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Public Assistance Amendments

COMMITTEE ON FINANCE
UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*

Summary of Testimony of Public Witnesses Before the Subcommittee on Public Assistance: July 18, 19, and 20, 1977

SUBCOMMITTEE ON PUBLIC ASSISTANCE

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SUMMARY OF PREPARED TESTIMONY ON PUBLIC ASSISTANCE

I. Testimony of Witnesses at Public Hearings

A. July 18, 1977

George Miller, Congressman from California

Strongly supports H.R. 7200 and his own foster care and adoption reform bill, "from which much of the House-passed bill was drawn." Says several studies in the past year have documented the widespread failure of the foster care system. Feels that procedural reform without extra funding for targeted services cannot solve the crisis; cites some demonstration projects that have produced "impressive results." Characterizes the placement standard of H.R. 7200 and his bill as going "to the very heart of much of what is currently wrong" with foster care. This standard requires that when a child is taken from the home, he be placed in the "least restrictive setting which most approximates a family and in which his special needs, if any, may be met within reasonable proximity to his or her natural home—where appropriate—with relatives." Urges Congress to retain this "critical provision" so as to make the foster care experience as "non-traumatic" as possible for the child. Defends the bill's requirements for standards and review, saying that failure to enact these standards would be to "virtually sanction" perpetuation of abuses.

Thomas P. O'Neill III, Lieutenant Governor of the Commonwealth of Massachusetts (on Behalf of the National Governors Conference)

Endorses H.R. 7200 with suggested modifications and S. 1782 as two "vitally needed" measures.

Urges fiscal relief to State and local governments now, while welfare reform is being designed. Urges that instead of the present sec. 1115 demonstration provisions that States be allowed to submit a plan showing how it will create employment and training programs for welfare recipients.

Supports H.R. 7200's permanent $200 million increase in the title XX social service ceiling, but strongly urges that a provision "for multi-year increases" in the ceiling be added to offset the inflation of the last 5 years and recommends provision for reallotment of unused funds among the States.

Urges that some temporary provisions of Public Law 94–401 be made permanent, including: waivers of staffing standards in day care centers with a small percentage of title XX children and provisions to encourage hiring of welfare recipients in day care centers.

Strongly supports full funding of title IV–B and maintenance of child welfare services as a separate program, but urges Congress not to package the new money "in a whole new set of strings, conditions,

assurances and regulations." Says Federal monitoring will see that the money is properly spent for specified purposes. Disagrees with the Administration's recommendation to delay full funding until States have developed and implemented a tracking and information system, adoption services and due process procedures; urges immediate full funding.

Prefers the "scope" of the administration position on adoption subsidies to H.R. 7200, which provides for IV–A subsidies to AFDC-eligible children and IV–B subsidies to others, but is concerned that an income test might disqualify some middle class parents, "who traditionally have been the most likely to adopt 'special needs' children under state subsidy programs." Also is concerned that a cap on funds might "dampen" the program's potential, prefers other steps, such as "the infusion of funds" earmarked for preventive services, to prevent an "unwarranted expansion" of foster care.

Supports removal of the requirement for judicial placement in foster care. Recommends that Federal matching funds be offered without court adjudication for a period longer than the 3-month limit proposed by the administration, perhaps 18 months. Says to discourage "long-term placements," Federal matching might be ended after 18 months "except in special circumstances."

Harrison J. Goldin, Comptroller, City of New York

Generally endorses H.R. 7200, but recommends these changes: extend the duration of adoption subsidies through a child's 18th year; waive the rule for a "diligent effort" to find a nonsubsidized adoptive family for a child whose foster family wants to adopt him; separate funds for preventive services, family reunification and adoption services from those for foster care maintenance; combine adoption subsidies with allocations for foster care maintenance to allow States flexibility; require independent review and audit of the effectiveness of the 6-month administrative case review and the 18-month judicial hearing specified in the bill; require provider agencies to sign contracts with the natural parents of children coming into foster care; require that States establish advisory boards to help develop State plans and that the boards consist of natural and foster parents, older foster children, child welfare officials, and child advocates; require audits of local programs funded by states; and provide for collection of data and detailed annual statistical reports on children and families served by provider agencies.

Cyril E. King, Governor of the Virgin Islands

Endorses H.R. 7200's three provisions for the Virgin Islands and says that removal of the $800,000 annual ceiling on Federal matching for public assistance is the provision of "greatest importance" to the Islands. Says extension of SSI is needed to achieve "equal treatment for U.S. citizens living under the U.S. flag." Disputes the characterization of Sec. 202, providing for allocation of as much as $500,000 in unused title XX funds to the Virgin Islands, as an "entitlement," saying that it merely requires States, which have first rights to the funds, to certify their needs at an earlier date than now.

Ron de Lugo, Delegate From the Virgin Islands

Endorses H.R. 7200's provisions for territories as a major step in the direction of giving the areas full "state-like" treatment. Describes his own bill, H.R. 6745, which provides for immediate State-like treatment of the Virgin Islands for all public assistance programs under the Social Security Act: AFDC, SSI, Medicaid, title XX Social Services, and Prouty Social Security benefits; and estimates the gross Federal cost of his bill at $13.3 million annually, compared with the current annual cost of $2.3 million.

Carlos Romero-Barcelo, Governor of Puerto Rico

Supports H.R. 7200's provisions for Puerto Rico but proposes that SSI benefits be raised over 5 years to 100 percent of the mainland level. Urges that the current 50 percent Federal matching rate for AFDC be raised to 66.7 percent immediately and raised over a 5-year period to 80 percent, the share to which he says Puerto Rico's low per capita income would entitle it if it were a state. Stresses that the lifting of the AFDC $24 million annual ceiling will "not help" Puerto Rico's poor families unless the Federal matching rate is increased.

Baltasar Corrada, Resident Commissioner, Puerto Rico

Urges passage of H.R. 7200 for immediate extension of SSI to Puerto Rico, removal of the $24 million annual ceiling on funding for AFDC and other public assistance, and the bill's provisions for title XX funding to Puerto Rico.

Greg Coler, Deputy Commissioner for Social Services, New York Department of Social Services (on Behalf of the American Public Welfare Association)

Supports the Administration's proposal for Federal adoption subsidies and for expanded foster care and title IV funding, but suggests four modifications: opposes a ceiling on AFDC foster care funds; asks for a delay in Federal fiscal disincentives for foster care in large institutions so that States can develop alternatives; suggests that income eligibility limits for adoption subsidies be the same as those used for title XX social services; and urges no income test for parents seeking to adopt handicapped children.

John J. Affleck, Director, Rhode Island Dept. of Public Welfare (on Behalf of the National Council of State Public Welfare Administrators)

Applauds the Administration's "initiative—in proposing to expand the role of the Federal government in subsidized adoption, foster care and title IV–B of the Social Security Act and those child welfare proposals in H.R. 7200 which accord with our own position." Urges full funding of the authorized level for title IV–B, says the new money should be available immediately and preferably without matching requirements, or at least with a more favorable match; also, urges that States be required to maintain current spending levels and prohibited from using the additional funds for foster care payments.

Urges a 1-year delay, until 1981, in the proposed ceiling on AFDC-foster care funding; urges delay until fiscal year 1981 in lowering the Federal matching rate for children in large institutions (with 25 or more children) to give States time to develop alternatives.

Supports SSI provisions; supports the permanent increase in the title XX social service ceiling and recommends that Congress consider indexing it to the cost of living; supports increasing the proportion of restricted payments permitted in AFDC and retroactive forgiveness for States that violated the existing limit. However, opposes the H.R. 7200 provision to prospectively allow vendor payments to be made to landlords and utilities for an unlimited number of AFDC recipients.

Urges that State and local welfare agencies be given greater flexibility to establish job and training programs. Commends Senator Moynihan's efforts to obtain "fiscal relief for States." Urges consideration of making incremental changes in current programs consistent with eventual broader-scale reform, including: a nationwide program of AFDC for families with unemployed *parents*, including unemployed mothers in intact families; uniform definitions of income and eligibility across welfare programs such as AFDC and food stamps; liberalization of the definition of disability in titles II and XVI of the Social Security Act; Federal matching for aid to single persons and childless couples, now funded entirely by States and localities; and revisions of the emergency assistance program in section 406 to place "realistic limitations" on emergencies that States must meet in order to receive Federal matching (several court decisions have held that States must meet a very wide range of emergencies, and in reaction several States have withdrawn from the program).

Carol Parry, Assistant Administrator, New York City Human Resources Administration

Urges full funding of title IV–B immediately and wants the extra funds earmarked for "prevention, family restoration, and adoption," paid fully by the Federal government, and established as an entitlement. Opposes merging extra IV–B funds with title XX funds. Opposes a ceiling on foster care expenditures, says this would discriminate against one group of AFDC-eligible children. Supports H.R. 7200's provision of Federal matching funds for publicly operated programs that serve up to 25 children. Urges that adoption subsidies extend to the child's age of maturity; wants income test deleted for families seeking subsidized adoption of a handicapped child. Opposes initial or 3-month judicial determination of a child's need for removal from his home; urges instead a contract between the agency and the parent providing for automatic return of a child at the request of a parent who earlier voluntarily relinquished the child.

J. N. Peet, Administrator, Children's Services Division, Oregon Human Resources Department

Supports additional funding for day care under sec. 301 of H.R. 7200, but recommends that staffing standards be liberalized. Reports that Oregon has found adoption subsidies cheaper than foster care;

considers it "counterproductive" to require a six-month search for an appropriate adoptive home inasmuch as "foster care families are our greatest source for placement."

Barbara Sabol, Director, Kansas Division of Children and Youth

Recommends full and immediate funding of title IV–B child welfare services as an entitlement program; the permanent increase in the title XX social services ceiling and consideration of a cost-of-living adjustment in the ceiling; the adoption subsidy program with no funding ceiling and deletion of the administration's proposal for an income test for families who seek an adoption subsidy on behalf of a handicapped child. Opposes requirements for court review of placements.

Lynn Cutler, Supervisor, Waterloo County, Iowa (on Behalf of National Association of Counties)

Supports H.R. 7200. In general, feels that additional social service funds must be provided and that counties must have maximum flexibility in their use. Commends the permanent $200 million increase in the title XX social service annual ceiling, but urges a cost-of-living annual adjustment in the future and opposes the earmarking of these extra funds for child day care. Supports H.R. 7200's provision for the full $266 million authorization for title IV–B child welfare services, the emphasis on preventive services to minimize foster care and the restrictions on use of funds for foster care maintenance. Urges a cost-of-living adjustment clause for title IV–B funds and 75 percent Federal matching; urges increased training funds outside the closed-end appropriations for titles XX and IV–B. Labels as "unworkable" HEW Secretary Califano's proposal to limit new child welfare funds to $63 million annually until specific requirements are met.

Supports establishment of Federal adoption subsidies and adoption services, but urges that the maximum duration of subsidies be lengthened, perhaps to a child's maturity; proposes that an income test, if adopted, be reasonable, simple and sufficiently liberal to offer eligibility to families with middle to comfortable incomes.

Supports Federal matching for voluntary placement in foster care under title IV–A. To reconcile the differences between H.R. 7200 and the HEW proposal on the issue of judicial review of placements, suggests that guidelines be supplied "for adequate administrative review of voluntary foster care" and that judicial review be reserved "for cases that require the protection of the court." Supports continued Federal matching for child support collection services for non-AFDC families, but opposes the H.R. 7200 rule that a $20 fee be charged such families. Supports immediate fiscal relief, especially the provision of S. 1782 that requires States to pass on to counties their proportionate share of the bill's extra $1 billion for AFDC costs. Suggests that S. 1782 not be "amended into" H.R. 7200 "unless there is clear provision for funding it over and above the social services provisions of H.R. 7200."

Ellen Skinner, Chief, WIN Services Unit, Georgia Department of Human Resources

Endorses the basic WIN legislation as "sound", but says administration is complicated by complex Federal regulations and individual State constraints. Recommends that welfare reform proposals take into consideration: a work requirement for employable recipients of aid; adequate social services, especially child care; and use of the WIN format "emphasizing early access to employment and support service resources."

Norman A. Polansky, Professor, School of Social Work, University of Pennsylvania (on Behalf of National Association of Social Workers)

Cautions against overoptimism about the capacity of social workers and social services to solve family problems; warns against expectation for large net savings from an expanded program of services to prevent foster care. Observes that the trauma of "front-line" social work causes "worker burn-out" and that the "effective life" of some seems to be 5 to 10 years; urges maintenance of funding for training of social workers and continued support of funding for research, "not all of which should be in the form of demonstrations, which assume you already know what you should do."

B. July 19, 1977

Abraham Beame, Mayor, City of New York

"Appreciates" the S. 1782 provision that requires States to pass along to localities their proportionate share, if any, of the bill's extra $1 billion for AFDC, but feels that local governments must be relieved of the welfare burden first, before States.

Jonathan B. Bingham, Congressman from New York

Endorses H.R. 7200's provisions to authorize joint-payee checks and to increase the proportion of AFDC payments that may be made, in part, to a vendor rather than directly to the recipient, but would prefer no limit on vendor payments.

Charles B. Rangel, Congressman from New York

Supports provisions of H.R. 7200. Endorses specifically provisions that would authorize voluntary two-party checks; increase the proportion of restricted checks (protective and vendor payments) that may be issued; and forgive States which have violated restrictions on two-party checks and excessive vendor checks. Estimates that without this forgiveness, New York City might be penalized about two-thirds of $1 billion over an 8½ year period. Supports the bill's provisions for a cost-of-living increase to SSI recipients in institutions.

Welcomes the Administration's decision "to support the concepts" in H.R. 7200 of foster care maintenance and adoption subsidies, but expresses reservations about some features of the Administration proposal. Questions the 80 percent "cap" on Federal matching funds for

institutional placements and the limit of 16 children in institutional homes eligible for IV–A Federal funding; questions the Administration's proposed requirement for court or quasi-judicial review after three months of voluntary placement as traumatic for the child and prefers H.R. 7200's treatment of the issue of voluntary placement. Expresses doubts about the Administration proposal for "a simple income test" for parents seeking to adopt a hard-to-place child and questions as possibly more restrictive the proposal relating to medicaid, preferring H.R. 7200's specific provision of funds for "whatever medical condition made the child hard-to-place." Indicates that the Administration proposal to place a cap on child welfare service funds and to defer full funding until specified requirements are met will cause States to limit eligibility.

Carmen Chang, Acting Commissioner, New York State Department of Social Services

Supports S. 1782 as an interim measure that will provide fiscal relief to States and localities, but urges that expenditures for non-federally-reimbursed general assistance be included in the welfare expenditure total upon which each State's share of the extra $1 billion is based. With regard to H.R. 7200, supports the provisions related to protective and vendor payments, and supports the provision to forgive States for past violations of limits on restricted payments. Reports that in New York City more than 4,000 recipients monthly, on the average, are added to the list of recipients who fail to pay their rent and require duplicate payments of more than $1 million to prevent their eviction.

Supports the provision requiring coordination of SSI with other benefit programs; broadened authorization for SSI to presumptively eligible persons; the change from quarterly to monthly need determinations for SSI recipients; extension of eligibility for full SSI benefits to persons entering medical institutions for up to 3 months. However, the Department is concerned that the proposal to reduce from 6 months to 1 month the period of separation required before an SSI couple may be eligible for benefits as single individuals may encourage undesirable separations. Strongly supports the proposal for full funding of title IV–B, beginning with the coming fiscal year, and for establishment of a child welfare planning requirement; strongly urges an end to limiting Federal funding for foster care maintenance to AFDC–eligible families and would strongly oppose any move to establish a "cap" on Federal foster care funding, as the Administration has proposed.

Supports the proposal to require preventive services before placement, but recommends that flexibility be given States in this regard; supports the requirement for a judicial review of each foster care placement 18 months after placement, but strongly opposes the requirement for an independent quasi-judicial review of every foster care case every 6 months; supports the requirement for fair hearing procedures, the proposed elimination for judicial authorization for voluntary placement, and the proposal for Federal matching for foster care in

public institutions serving up to 25 children. Strongly supports Federal funding for adoption subsidies, but opposes limiting subsidies to AFDC foster care children. Recommends that subsidies extend through the minority of the child and that medicaid eligibility for certain handicapped children "follow the child" regardless of his adoptive parents' income; opposes the requirement that "diligent efforts" be made to find parents willing to adopt without subsidy before payment of subsidy is authorized.

Welcomes extension of Federal matching for child support services to non-AFDC families, but urges that eligibility for such services be ended at family incomes that exceed twice the AFDC standard of need; also urges that States not be required during a phase-in period of several years to provide the full range of child support enforcement and paternity establishment services to non-AFDC families.

Abe Lavine, Executive Vice President of the Jewish Child Care Association of New York (on Behalf of Child Welfare League of America, Inc.)

Generally supports the thrust of H.R. 7200 and the Administration's proposals, with these comments: calls for an Adoption Information System (as in H.R. 7200 and S. 961); opposes a "financial disincentive" for institutional placements; opposes an income test for adoptive parents. Favors having medicaid eligibility follow the adopted child and making maternal care services available to "a broad spectrum of pregnant women who are considering adoption of their child," but without requiring their agreement to relinquish the infant. Favors a cost-of-living adjustment for the cap on proposed title IV–E funds; immediate availability of new child welfare funds to States once they meet requirements for them; the permanent $200 million increase in the title XX social services ceiling, and addition of extra funds in the following years.

C. July 20, 1977

Henry A. Freedman, Director, Center on Social Welfare Policy and Law

Urges deletion of H.R. 7200's expanded vendor and protective payment provision. Maintains that the existing involuntary vendor payment program for AFDC families who mismanage their money has been subject to agency and vendor abuse, particularly in New York City, that under it some tenants have lost the ability to enforce State legal remedies to secure adequate housing and that welfare agencies have violated the law's limits and conditions regarding vendor payments. Regards HEW's current position as a major policy change that is "contradicted by the agency's own study of the problem."

Maintains that new provisions for "voluntary" vendor payments will result in coerced vendor payments, that administrative chaos will create substantial problems for recipients seeking to change terms of vendor payments or to revoke permission for them. Urges deletion of provisions of "voluntary" vendor payments, but failing that, seeks "certain protections" in the law for recipients, including: penalties for landlords and utilities who coerce recipients; a time limit on authority for vendor payments; health and housing standards for eligible housing units; and rent restraints.

Does not oppose forgiveness of past violations of vendor payment rules, as provided in Sec. 505(b), "since we see Sec. 505(a) as the greater threat to recipient interests."

Robert Reed, Director, Michigan Legal Services

Opposes authorization for two-party checks to the landlord and AFDC recipient, as proposed in H.R. 7200. Disputes assumptions that direct vendor or two-party checks will benefit landlords and AFDC recipients and improve deteriorating housing conditions. Favors laws that prohibit landlords' discrimination against AFDC recipients, "adequate" shelter allotments in welfare grants, loan and grant programs for landlords with aging buildings, and enforcement of housing codes.

Michael A. Weinberg, Director, Manhattan Youth Care, and President, Kansas Association of Licensed Private Child Care Agencies

Recommends that the $200 million annual increase in title XX funds not be restricted to day care services, but be available to child care services in general, in accordance with State plans. Urges deletion of the requirement that new title IV–B funds *not* be spent on foster care payments. Says this rule would place child care services of community-based group homes and residential centers in Kansas "in severe budgetary havoc."

Dr. Ian A. Morrison, Chairman, Public Affairs Committee, National Association of Homes for Children

Commends Congress for "the many needed" preventive services and subsidized adoption provisions in H.R. 7200, but warns against overexpectations and disputes the bill's treatment of institutions. Regards the bill as having a very clear anti-institutional bias. Maintains there is no national data base about nonprofit institutions to justify conclusions that they damage children and are relatively expensive. Urges the Committee to carefully study H.R. 7200's assumptions which, if enacted into law, "will have serious disruptive effects on the voluntary child care system." Recommends that adoption subsidies be continued to a child's majority without an income test for the family; continued medicaid for preexisting conditions of the adopted child; encouragement for States to use nonprofit social service agencies, including institutions, for services and placement; incentives to make certain that States establish and maintain standards for foster care institutions which will be reasonably consistent with standards developed by the National Association of Homes for Children. Questions judicial review provisions as "overburdening" the court system, but urges that if the provisions are adopted, provision be made to permit States to reimburse voluntary foster care agencies for the excessive cost of judicial review and other accountability requirement of the legislation.

Dorothy M. Forney, Member of the Board, National Welfare Fraud Association

Commends the committee for having had the "good judgment to prevent Congress from succumbing to ill-conceived public welfare projects in the past." Recommends that a strong AFDC quality control system be placed in the new HEW office of Welfare-Inspector General; that tolerance levels "of error and fraud" be written into law; that the law provide for establishment of earnings clearance systems and require States to use photo I.D.'s for recipients; that HEW be required to collect data on fraud and abuse from all States. Recommends an increased Federal matching share for efforts to control fraud and abuse.

Mathew H. Ahmann, Associate Director for Governmental Relations (on Behalf of the National Conference of Catholic Charities)

Generally agrees with the provisions of H.R. 7200, "especially as improved" by the Administration proposals. Recognizes the need of local government for fiscal relief in meeting welfare needs, a purpose of S. 1782. Supports the SSI provisions of H.R. 7200, especially extension of SSI to Puerto Rico, Guam, and the Virgin Islands; also, strengthened outreach; modification for third-party payees in case of persons in treatment; increased payments for those presumed eligible for SSI; clarification of eligibility for those in medical institutions; the change from a quarterly to a monthly determination of benefits; and the exclusion from countable income of aid given by charitable or religious organizations.

Supports ending the ceiling on AFDC matching funds for Puerto Rico, Guam, and the Virgin Islands. Supports converting title IV–B into an entitlement program with emphasis on prevention of family breakup; however, expresses deep concern that the Administration's proposal "would eat into" the service money by its first phase provision of $63 million earmarked for development of various "systems," recommends that if there is a demonstrated need for additional systems money it should be added on top of the full $266 million authorization for child welfare services.

Opposes standardizing the work related income disregard in AFDC "until we see the Administration's welfare reform proposals"; strongly opposes extending the vendor payment authority to cover up to 50 percent of the AFDC check. Supports voluntary foster care placements, urges indexing the funds for foster care and adoption subsidies after the cap is imposed; opposes the 20 percent lower Federal matching rate for institutional foster care; urges adoption of the Cranston bill (S. 961) language for adoption subsidies, including its phrasing on financial aid "to bring babies to term and avoid black market."

Supports the permanent $200 million annual increase in the title ceiling and urges that it be adjusted for cost of living changes in the future.

Dee Everitt, Member, Governmental Affairs Committee, National Association for Retarded Citizens

Supports a permanent increase in the title XX ceiling to $2.7 billion, urges an annual cost-of-living provision for title XX, and opposes earmarking of title XX funds for day care or related services. Supports those SSI provisions of H.R. 7200 which eliminate deeming for students, expand availability of payments to persons presumed eligible, provide for cost-of-living increases to persons in medical institutions, permit full payments to SSI recipients for the first 3 months in medical institutions, and allow the disregard of income provided by charitable organizations. Strongly urges that H.R. 7200 be amended to provide that income paid to workers in sheltered workshops and work activity centers be treated as earned income in order to assure work incentives for this group of disabled SSI recipients.

Supports funding child welfare services at the authorized level of $266 million and converting title IV–B into an entitlement program; recommends that the definition of title IV–B child welfare services be changed to more explicitly respond to the needs of disabled children; urges extension to title IV–B of the principle in title XX that qualified foster parents can be paid to deliver specialized services needed by their disabled children. Recommends that the adoption subsidy program of H.R. 7200 be expanded to provide, at least, that all SSI eligible children in foster care *or* in institutions be eligible for adoption subsidies, provided they are legally free for adoption.

Henry Bellmon, Senator from Oklahoma

Urges the Committee to act promptly on two bills he sponsors: S. 1888, providing clarification of HEW's authority to approve community work and training programs operated for AFDC recipients by States and localities; and S. 1891, providing 100 percent Federal funds for the program of AFDC for Unemployed Fathers, and requiring all States to have the program. States that S. 1888 would protect an AFDC work program in Utah that "appears to be working successfully" but is under a cloud of legality; says he has been told that HEW is not sure its approval of the program would survive a court challenge. States that S. 1891 would "respond to one of the most serious criticisms" of AFDC, that the program is anti-family.

Robert B. Carleson, Former U.S. Commissioner of Welfare

Maintains that policy and administration of social programs should be shifted from the Federal to the State level. Recommends that title IV–B be abolished and its funds transferred to title XX social services. Opposes earmarking the $200 million increase in title XX for child care, opposes applying Federal Inter-Agency Day Care Requirements to title XX. Feels that much of H.R. 7200 would increase rather than decrease Federal control, noting that most present child welfare services are financed with title XX funds with little Federal control.

Urges that AFDC vendor payments for housing and utilities not be limited in amount and that recipients be permitted to revoke permission for them only at expiration of their lease. Recommends these additional changes in AFDC: permit States to apply work requirements to AFDC recipients; provide for monthly income reporting, at State option; establish quality control tolerances in Federal law; restrict AFDC eligibility on grounds of continued absence of a parent to specified kinds of absences, not including military service; limit the disregard of work expenses; subtract the earnings disregard from net income rather than gross; permit States not to offer the earnings disregard ($30 and ⅓ work incentive); reduce the earnings disregard and end it altogether after 4 straight months; establish a gross income eligibility limit at 150 percent of a State's needs standard.

Approves the provision of H.R. 7200 that attributes a sponsor's income and resources to alien recipients of SSI, but recommends that it be amended to apply to all public assistance programs, Federal, State, and local. Approves sec. 114 that provides for coordination of SSI with other assistance programs, says it will permit States to administer the SSI program under contract with the Social Security Administration where it is in the public interest to do so.

Robert L. Woodson, Resident Fellow, the American Enterprise Institute for Public Policy Research

Regards section 427 of H.R. 7200, which requires that States insure that children are not removed from their homes unnecessarily and that a wide variety of preventive and restorative services be provided, as a "major step in making States more accountable for their actions." Feels that the effect will be to reduce the number of foster care placements to some extent. Recommends financial incentives for developing preventive services. Recommends that the person who is to conduct the review of each case plan be appointed by a court of competent jurisdiction. Recommends outreach services for the national adoption exchange, especially to reach minority communities. Urges that nonmedical adoption subsidies be provided until the age of the child's majority or until the family no longer needs the subsidy.

Wayne E. Dixon

Strongly recommends development of a "model" AFDC eligibility system "incorporating powerful management controls," plus financial incentives to States to implement such systems. Urges that in the interim certain controls be immediately required to reduce the impact of the most serious errors, including computerized identification of cases with concealed earnings or concealed Unemployment Compensation benefits, presents a long list of recommended technical and administrative changes for the quality control process.

Recommends that in all cases where an AFDC family is known to have earnings, the welfare agency be required to find out if the employer has a health insurance program.

Charles F. McDermott, Comptroller, Oklahoma Department of Public Welfare

Recommends Federal incentive funding for an AFDC "Management Information System" (90 percent Federal funding for development of the system and 75 percent for operation); proposes that States be given Federal matching funds for cost of space in publicly-owned buildings to the same extent as in privately-owned buildings. Recommends funding for a work and training program administered by the AFDC agency as a supplement to WIN.

II. Statements Submitted for the Record

Ethel Bernstein-Sidney, Director, Children's Center, Woburn Council of Social Concern, Inc., Woburn, Mass.

Urges that a maintenance of effort clause be added to H.R. 7200 and a limit placed on the sum spent on administering funds at the State level. Maintains that because Congress failed to put a maintenance of effort clause in Public Law 94–401, the Massachusetts fiscal year 1978 budget proposes to give day care centers less than one-third of the 100 percent Federal funds that Congress allocated for day care in that Act.

John C. Gray, Jr., Attorney-in-Charge, Brooklyn Legal Services Corp. B (on Behalf of the Coalition of Institutionalized Aged and Disabled, Inc., New York City)

Urges that H.R. 7200 be amended to require that the first cost-of-living increase for SSI recipients in chronic care institutions be based on the increase in living costs since SSI began in 1974, not on the increase in the past year; urges for institutionalized SSI recipients an income exclusion of $3.50 monthly; supports H.R. 7200's provision for continuation of full SSI benefits for a 3-month period for newly institutionalized recipients.

John T. Dempsey, Director, Michigan Department of Social Services

Supports H.R. 7200's provision for expanded vendor payments in AFDC, maintains that the greatest resulting benefit will be "improved living situations" for AFDC families. Urges Congress to adopt section 401 of the bill to establish an entitlement program under title IV–B for child welfare services at the full funding level of $266 million beginning in fiscal year 1978, but without the "unrealistic expectations" and requirements of section 402. Maintains that the requirements for preventive and restorative services and detailed procedures in the latter section are very expensive measures that could not be assured even by title IV–B's full funding.

Expresses concern about voluntary foster care placement, on grounds that the proposed protections are very costly and therefore may not be provided adequately. Views the Administration's proposal for phasing in new child welfare dollars as unrealistic; also objects to the Administration proposal for a 25 percent State match for new title IV–B funds. Opposes the Administration's proposal for a ceiling on foster care funds.

Supports the $200 million annual increase in the title XX ceiling; welcomes the beginning Federal effort in adoption subsidies; supports the bill's provision for Federal matching funds in public foster care institutions with no more than 25 children.

Urges Congress to amend the law so as to clearly permit States to establish work and training requirements for AFDC recipients outside of WIN with AFDC funds; urges replacement of the existing work incentive bonus (disregard of first $30 and one-third of earnings) and expense disregard by a standardized and limited disregard (he suggests that recipients be permitted to add to their full AFDC grant half of the first $200 earned per month and nothing beyond that point). Recommends Federal matching funds for emergency needs whenever they arise," repealing the existing 30-day maximum per year. Recommends changing the law to permit a welfare agency to consider income that a recipient actually has had available for use and to develop either retrospective or prospective systems of income budgeting. Urges an objective standard for AFDC eligibility based on continued absence, preferably with a durational requirement of 30 to 60 days.

The Youth Law Center, San Francisco, Calif.

Urges the committee to act favorably upon the foster care and adoption proposals before it.

Recommends revising section 408 of title IV–A to justify removal of the child from the home only if the court finds that the child actually would be harmed or endangered by remaining with his family.

Wholeheartedly supports those provisions of H.R. 7200 and the Administration proposal that require that a child must be placed in the least restrictive setting most approximating a family and as close as possible to his natural home. Supports procedural due process protections for the child, the natural family, and the foster family, including initial judicial determination, case plan reviews, mandatory dispositional hearing within a specified time, and a grievance procedure. Endorses the provision in H.R. 7200 for court-appointed counsel at the 18-month dispositional hearing and recommends inclusion of the right to counsel for the initial judicial determination. Endorses the provisions of the Administration proposal for adoption subsidies for children deemed to have special needs; supports the Administration proposal for continued Medicaid eligibility for adopted children and for continuation of the subsidy until the child's majority. Recommends provision for waiver of the income test for prospective adoptive parents in special circumstances.

Dorothy O. Lasday, Chairman, Dutchess County Child Development Committee, Poughkeepsie, New York

Supports full funding of title IV–B child welfare services, as provided in H.R. 7200, and increased funding of services to prevent foster care, including funding of child day care to meet the child's needs. Opposes merger of title IV–B funds with title XX funds; urges the Senate to prevent such a merger so that the title IV–B funds "cannot be absorbed to cover local and State administrative budgets with no funding of direct services to children, as has occurred with Public Law 94–401 child day care monies."

Robert H. Mnookin, Professor of Law, University of California, Berkeley and Jessica S. Pers, Research Associate, Childhood and Government Project, University of California, Berkeley

Believe that the care of dependent and neglected children should remain primarily a State and local responsibility, but that Federal policy should be structured to encourage certain needed reforms at the State and local level. Propose that the Federal government, rather than conditioning funding on specified *procedures* for initiating and monitoring foster care, could stress *outcome* measures. Under this proposal, the Social Security Act would be amended to provide financial incentives for States to minimize need for foster care and to encourage only short-term retention of children in foster care. Propose also that the Federal government, to aid States in improving foster care, could sponsor and support experimental State and local programs designed to protect children within their homes. Feel that as a "byproduct" of such Federal action, States would be encouraged to find ways to decrease the need for foster care and to use a greater portion of their title XX money to fund preventive, child protective, and family reunification services. Notes, however, that developing valid outcome criteria "will be difficult" and that States will be pressured to use their title XX money for social service purposes other than foster care.

Gerald Tarutis, Litigation Coordinator, and Patrick McIntyre, Managing Attorney, Seattle Central Area Office, Association of Washington State Legal Service Programs

Oppose section 505(a) of H.R. 7200, which would increase involuntary vendor payments and authorize "voluntary" dual party vendor checks. Urge that these provisions be deleted, state that they "not only insult and gravely threaten the poor, but their enactment will virtually guarantee the kind of unwarranted paternalism that leads to perpetual dependency."

Maya Miller, Director, Women, Work and Welfare Project, Women's Lobby, Inc.

Opposes H.R. 7200 as a "cruel and bizarre bill to salve the conscience of a society that would force poor women to breed children they cannot afford." Favors the increased title XX ceiling. Views title IV and V of the bill overall as an "insult to poor women and a boondoggle for the social service and legal professionals, unless the jobs described are insured to welfare mothers registered for WIN." Objects to denial of child day care provided solely for the employment of a parent (sec. 426(b)); states that the Lobby has concluded that child care to enable a mother to work is probably "*the* crucial place in effecting a welfare plan which is 'profamily' and 'prowork'." Warns that some other features of the bill offer potential for coercing a mother to give up her child: elimination of the requirement for judicial determination of removal from the home (sec. 501(a)(1); expanding "hard-to-place" to include poverty-linked factors such as color, ethnic background, etc. (sec. 411(b)(2); and subsidizing adoptive parents (the Lobby objects "to bonuses being given to other than natural parents for rearing children"). Opposes vendor payments provisions. Expresses ambivalence

about extension of the tax credit to hire welfare mothers; says that "we do not believe in the trickle-down method of delivering help to poor people by giving bonuses to business, but . . . we have welcomed at least the results of this 20-percent tax break because it has . . . in short, been a small boost at chipping away at the myth of lazy AFDC mothers."

Raymond W. Vowell, Commissioner, Department of Public Welfare, State of Texas

Believes that programs proposed in titles IV and V of H.R. 7200 will have a "positive effect" in carrying out the Administration's pledge to stress preservation of families. However, expresses concern about the detailed requirements of sec. 402 and urgently recommends modification to require only that States file a plan designed to carry out the purposes of the Act as defined in sec. 425. Also urges that sec. 426(A) be revised to allow States to spend sums equal to their current allocations under title IV–B for foster care payments. Supports the provisions of title V relating to foster care.

Recommends that the child support enforcement section (sec. 504) be deleted in favor of H.R. 1404, already enacted. Supports title III provisions as "all constructive." Strongly supports extension of the moratorium on Federal Interagency Day Care Requirements for one year. Gives special support to sections 109, 110 and 112 (extension of full SSI payment for 3 months to a person entering a medical institution, a cost-of-living increase in the $25 monthly payment to SSI residents of medical institutions, and reducing from 6 months to 1 month the time of separation needed for separated spouses to qualify for benefits as eligible individuals).

Dr. B. Edward Barnett, Philippines

Urge that all aid provided by H.R. 7200 be administered by a "separate welfare organization completely separated from Social Security so as to prevent any and all costs of administering welfare from being deducted from Social Security funds." Urges that citizenship be made a requirement for eligibility for welfare in any form and that immigration into the United States be "stopped entirely" until unemployment falls below 4 percent.

William E. Amox, Executive Director, Serving Children in Transition, Middletown, Ky.

Feels that H.R. 7200 provides a "very open and blatant demonstration of the Federal Government reaching its avenues of control, not only into the State level, but into private agencies as well," that the bill "calls for a basic dismantling of the foster care system—before the whole network of preventive services is really intact and functioning." Fears that the children who are the focus of the bill will become the losers "as they begin to get tied up in the redtape shuffle of court processes and hearings and administrative reviews." Feels that there always will be a need for some residential group child care facilities. Wants the Committee to know that "there are agencies and States that

are busy about this task and are quite capable of carrying it off without—lengthy and complicated regulations which ultimately are expensive to the private agencies themselves."

Thomas A. Coughlin, Deputy Commissioner, New York Dept. of Mental Hygiene (on Behalf of the National Association of Coordinators of State Programs for the Mentally Retarded, Inc.

Recommends these changes in H.R. 7200: amend the definition of "child welfare services" to make it clear that title IV–B funds can be used to help a natural or foster family providing services to a severely handicapped child or adult in their home; amend sec. 422(a)(1)(A) of the Social Security Act to grant the single state agency designated to administer title IV–B statutory authority to contract with other public and private, nonprofit agencies for provision of specified child welfare services to the handicapped and similar groups; permit States to use increased title IV–B funds for provision of special in-home services, provided certain requirements are met; amend sec. 425 to permit use of title IV–B funds on behalf of SSI eligible blind and disabled adults who require foster family care and family support services; amend the adoption subsidy program to provide a positive incentive for prospective adoptive parents and extend eligibility for adoption subsidies to SSI eligible children as well as those in AFDC families. Also, urges amendment of SSI law to treat wages of clients in sheltered workshops as earned income so as to provide a work reward. Strongly endorses the $200 million increase in the title XX ceiling and recommends addition of a cost-of-living escalator. Supports revisions in SSI made by H.R. 7200.

Lucille Moore, Vice Chairwoman, San Diego County Board of Supervisors

Recommends that title IV–B be converted into an entitlement program and that the full authorization of $266 million be made available for fiscal year 1978, with provision for cost-of-living increases in future years.

Donald H. Schwab, Director, National Legislative Service, Veterans of Foreign Wars of the United States (on Behalf of the Veterans of Foreign Wars of the United States)

Expresses deep concern with the number of conditions that States must meet to receive title IV–B entitlement funds and Federal matching funds for foster care under title IV–A after September 1979; considers such requirements to be "financially and administratively prohibitive in foster homes supported by private funds," such as the V.F.W. National Home for children of deceased and disabled veterans of the V.F.W. Requests that the bill be amended to include language that would specifically limit application of these restrictive provisions to foster homes supported by State and/or Federal funds and that would specifically exclude their application to foster homes supported solely by private funds.

Children's Defense Fund

States that specialized child welfare is a necessity, and that if funds were made available under title XX it would be unlikely that they would be used for services to children at risk of placement. Supports targeting funds for preventive, restorative, or adoptive services. Also supports converting title IV–B to an entitlement program, and requiring State maintenance of effort with regard to child welfare services, including adoption subsidies. Expresses concern that provisions of H.R. 7200 on adoption subsidies are too restrictive. Hard-to-place children should be made eligible for subsidies to the age of majority and should retain medicaid eligibility. Favors waiver of any income eligibility requirement imposed on an adoptive parent who adopts a handicapped child, and believes that any income limitation should be broad enough so as not to discourage adoptions by foster parents and other middle income families. Supports provision in H.R. 7200 to establish a national and regional adoption information center. Supports Federal reimbursement for foster care in a public facility serving 25 or fewer children, and elimination of court determination provision for AFDC foster care. Endorses preventive services provisions of the House bill, as well as the foster care protections, but believes parents who voluntarily place their child in care should have the right to have their child returned upon notice unless the agency files a dependency or neglect petition.

Ann Hull, Delegate, Maryland General Assembly

Believes that with respect to the foster care protection provisions of H.R. 7200, the court should have the flexibility to determine when there are situations in which foster care is the arrangement of choice for a child. Endorses requirement for individual case plans; believes the law should make clear that citizen panels may be used to review them; and recommends waiver of the required reviews in the case of "long term care short of adoption" when such arrangements are stable. Expresses concern about language (sec. (8)(A)(iv) and 9(A)(iii)) which appears to limit the reason for a permanent long-term foster care placement to a child's special needs and urges that the implication that there must be something wrong with the child should be corrected; indicates that sec. 427(8)(10) would require change in Maryland law which may be difficult to pass. Favors provision permitting AFDC foster care payments to be made to publicly run homes and urges further that medicaid eligibility be provided. Supports adoption subsidy provisions but believes medicaid eligibility should be provided and that the restriction that health costs only be met for conditions existing prior to adoption would create administrative problems. Favors elimination of time limitation on adoption subsidies, and acknowledgement in the law of the special possibilities of foster parents as prospective adoptive parents.

Council on Social Work Education

Submits text of a proposed amendment to title XX to eliminate the requirement that there be no restrictions on the use of privately donated funds, to allow restrictions in the case of matching by private universities for purposes of social work training.

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