interview survey of county welfare personnel to provide the Task Force with the county input to the problems of welfare.

The Los Angeles group, under Papiano, was to do a legal review tracing current welfare practices through State regulations, State law, federal regulations and federal law.

Each group developed its own plan for carrying on its part of the study. Fielder initiated contacts with Jim Jenkins in Washington and was given the names of a number of individuals in HEW. He talked to Charles Cubbler who had been recommended by Dr. Earl Bryan and to Marguerite Adams, an HEW eligibility standards specialist. His primary thrust at this time was to get background in the operation of HEW and its views on the California welfare program. At the same time, Walter Rountree began a legal review for applicable federal regulations and federal law in anticipation of checking the final Task Force recommendations through the federal structure.

The State group began by familiarizing itself with SDSW views, organization and operations. Interviews were made with key personnel in SDSW, and as a result, that Department and the Department of Health Care Services requested that the Task Force initiate a field audit of the eligibility process in the counties. These requests were discussed and the decision was made to have these studies conducted by the Department of Finance Audits Division rather than under the auspices of the Governor's Task Force on Public Assistance. The justification for this decision was twofold: 1) the State group did not have the personnel resources nor the experience to conduct a valid field audit of the eligibility process, and 2) it was felt that the audit would be better received by the counties if conducted by the Department of Finance rather than the Governor's Task Force. Carleson then assigned one member of his team to review State regulations and, in conjunction with this, to attend meetings of the State Department of Social Welfare's Regulation Task Force.

The county group began its task by developing a questionnaire to be used in the interviews of county personnel. Contacts were made with the counties that were to be interviewed and appointments were set up for them. The Task Force Chairman joined Mayfield and Youngreen in the county interviews. It was decided by the Task Force that the interviews offered an opportunity for the Administration to develop some favorable public relations with the counties and the interviews were conducted with this factor in mind.

The Task Force Chairman asked his Los Angeles group to begin researching the welfare program for recommendations for reform and to couple this with their assignment for legal review. The Los Angeles group centered its efforts primarily in Los Angeles County, which comprises 40% of the welfare population in the State of California. In addition, they contacted San Diego County, Riverside County and Ventura County for additional information. Starting with the County Supervisors Association Report "Time For Change" as a basis for their analysis of the welfare problems, the Los Angeles group developed some tentative hypotheses. In reviewing these with Los Angeles County Department of Public Social Services, they began to branch out and isolate specific areas where reform was needed.

At the end of September, the Task Force was reorganized and redirected. Due to a time constraint of January 1 for the final report and the pressing budget crisis in the welfare area, a decision was made to reconstitute the Task Force and to narrow the scope of its components. At the time this decision was made, various alternatives were considered to meet the Governor's charge. They were:

- 1) increase staffing of the Task Force
- 2) narrow the scope to specific areas
- 3) restructure the goals and objectives of the Task Force
- 4) restructure Task Force assignments.

The decision was made to use a combination of alternatives two and four.

Because of the Federal conformity issues and a pending court case, it was decided the Task Force should not upset any balance of power by continuing contacts with HEW. In addition, the county interview effort was proving to be a greater task than had originally been anticipated. Therefore, Fielder was re-assigned to the county group (now called Study Group One) and began assisting in the interviews. Walter Rountree was given the task of investigating the problem of absent parent support payments. Hutchinson gave directions to the Los Angeles group (now called Study Group Three) to continue with the plan it was currently following. The State group, under Carleson, became Study Group Two and was assigned the responsibility of analyzing major problem areas as they emerged from the county surveys. In order to accomplish this review and to gather the necessary fiscal data, Carleson requested assistance from the Department of Finance. Two analysts were assigned to

Study Group Two to perform cost analysis. They were: Kenneth J. Wagstaff, Principal Project Budget Analyst, and Robert Gray, Consultant, Program and Policy Office. The three groups continued on this course throughout October.

During the second week of November, another redirection was made in Study Group Two. With the concurrence of Ned Hutchinson, Carleson instructed his group to resume its initial direction of reviewing the State program and regulations and develop recommendations for reform in the State program. In addition to this assignment, Study Group Two continued to analyze major problem areas assigned by Study Group One as a result of the county survey.

On November 23 and 24, 1970, all participants met in Los Angeles for a discussion of the problems and to develop preliminary recommendations. At that time, information was received which indicated that the Task Force should direct itself solely toward the making of recommendations that were short-range in effect and that could be made a part of the SDSW budget package. Recommendations were developed during a two-day meeting and Mayfield was assigned to finalize them and present them to Hutchinson. Because of the budget crisis, long-range recommendations were not discussed.

The Task Force discussed the implementation of the recommendations and it was decided that all material gathered by the Task Force should be turned over to the Director of the Department of Social Welfare. All relevant data was given to Mayfield for inclusion in the report to Hutchinson.

For budget purposes, the Chairman selected four of the recommendations for presentation to the Cabinet. The four recommendations to be accomplished by administrative action accounted for approximately \$94 million in savings to the State of California. In addition, other recommendations were made which required legislation. The presentation showed that the passing of these favorable proposals would result in an additional \$100 million in savings. Some of these recommendations were approved by the Cabinet and appropriate deductions were made in the SDSW budget.

The Task Force prepared a report including all recommendations with the assistance of Mr. Tom McMurray, Special Assistant to the Governor, which was submitted to the Governor and to the Cabinet on January 1, 1971.

IV. Study Group One/Findings and Recommendations

A. INTRODUCTION AND SUMMARY

The county group effort was focused on interviews with county personnel. A team of interviewers led by Ned Hutchinson conducted 768 interviews of county welfare employees. A sample was selected in each county, including the County Welfare Director, his management team, and a random sample of other employees at all levels. The following counties were included: Alameda, Humboldt, Los Angeles, Merced, Riverside, San Francisco, Siskiyou and Tulare.

In summary, four major points were made by county personnel throughout the interviews:

1. The purpose of the welfare program is to provide financial assistance to recipients.
2. The major problem associated with the program is inequity caused by administrative confusion and outdated concepts such as the Maximum Participating Base in Aid to Families with Dependent Children.
3. Emphasis should be placed on eliminating administrative confusion and inequities by reorganizing the welfare program and developing a flat grant system.
4. Adequate training of personnel is lacking at all levels of county and state administration of the program.

Interview questions and a tabulation of the responses follow.

B. RESPONSE SUMMARY OF COUNTY WELFARE INTERVIEWS

1. a) Number of interviews	768	
b) Average age of interviewee	38.6 yrs.	
c) Average number of years in the profession	7.8 yrs.	
2. Education:		
a) Average years of education of interviewees	15.8 yrs.	
b) Major field of study		
Social Sciences		46.1%
Liberal Arts		34.0%
Education		9.2%
Business		6.1%
Physical Sciences		4.6%
3. Working level of employees:	<u># Interviewed</u>	<u>% of Total</u>
Middle Management (supervisory personnel)	212	27.6%
Social Workers	167	21.7%
Eligibility Workers	154	20.1%
Upper Management (directors, deputy directors)	89	11.6%
Clerks and Aides	61	7.9%
Unidentified	85	11.1%
4. Job held prior to entering welfare profession:		
Fiscal and Management	137	17.8%
Social Security and Rehabilitation	132	17.2%
Clerical	135	17.6%
Student	112	14.6%
Trades	82	10.7%
Education	59	7.7%
Domestic	52	6.8%
Other	59	7.7%
5. Reason for entering profession:		
Interest in the work	340	44.3%
Needed a job	258	33.6%
Promotion	56	7.3%
Miscellaneous	114	14.8%
6. What functions do you currently perform?		
May be determined from raw data		

7. What do you like most about your position?	# Interviewed	% of Total
Client contact (likes working with people)	407	53.0%
Challenging nature of the job	150	19.5%
Administrative aspects (training, supervision)	52	6.8%
Miscellaneous	159	20.7%
8. What do you like least about your job?		
Lack of flexibility and conflicting regulations	158	20.6%
Excessive paper work	119	15.5%
Excessive work load	113	14.7%
Poor organization leadership	88	11.5%
Lack of sufficient funds	63	8.2%
Miscellaneous	227	29.6%
9. At what level or where do you visualize yourself five years from now?		
Advancement in agency	287	37.4%
Out of social work entirely	194	25.3%
Same position	175	22.8%
Uncertain	112	14.6%
10. What do you believe the purpose of the current welfare program to be?		
Provide financial assistance to needy	347	45.2%
Rehabilitation	129	16.8%
Perpetuation of the poverty cycle	43	5.6%
Prevention of social revolt	29	3.8%
Miscellaneous	220	28.6%
11. How do you or your group contribute to that purpose?		
Help people cope with their problems	207	27.0%
Process paper and other support activities	134	17.4%
Determine eligibility	105	13.7%
Administrate programs	38	4.9%
Miscellaneous	285	37.1%
12. In your opinion, what should be the objective of the public assistance program?		
Provide financial assistance	324	42.2%
Rehabilitate	214	27.9%
Break the welfare cycle	26	3.4%
Miscellaneous	204	26.6%

13. What problems do you see that are created by differing grants between recipients?	# Interviewed	% of Total
Major inequities create hostility	329	42.8%
Public relations problems	69	9.0%
No problem	51	6.6%
Minimum grants are not enough to live on	30	3.9%
Miscellaneous	289	37.6%
14. What is the specific cause of these inequities?		
Red tape and conflicting laws	188	24.5%
The State minimum law	110	14.3%
Individual circumstances of clients	68	8.9%
No reason	64	8.3%
Political issue	33	4.3%
Miscellaneous	305	39.7%
15. What do you think can be done to eliminate a specific equity problem?		
Rewrite, amend and standardize rules and regulations	164	21.4%
Establish flat grant based on cost of living	150	19.5%
Eliminate State maximum	111	14.5%
Do not believe there is an equity problem	77	10.0%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	266	34.6%
16. Generally who or what brings these problems into existence?		
Legislature	150	19.5%
Laws, rules and regulations - (inadequate)	129	16.8%
Social Welfare administration	67	8.7%
State administration - Executive	43	5.6%
Lack of funds	31	4.0%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	348	45.3%
17. How does the function of your group help the recipient?		
Financial aid	238	31.0%
Counseling	176	22.9%
Rehabilitation	71	9.2%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	283	36.8%

18. How does the function of your group help the taxpayer?	# Interviewed	% of Total
Expenditure control	170	22.1%
Rehabilitation to productive status	138	18.0%
No way - doesn't help or unknown	98	12.8%
Lessens anti-social behavior	57	7.4%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	305	39.7%
19. What factor(s) hinder the performance of your function?		
Working conditions. (Workload, paper work, administration, poor training, poor regulations.)	432	56.3%
Attitude of Public and administration	44	5.7%
Lack of funds for recipient	39	5.1%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	253	32.9%
20. What causes these factors to exist?		
Working conditions	249	32.4%
Attitude of public and administration	76	9.9%
Politics	55	7.2%
Economic - conditions	45	5.8%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	343	44.7%
21. What special skills or talents do you believe are essential for the social welfare profession?		
Concern for people, understanding, empathy	345	44.9%
Ability or training to communicate	126	16.4%
Education - general	112	14.6%
Special knowledge	67	8.7%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	118	15.4%
22. How can these skills be developed and improved?		
Training - (on the job)	362	47.1%
Selection and screening of personnel	142	18.5%
Education	89	11.6%
Experience	61	7.9%
Cannot be acquired - innate	43	5.6%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	71	9.2%

23. How are management and administrative skills to be developed for the growing welfare profession?	# Interviewed	% of Total
Training, education, experience	247	32.2%
Exposure to the community and the clients	242	31.5%
Open line of communication between staff and line	76	9.9%
Improved hiring practices	44	5.7%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	159	20.7%
24. If you were the county director, state director, or federal director of the welfare programs, what one change would you make in operations?		
Reevaluate and reorganize	235	30.6%
Flat grants	201	26.2%
Increase staff to reduce case load	105	13.7%
Adjust or eliminate State maximum	63	8.2%
Standardize eligibility	62	8.1%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	102	13.3%
25. What program or policy would you institute?		
Review, reorganize and streamline the Department of Social Welfare	180	23.4%
Decrease case load or increase staff	166	21.6%
More training for personnel and rehabilitation of clients	92	12.0%
Eliminate or increase State maximum	63	8.2%
Revise and tighten up eligibility rules	63	8.2%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	204	26.6%
26. What is the most frustrating aspect of your work?		
Rules and regulations not consistent and constantly changing	200	26.0%
Inability to provide for clients needs	129	16.8%
Paper work and workload	115	15.0%
Red tape	102	13.3%
Internal problems in office and organization	86	11.2%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	136	17.7%
27. Who or what causes it?		
Untrained and unqualified personnel at all levels	201	26.2%
Management - All levels including administration	149	19.4%
Poor system (organization)	115	15.0%
Case load	66	8.6%
Laws - Rules and regulations	59	7.7%
Paper work	51	6.6%
Miscellaneous (Hostile: Answer does not relate to question, no answers, etc.)	127	16.6%

28. How do you spend your lesiure time?	# Interviewed	% of Total
Sports and outdoor activities	181	23.6%
Family activities	174	22.6%
Reading and education	117	15.2%
Movies - TV - social	71	9.2%
Hobbies	60	7.8%
Miscellaneous	110	14.3%
No answer	55	7.2%
29. What is the most important function you or your group performs?		
Counseling	237	30.8%
General office work	141	18.3%
Financial assistance - child support	135	17.6%
Eligibility determination	63	8.2%
Miscellaneous	192	25.0%
30. Least important (not necessarily frustrating)?		
Paper work	247	32.2%
Everything is important	92	12.0%
Clerical functions	63	8.2%
Miscellaneous	66	8.6%
No answer	300	39.0%
31. How do you measure the productivity of yourself or your people?		
Time and number of cases	270	35.1%
Feedback and client response	106	13.8%
Deadlines	67	8.7%
Can't	28	3.6%
Miscellaneous	297	38.7%
32. How do you plan for the effective utilization of your or your people's time?		
Priorities, schedules, assignments	311	40.5%
Time and/or number of cases	67	8.7%
Don't	63	8.2%
Critical (no way - workload too heavy - too many variables and interruptions)	58	7.5%
Miscellaneous	269	35.0%

33. What other division or operation of this agency affects the good performance of your operation?	# Interviewed	% of Total
Clerical or computer	182	23.7%
Social worker or eligibility worker	100	13.0%
Supervisor or management	89	11.6%
Budget	71	9.2%
Critical	25	3.2%
Miscellaneous	132	17.2%
No answer	169	22.0%
34. How do they do this?		
Question apparently not understood (Too many miscellaneous answers - many critical - particularly of computer)	278	36.2%
Miscellaneous	116	15.1%
No answer	374	48.7%
35. What other governmental agencies affect the good performance of your job?		
State departments (HRD, WIN, SW, MH, Public Health)	297	38.7%
Miscellaneous (Courts, police, county)	127	16.5%
Federal (HEW, Social Security, Vet.)	75	9.8%
Miscellaneous	170	22.1%
No answer or critical	99	12.9%
36. How do they affect you?		
Scantily or not answered - many critical	256	33.3%
No effect	90	11.7%
Miscellaneous	422	54.9%
37. What specific problem should be serviced by welfare that isn't?		
Critical (none - no more - too much now)	232	30.2%
Need more money and/or services	185	24.1%
More aid to children	36	4.7%
More housing	35	4.6%
Miscellaneous	280	36.4%
38. What one recommendation would you make to the Governor?		
Reevaluate and reorganize	246	32.0%
Hostile and/or critical	62	8.1%
Separate State and Federal	37	4.8%
Miscellaneous	282	36.7%
No answer	141	18.3%

39. If you were doing my job, what other questions would you ask?	<u># Interviewed</u>	<u>% of Total</u>
---	----------------------	-------------------

Ask welfare workers' opinion of the Administration	122	15.9%
Ask opinions of applicants and recipients	23	3.0%
Miscellaneous	197	25.6%
No answer	426	55.5%

40. Are we on the right track?

Yes	301	39.2%
No or skeptical as to whether it will be used	227	29.6%
Miscellaneous	54	7.0%
No answer	186	24.2%

V. Study Group Two/Findings and Recommendations

A. SUMMARY AND JUSTIFICATION OF MAJOR FEATURES

The purpose of welfare is to assist those who, through no fault of their own, cannot meet their minimum needs for survival. The program also provides work incentives to encourage recipients to meet their own needs and to eventually improve themselves to the point where public assistance is no longer necessary.

California's present program needs substantial reform as the system fails to meet the needs of the truly needy and fails to adequately protect the taxpayer. The current system penalizes the most needy recipient by meeting a smaller percentage of his total need than it meets for a recipient with outside income. For example, a person with substantial income who remains on welfare due to work incentives can have over 100% of his total needs met through the welfare system while still enjoying the comforts of the work incentive income exemptions. On the other hand, an unemployable mother and three young children receive substantially less than their minimum needs regardless of their particular circumstances.

Due to this inequitable system, the taxpayer is faced with burdens and demands while at the same time he is not provided with any budgetary controls to assure that his taxes will be directed to those who are truly needy and deserving. Because of the open-end budget which is unique to the welfare program, the normal incentives toward fiscal responsibility are lacking throughout this program.

The proposed Welfare Reform Program has two main features: It redirects both money and incentive toward meeting the full needs of those who are truly needy. At the same time it restores fiscal responsibility by placing welfare on the same footing as every other social need.

The present Aid to Families With Dependent Children program utilizes a maximum participating base concept which places a maximum limitation on the amount of grant. In practice, this has resulted in artificially limiting grants to all recipients at a single level without considering the difference in need. This has a significant impact on those who are the most needy, while not affecting those who are less needy. It is proposed that the maximum participating base concept be entirely eliminated and that the welfare program be based upon full need rather than the current inequitable and unfair artificial base.

At the same time, the taxpayer will be protected in that funds will be equitably apportioned between recipients in such a way that more funds will be redirected to those who are the most needy. The total dollar amount expended will remain at present

levels, however, the needs of the truly needy will be met more fully. The net effect of this proposal would be a curtailment of the welfare spiral and the fiscal chaos associated with it. The primary task that would remain would be to remove the non-needy from the existing welfare program and to eliminate the needs of those who presently are truly needy through their qualifying for and receiving meaningful employment.

Concurrent with the redirection of the Welfare System, procedures should be developed to reduce the basic underlying failure by striving to restore fundamental morality as well as the moral fiber of parents in times of stress. Also, the administration of the program implementing and enforcing the support obligations of the absent parent should be strengthened and stressed.

The balance of the Welfare Reform Proposal is directed at developing an administratively efficient system and reducing the financial and administrative burdens placed on local government. Under the new program, the savings will result in making more funds immediately available for meeting the needs of the truly needy. As these needs are more fully met, it is anticipated that the State's fiscal crisis will be relieved and there will no longer be a need for endless appropriations for welfare.

If this proposal is adopted, the financial burden, both on State and local government, will be significantly reduced.

To accomplish this, we make the following recommendations:

B. GENERAL RECOMMENDATIONS

Most of these recommendations are based on various studies made by this group. Reference to these studies is made in Appendix A of this report. Some of the recommendations are conclusions drawn from general observations. Policy implications are definitely intermeshed with these recommendations and are central in the considerations of implementation.

#1 REPLACE MPB WITH EQUITABLE APPORTIONMENT

That the Maximum Participating Base concept be replaced by an equitable adjustment process whereby all recipients would be paid their full needs subject to being proportionally reduced on an equitable basis in order to meet budgetary limitations.

#2 ELIMINATE OPEN-END BUDGET

That the open-end budget approach to public assistance be replaced by a closed-end budget. New case load would be handled within the equitable adjustment process. This best could be accomplished by regulations or legislation which would provide that needs would be equitably adjusted by applying a percentage factor, to be determined quarterly by the State Director of Social Welfare, subject to approval by the State Director of Finance and subject to the provisions of the public assistance appropriation contained in the budget act.

#3 FLAT GRANTS

That if the recommendations pertaining to an equitable adjustment process and a closed-end budget are implemented, that the State adopt a flat grant concept whereby minimum needs and those special needs that are recurring for the majority of recipients would be averaged for grant purposes from which income would be deducted. The balance of special needs would be regulated by the State but would be administered as County programs with some State participation.

#4 ANNUAL REPORTS TO THE LEGISLATURE

It is proposed that the Department of Social Welfare be required to present a detailed annual report to the legislature furnishing all statistical data necessary to the welfare budget process. Consistent with the equitable apportionment and closed-end budget principles, is the concept that the budget process will establish the level of welfare benefits. Individual grants, however, will

increase or decrease on an equitable basis depending on administrative efficiency, case load level and the extent to which available income offsets needs. For the legislature to properly appropriate funds, it is essential that they be fully advised of the extent to which needs are being met. The annual report would include projected information as well as the actual experience during the current and previous fiscal years. Counties would be required to make a quarterly report to the Director of Social Welfare furnishing the necessary information including that pertaining to all county relief programs. The extent to which the federal programs have contributed to meeting needs also would be reflected. The report should show the full picture and not just the equitable adjustment percentage chosen for the State program.

#5 ELIGIBILITY BASED ON MINIMUM NEEDS

That special needs not be considered in determining eligibility.

#6 REDUCE WELFARE ELIGIBILITY TO THE LEVEL OF THE WORKING POOR

That eligibility for welfare be based on whether an applicant's gross income, less a realistic standard deduction for work-related expenses, exceeds the applicant's standard of need.

#7 EARNED INCOME AND SECTION 11008

That Section 11008 of the Welfare and Institutions Code be amended to provide that to the extent required by federal law earned income will not be deducted from the amount of aid. The present provision provides that earned income must not be considered "to the maximum extent permitted by federal law".

#8 JUDICIALLY TEST THE MAXIMUM EARNED INCOME PROVISION OF SECTION 11008

That in the event Section 11008 of the Welfare and Institutions Code cannot be amended legislatively, that a regulation be adopted setting forth an eligibility or grant limitation based on a specified "spendable income". This would be the State's strongest test case concerning the regulation authority in this area.

#9 STANDARD DEDUCTION FOR WORK-RELATED EXPENSES

That a standard deduction of \$50 be established for work-related expenses, plus an additional \$50 for child care when applicable. This standard deduction would apply

to the determination of eligibility. It also would apply to the grant computation unless it is legally determined that California can eliminate this entirely due to the duplication of the \$30 and 1/3 exemptions.

#10 AVERAGE INCOME

That income be averaged on a yearly basis for the purpose of determining eligibility and the amount of grant. For grant purposes, the recipient would be allowed to average income only during the months when actual income was less than the applicable standard of need. Also, an equalization factor would be applied in order to make the averaging process equitable to the recipient.

#11 FLAT GRANTS TO COUNTIES FOR SPECIAL NEEDS

That the State's fund of special needs be accomplished by providing each county with a fixed flat grant for this purpose. This recommendation would not apply if recommendation #3, FLAT GRANTS, was adopted.

#12 NEW APPROACH TO STANDARD OF NEED

The standard of need includes items which are duplicated by other public assistance programs. Food is a primary example inasmuch as welfare recipients have the food stamp and school lunch programs available and some receive "in kind" food allotments. These available programs in fact reduce the recipient's needs and should be reflected in the needs standard.

Also, if an equitable adjustment process is adopted whereby needs are proportionally reduced to meet budgetary limitations, it would be advisable to present these other programs when discussing the percentage factor to be applied. If grants are based upon 75% of the standard of need, this does not mean that the entire public assistance program has failed to meet the recipient's full needs for survival. Medi-Cal features and "in kind" programs play a significant role.

#13 SEPARATE PROGRAM FOR THE EMPLOYABLE OR POTENTIALLY EMPLOYABLE RECIPIENT

That those recipients who are employable or potentially employable be placed in a separate "job oriented" program under the full responsibility of the State Department of Human Resources Development.

#14 REDUCE THE AMOUNT OF WORK-INCENTIVE DEDUCTIONS

That the income exemptions be reduced from 33-1/3% to 25% based upon "net" rather than "gross" income. Changes in federal regulations would be required.

#15 ENACT LEGISLATIVE DIRECTION

That the underlying principles of public assistance adopted by this Task Force be enacted into legislation in order to constitute directions to those implementing the State public assistance program. These principles should include the following:

"In order to prevent the dilution of grants to the truly needy, every attempt shall be made to redirect funds in their direction and to limit eligibility. By "truly needy" it is meant those who, through no fault of their own, are unable to meet their needs for survival."

#16 REVISE THE "FAIR HEARING" PROCEDURES

That the State's system of "fair hearing" procedures, opinions and digest of opinions be reviewed in depth and be substantially revised. The "fair hearing" referee should be an attorney. Otherwise the program should be placed under an organization comparable to the Office of Administrative Procedure.

#17 UTILIZATION OF PROPERTY ASSETS FOR SPECIAL NEEDS

That a recipient's assets, in liquid or personal property form, be used to meet special needs before these needs are met through the grant.

#18 INCREASE OAS RESPONSIBLE RELATIVES SCALE

That the existing statutory scale for support payments by responsible relatives of OAS recipients be increased.

#19 LEGAL STAFFING

That the Department of Social Welfare be provided with a full and complete legal staff with staffing equal to its responsibilities.

#20 ABSENT PARENT SUPPORT OBLIGATION

Strengthen and emphasize the administration of the program implementing and enforcing the support obligations of the absent parent. Develop procedures for reimbursing district attorneys for their efforts in collecting absent parent support.

#21 GATHERING STATISTICAL DATA

That a full and complete system be established for collecting statistical data pertaining to public assistance in order to accommodate adequate planning and budgeting in this field.

#22 AUDIT SYSTEM

That the present audit and enforcement processes be revised, strengthened and updated.

#23 STRIKERS

That regulations be issued instructing counties that applicants who are labor union members and who are on strike are not eligible for welfare benefits.

#24 EMPLOYMENT OF RECIPIENTS IN CHILD CARE CENTERS

That consideration be given to establishing a system of child care in which welfare mothers are employed by the State as caretakers for their needy children. Consideration could be given to placing children without parents in these individual centers.

#25 OAS RECIPIENT EMPLOYMENT

That consideration be given to employing OAS recipients, who voluntarily make themselves available for employment, in county welfare departments as eligibility workers.

#26 ELIMINATE NON-FEDERALLY FUNDED AFDC-U PROGRAMS

That the AFDC-U programs that exceed the federal program and do not receive federal funds be eliminated.

#27 STATE ADMINISTRATION OF WELFARE

That consideration be given to whether the existing income maintenance system (eligibility determination and grant payment) be administered by the State. This could be financed under existing funding relationships or the State could consider assuming more of the county share.

#28 PROPERTY LIENS

That the current prohibition (W&I Code, Section 11007) against defining public assistance as a lien on the property of the adult recipient be repealed. In its place, establish provisions which place liens on real property of an OAS, ATD or AB recipient, provided that recovery shall not be initiated during the recipient's life or that of his surviving spouse.

C. REGULATION CHANGE RECOMMENDATIONS

The current Department of Social Welfare regulations should be revised as outlined in the following recommendations. Legislation may be required in some instances, but where the changes can be made through administrative action, immediate steps should be taken to implement the changes.

#1 FRAUD REFERRAL Reg. 20-007.2

Recommended Action

The entire section on fraud referrals to the District Attorney should be rewritten for clarity and indicate that County is required to refer cases to District Attorney for fraud investigation whenever there are reasonable grounds to suspect fraud exists.

Current Regulation:

20-007.21 - cases should be referred unless:

.213 - the recipient was not informed or was misinformed of the necessity to report the facts.

.214 - the recipient is so mentally deteriorated or retarded he is not responsible for his actions.

Facts and Discussion:

Regulations for referrals to the District Attorney in effect indicate that the only cause for referral is knowing misrepresentation on the part of the recipient. The above two regulations are indicative of the leeway left to the worker in determining whether or not they should be referred to the District Attorney. In .213 testimony of recipient that he was not informed or was misinformed would defeat fraud accusation prior to referral to the District Attorney. .214 leaves interpretation of recipient's mental condition to the untrained eligibility worker.

#2 PROTECTIVE SERVICES FOR CHILDREN Reg. 30-103

Recommended Action:

Add 30-103.3 to provide that those persons whose children receive protective services and whose income is above the

standard of minimum need be charged a reasonable fee for the value of services rendered to the children.

Current Regulation:

30-103 - Persons served:

- .1 - child protection services shall be extended regardless of family income to children who may be in need of protection because they: ...

Facts and Discussion:

Protective services are extended to all children in the community. They protect and take care of children when they have been neglected, exploited, abused, etc. While there can be little doubt that this service is a necessary one, a provision should be included for recovery of expenses for services rendered when the family's income is such that they can afford it. As it now reads, the county is required to provide short-term shelter care and other services when the child's welfare appears to be in danger.

Current law provides criminal sanction for persons who cause situations which are covered by this section; however, there is no provision for recovery of funds expended in providing these services.

#3 AID TO SEASONAL WORKERS Reg. 30-157.6

Recommended Action:

Amend Section to define what "imminent likelihood of employment" means and specifically exclude those persons who are regularly unemployed due to the nature of their occupation.

Current Regulation:

- 30-157 - a recipient who refuses to apply for, or to accept referral to employment, or a bonafide offer of employment or training, shall be considered to have "good cause" for the refusal if any one of the following reasons exist:
 - .6 - acceptance of the job or training conflicts with the imminent likelihood of reemployment of the regular occupation of the recipient.

Facts and Discussion:

This Section, like 30-157.4, can be interpreted to indicate that seasonal workers are eligible for welfare during the off season of employment. An example would be the construction worker who is normally off during the winter due to poor weather conditions. The salaries of these workers are high during the work months to compensate for this period of unemployment. However, as long as the worker meets the other requirements for AFDC, i.e., personal property and income, he can continue to refuse to look for other jobs under this regulation, because the imminent likelihood of his reemployment in the construction industry would conflict with any other work.

A second example has just come to light in a fair hearing decision made by the State Department of Social Welfare on November 19, 1970, where a school teacher in Alameda County chose to receive her annual salary during the nine months of the school year, with no provision for income from that salary for the summer months. The teacher applied for AFDC during the summer months. Aid was granted upon the fair hearing decision and the recipient is not required to look for other work during the period she is on aid because it conflicts on the imminent likelihood of her reemployment as a teacher in September.

The entire 30-157 section should be rewritten to reduce ambiguity in the determination of good cause for refusal of employment. Other examples include .9 which indicates refusal of employment is acceptable if recipient is needed at home to take care of a member of his family and .11 which indicates refusal if "suitable" child care arrangements cannot be made. Suitable child care is interpreted to mean licensed day care facilities. From this entire regulation section, it is apparent that an AFDC recipient need not accept employment or training for employment if the recipient does not wish to do so.

#4 AFDC-U REGISTRATION WITH HRD Reg. 30-155

Recommended Action:

Recommend .12 be deleted from 30-155.

Current Regulation:

30-155 - requirements for referral of AFDC recipients to employment or rehabilitation leading to employment.

- .1 - eligibility for aid where the basis for deprivation is the unemployment of the parent is conditional upon his registering with the Department of Human Resources Development (See Section 30-155.3 below).
- .11 - a referral to WIN meets the registration requirement ...
- .12 - for unemployed parents not eligible for WIN, or for whom WIN is not available, registration shall be made within 30 days of receipt of the initial aid payment.

Facts and Discussion:

.1 and .12 appear to be in conflict. .1 says: eligibility is conditional upon registration, and .12 says that initial aid payment can be made prior to registration. Under this same regulation the recipient could conceivably receive semi-monthly aid payments before he could be dropped for failure to register for employment. To accomplish this he would get one on the first of the month and one on the fifteenth during the 30 days leeway he has after the initial aid payment as required in 30-155.12. During that time if the WIN program becomes available the recipient can wait until the first of the month, then refuse to cooperate without good cause with the WIN program. Under 30-158.11 he then becomes eligible for a 60-day counseling period during which aid is paid. During this 60-day period he will be able to collect 5 more semi-monthly aid payments. At the end of the time, the recipient will have collected 7 aid payments without having to seek employment.

There seems to be no logical reason why it can't be automatically stated that prior to applying for aid or after the application has been completed for aid, a potential recipient in the AFDC-U group would have to register with HRD. This conclusion has been agreed to by the regulations task force in the State Department of Social Welfare.

#5 AGENCY RESPONSIBILITY IN AFDC APPLICATION PROCESS Reg. 40-115.223

Recommended Action:

Delete section .223 from regulations.

Current Regulation:

40-115.223 - the agency is responsible for providing all assistance needed, including gathering and preparing all the proof.

Facts and Discussion:

40-115.222 states that "the burden of proof of eligibility rests with the applicant insofar as he has the capacity to assume this responsibility..." Section .223 indicates that the agency is responsible for providing all assistance including the gathering and preparing of all of the proof. These two regulations appear to be contradictory. If it is the intent of .222 that the counties do not assist the applicant in the proof of eligibility, the specific regulation is poorly worded. The regulation allows an individual eligibility worker's interpretation to be that it is his responsibility to prove each applicant eligible for welfare. The requirement that county welfare workers assist the applicant in the eligibility process is adequately stated in 40-107.1 (Assisting the Applicant).

#6 IMMEDIATE NEED Reg. 40-129.4 & .5

Recommended Action:

40-129.4 - Amend to indicate that reasonable certainty must exist prior to issuance of immediate need and that prior to issuance of immediate need, application must be reviewed by the eligibility worker supervisor.

.5 - Strike 25-730.90 as it no longer exists. Amend to require county to recover any aid paid to ineligible persons.

Current Regulation:

40-129.4 - Authorization of Aid on Immediate Need Basis
If it appears...that the applicant is in immediate need, that he meets the eligibility requirements, and there is no evidence to the contrary, aid shall be granted pending final determination of eligibility.

- .5 - Action Following Completion of Determination of Eligibility. Upon completing the determination of eligibility, the county shall authorize or deny continuing aid and make appropriate grant and claiming adjustments back to the beginning date for which aid was authorized. Such adjustments shall conform to the facts of eligibility, need, and standard of aid as determined by the county. (See Sections 25-533 and 25-730.90 regarding claiming adjustments.)

Facts and Discussion:

The entire 40-129 section appears subject to considerable misinterpretation and should be rewritten to express the State of California's policy for immediate need payment. The above two sections authorize immediate need and provide for action once eligibility has been determined.

Federal participation in immediate need payments is made only if eligibility is confirmed. If eligibility is not confirmed, the State and counties share per their regular ratio in the cost of immediate needs payments already made.

Observation shows that the eligibility worker initially makes the decision on facts regarding immediate need and this is the only determination of eligibility. Higher levels of review consist only of documents authorizing a warrant for immediate needs. It is possible that a higher level of review in immediate need cases will reduce the number of errors in granting immediate aid.

When an error does occur and an immediate need payment is made, the county should be directed to seek out and recover those payments whenever possible. Apparently there is a practice among some recipients of entering a county and approaching various districts to receive a \$50 immediate need warrant in each district office. After that the recipient moves on until the money runs out at which time he can stop in another county and go through the same process. Some capacity should be developed in the regulations to apprehend these individuals and reduce the amount of fraud in immediate need.

#7 ELIGIBILITY OF CHILD UP TO 21 YEARS OF AGE FOR AFDC
Reg. 41-103.2

Recommended Action:

Amend regulation to delete apprenticeship training.

Current Regulation:

41-103.2 - Regular Attendance in a Training Program.
(Definition) Participation in a planned coordinated program of work experience, training (including apprenticeship training) and related instruction designed to prepare the child for a vocation.

Facts and Discussion:

Under 41-101.42 a child 18, 19, or 20 years of age must be regularly attending school or training program in order to be eligible for AFDC. 41-103.2 indicates that a training program includes apprenticeship training. It would appear that from this regulation that a child may be eligible even though making considerable wages in an apprenticeship program for a full-fledged journeyman trade.

There does not appear to be any sound rationale for allowing a child of this age to be a recipient if his minimum needs are being fully met by his apprenticeship wages. It would indicate that the true recipient in such a situation is the "caretaker" rather than the child. The purpose of the AFDC program is to provide minimum needs for children who have been deprived of one parent or the other. The loophole provided in apprenticeship training allows aid to go to those persons who are not truly needy.

#8 AFDC ELIGIBILITY AFTER RECIPIENT CEASES TO BE STUDENT
Reg. 41-103.4 & .5

Recommended Action:

41-103.4 - Amend to include provision for recovering by county of aid payments to child during vacation period when child does not attend school or training program at the beginning of the next school year.

.52 - Delete this section of the regulation.

Current Regulation:

41-103.4 - Eligibility During Vacation Period After Graduation. A child who has graduated from high school and plans to attend school or a training program at the beginning of the school year is eligible during the vacation period.

.5 - There is no interruption in eligibility due to age requirement if the child leaves employment or drops out of school or training, provided:

.52 - the child has a bonafide educational plan to be implemented within the next three months or at the beginning of the next school term, whichever is later, as determined by the Services System (see sections 30-152 and 30-155.6).

Facts and Discussion:

Eligibility during vacation period after graduation appears to be presumptive, in that as long as a child plans to attend school or a training program at the beginning of the school year he will be eligible during the vacation. The regulation is ambiguous in that it does not state how long the vacation period may be; that is, will the child be eligible for nine months if he graduates in January when the beginning of the school year is in September? In addition, the regulation has no provision that the educational plan must be approved or reasonable.

A child could be eligible for a nine-month period based on his assertion that he plans to attend school or a training program in September. In September, the child could, under .52, register for school and then immediately drop out to accept a referral to WIN within 30 days under 41-103.51. After referral to WIN, the recipient could then refuse to accept the WIN program. At such time he is not eliminated from the WIN program, but is offered a 60-day counseling period to reconsider his refusal under 30-158.1. As a result, therefore, a person could conceivably remain on aid for one year after his period of eligibility is terminated.