

## DEPARTMENT OF SOCIAL WELFARE

ITEM 244 of the Budget Bill

Budget page 576

## FOR SUPPORT OF THE DEPARTMENT OF SOCIAL WELFARE FROM THE GENERAL FUND

Amount requested (federal aid excluded) ----- \$3,006,812

Estimated to be expended in 1957-58 Fiscal Year ----- 2,881,856

Increase (4.3 percent) ----- \$124,956

## Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages -----	\$183,965	\$64,662	\$119,303	582 25
Operating expense -----	2,154	2,154	---	582 27
Equipment -----	-\$7,065	-\$7,065	---	582 29
Plus decreased reimbursements --	31,948	31,948	---	582 35
Less increased federal fund support -----	-\$56,056	-\$56,056	---	582 76
Total increase -----	\$124,946	\$5,643	\$119,303	

## RECOMMENDED REDUCTIONS

Reduction in budgeted increases ----- \$133,837

Improved efficiency and policy reappraisal ----- None

Total reductions ----- \$133,837

## Summary of Reductions

(Salaries and wages only)

	No. of positions	Amount	Budget Page	Line
Division of Child Welfare				
Child welfare specialist II -----	1	\$6,172	579	58
Intermediate typist-clerk -----	1	3,585	579	59
Division of Administrative Services				
Assistant Personnel Analyst -----	1	6,060	580	79
Area operations				
Child welfare specialist II -----	2	12,345	582	6
Child welfare specialist I -----	11	62,793	582	7
Public assistance specialist I -----	2	10,992	582	8
Intermediate typist-clerk -----	9	31,890	582	9
Totals -----	27	\$133,837 <sup>1</sup>		

<sup>1</sup> Apportionment of cost to source of funds for the recommended salary and wage reductions is approximately \$125,599 state and \$8,238 federal.

## GENERAL SUMMARY

The principal legal basis for the programs and activities of the State Department of Social Welfare are found in the Welfare and Institutions Code, Divisions 1 through 50.

The entire welfare program in California costs over \$500 million annually.

The Department of Social Welfare is composed of the social Welfare Board, the central office staff and three area offices, in Sacramento, San Francisco and Los Angeles. The department administers directly the first three programs; the department supervises and assists counties in administering the others.

1. Prevention of blindness.
2. Adoptions (independent) in counties without programs.
3. Licensing of institutions and large day nurseries.

## Department of Social Welfare—Continued

4. Old Age Security (OAS).
5. Aid to Needy Children in family groups and in boarding homes (ANC).
6. Aid to Needy Blind (ANB).
7. Aid to Partially Self-Supporting Blind (APSB).
8. Aid to Totally Disabled (ATD).
9. Medical Care by vendors of medical service.
10. County adoption programs.
11. County licensing of boarding homes for aged and children.
12. Child Welfare Services.

The General Relief indigent aid program is a county-operated, county-financed program. Public welfare in California cares for a continuous year around caseload of about 500,000 people.

## Changing Aspects of Public Assistance

There are two related aspects in the change taking place in public welfare. The first is the growing recognition by public assistance workers of the changing nature of the public assistance caseload. In simplified form, it can be stated that the reasons for economic dependency in the present appear to be substantially different from the reasons for dependency in the depressed 1930's. More detailed reasons for dependency are only beginning to be studied and researched.

The second aspect of the change in welfare relates to the methods to be used in coping with these problems. The methods used will reflect the type and amount of demand on California's fiscal resources. The two major methods advanced as solutions are: (1) intensive casework and referral services; and (2) increases in the amount of aid, inclusion of groups not covered and liberalization of existing programs. One approach does not necessarily exclude the other.

*Service.* The Social Security Act amendments of 1956 obligate a state to recognize, at least, additional needs of the recipient even though they may be beyond the current ability of the state or county to satisfy, either in terms of money or service. Effective July 1, 1957, the Social Welfare Board has required the following of the counties:

“The county is responsible for receiving requests and applications for aid for assisting applicants in securing evidence of eligibility, for determining eligibility or ineligibility, for authorizing and paying aid in the correct amount promptly to eligible persons, for identifying and evaluating any need applicants or recipients may have for social services in addition to aid payment, for developing a service plan to meet the individual's need, for providing such service as the individual may require and the county is able to render, and for developing and assisting in the developing of service and resources.”

For example, in the Old Age Security Assistance program the county is required, as a county responsibility in rendering service including eligibility determination and aid payment, to help aged persons realize the maximum personal independence of which they are capable including self-care. This recognition of services appears to be a growing

## Department of Social Welfare—Continued

trend in public welfare and stems from the claim by public assistance workers that money payments without casework service actually compounds social-economic dependence in many cases. Social workers view "services," one of the major methods of coping with socio-economic dependency, as the use of the casework method of counseling directly or by referring the recipient to a source of service (e.g., vocational rehabilitation).

However, medical service under the new medical care program can well be considered a service to the recipient since the recipient cannot substitute a cash grant for medical service. Consequently, one phase of service (as opposed to straight cash grants) is already an expensive, concrete part of the California welfare plan (about 28 million dollars annually).

*Extension of Aid.* The second major method proposed to meet the needs of people with socio-economic problems is the extension of aid grants to new groups by increasing aid, liberalizing eligibility and creation of new programs. Examples of these are the changes in property limits, grant increases and the new aid to totally disabled program enacted in 1957.

*Fiscal Problem.* With a given amount of available money, the total California welfare program involves, in effect, the establishment of a priority of needs. Despite California's current 500 million dollars annual program for over 500,000 people, the various public and private groups interested in welfare can provide a long list of currently unmet needs; that is, needs which in their estimation should be available to all people regardless of their ability to pay for these needs.

*Need for Legislative Examination.* If the State is to attempt to meet the most pressing needs of marginal economic and social problem groups, a basic evaluation of the aims of welfare is necessary. The Legislature should examine long-range basic questions regarding public welfare in California. The following appear to be some of the questions.

1. What are the causes of dependency?
2. What combination of "service" and economic assistance will best alleviate the needs of eligibles and/or promote self-care and rehabilitation to economic independence?
3. How are services and their results, if any, to be evaluated in fiscal as well as social terms?
4. What do the current programs do in terms of service and meeting the necessities of living?
5. If services or extension of aid is desirable, what are the alternative welfare uses for the proposed funds?
6. What level of program is financially possible, particularly in view of the increasing populations of economically dependent aged and children (i.e., dependent regardless of source of support)?
7. What part and what effect does public assistance have in the overall economic security of individuals when considered with public and private insurance plans and "fringe" benefits?
8. Can the current or proposed programs be financed over long periods of time? By which level of government?

## Department of Social Welfare—Continued

## 1957 Legislation

More major legislation concerning welfare was enacted in 1957 than any previous year. The legislation concerned every recipient in the public assistance caseload (about 470,000 recipients). The following chart summarizes the major legislation enacted<sup>1</sup>:

Table 1—Summary of Legislation

Chap. No.	Bill No.	Subject	State	Annual cost estimated 5/57		Total
				County	Federal	
2293	S.B. 566	ANC aid increase	\$938,000	\$217,000	---	\$1,155,000
2411	S.B. 1509	OAS aid increase for special need, to maximum of \$105. Creates ATD program at \$105 maximum	21,756,000	1,687,000	\$5,923,000	29,366,000
1068	A.B. 679	Creates Medical Care program	14,909,000	---	14,000,000	28,909,000
2365	A.B. 2883	ANB-APSB aid increase to \$110 maximum	968,000	318,000	52,000	1,338,000
893	A.B. 1553	Aid investigation period reduced to 45 days	273,000	84,000	---	357,000
31	A.B. 1148	Real property limit raised to \$5,000 assessed value	456,000	80,000	364,000	900,000
Totals			\$39,300,000	\$2,386,000	\$20,339,000	\$62,025,000

*Medical Care.* This program was established by amendment to the Social Security Act in 1956 and adopted by the Legislature in 1957 (Chapter 1068, AB 679). It provides a pooled fund for direct payments to medical care suppliers of services and goods. It is not a grant increase to each recipient but does represent an increased standard of assistance. Funds are appropriated according to a formula, for each categorical aid program except Aid to Disabled (ATD) and must be spent on recipients of that program. The formula is \$6 for each adult and \$3 for each child per month, of which the Federal Government pays \$3 per adult and \$1.50 per child if eligible under federal aid programs. Counties do not contribute to the fund. The State Social Welfare Board establishes what services are rendered by private vendors of medical care under this program.

Problems and areas for consideration by the Legislature are included under the "Economies and Improvements Requiring Legislation."

*Aid to Totally Disabled.* This is a new program, the fourth category of federal aid assistance and the sixth category of California assistance. The definition has been interpreted to mean that an applicant must have a major physical or mental impairment that is static or growing worse and who requires daily help with at least two of the three activities of daily living (dressing, eating, bathing) or who needs continuous supervision such as a mental defective. The definition of disability is the primary eligibility factor and consequently one of the two primary factors in determining the cost of the program; the other is the aid grant payment method and maximum grant.

The aid for this program is set at \$105 maximum. The State Department of Social Welfare has set \$77 for basic needs and the remaining \$28 for special needs.

<sup>1</sup>The report, "Financial Aspects of Public Welfare in California," December, 1957, by the Legislative Analyst, relates the current programs and recent legislation in more detail than is possible here.

## Department of Social Welfare—Continued

*Old Age Security.* Chapter 2411 established a new grant system for the OAS program. Recipients with outside income of less than \$16 per month are eligible for grant increases for special needs; recipients with more than \$16 outside income have their grants figured as they have been previously. The \$16 increase to the \$105 maximum monthly grant is available to all recipients who have no outside income and special needs amounting to at least \$16. Recipients with some outside income but less than \$16 monthly are entitled to the difference if special needs are demonstrated. If some of the allowable maximum is not used for special needs, it is available for use for the recipients medical special needs, within certain limits.

The department estimates that the average monthly grant will have increases from \$74.54 in 1956-57 to \$80 during 1957-58. At present, there is only experience data for two months on which to base these estimates. By the middle of March there will have been five months' experience and revised estimates may be necessary.

*Aid to Blind.* Chapter 2365 establishes the new maximum grant for blind aid, both Aid to Needy Blind and Aid to Partially Self-Supporting Blind, at \$110 basic need, with the first \$11 of non-exempt outside income subtracted from the \$110 figure.

The average monthly grant has increased an estimated \$8.37 to make the statewide grant average of \$99 for 1957-58.

*Aid to Needy Children.* Chapter 2293 increased aid to one-child cases from \$115 to \$145, removed subceilings on assistance budgeting from the law, abolished additional aid for more than eight children, and increased local assistance for foster home cases (ANC-Boarding Homes) by increasing the State's sharing ratio base by \$7.50.

The ANC program has two parts, the Family Group federal-state assistance and the foster care state assistance. It is estimated that the Family Group program will provide assistance to over 200,000 people during 1958-59, an increase over 1956-57 of 12.4 percent. The monthly payment per person has increased 5.6 percent over the same period. In the foster care ANC-Boarding Home program, the average monthly payment will be \$3.22 higher in 1958-59 than in 1956-57.

**Effective Dates of Legislation Important to Sound Administration**

Except for an emergency section for one part of the Medical Care bill, (Chapter 1068, Assembly Bill No. 679), all major legislation became effective on September 11, 1957, or October 1, 1957 (most fiscal bills use an effective date beginning with a fiscal quarter year). This meant a huge workload for the staff of the department and many hurried decisions on the part of staff, the counties and the Social Welfare Board. Every case in the welfare program was affected in one or more ways. Once procedures and basic policies are established, it appears difficult to change these except by liberalizing the programs.

**Compounding Cost of Legislation by Applying Intent of Legislation to Similar Facets of Welfare**

The cost of certain legislation is compounded by action of the Social Welfare Board in applying its interpretation of the intent of enacted legislation to other aspects of the assistance program. This is best

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illustrated by the example of Chapter 895 which extends the period allowed for payment of medical or hospital services from 14 to 24 months. The prior regulation of the Social Welfare Board had been 14 months for an amount not exceeding \$300. With the legislative change in time allowance, the board changed the amount from \$300 to \$500 and applied the same time limit to all unsecured debts other than only medical bills. Similarly, changes in welfare laws often have wider influence than the specific subject of the act. Furthermore, the rule making powers of the Social Welfare Board together with the open-end appropriations can result in changes in welfare costs of thousands and even millions of dollars.

**Agency Improvements**

Several management improvements, organization changes, and other steps have been taken in the past year to improve agency operations and secure economies. Those listed below are ones not commented on elsewhere in the analysis.

*Records Management Program.* Changes in the centralized records management program have accomplished considerable savings in personnel, time, space, and filing equipment. Inactive material has been transferred to the Secretary of State's Record Center and obsolete records have been destroyed. These procedures constitute administrative cost savings.

*Training.* An annual training program has been developed to meet the specific training needs of the department. This training program calls for coverage of 10 major subject areas and provides for the organization and accomplishment of these basic responsibilities for staff development. Supervising training programs were developed for clerical and technical supervisory staff and the programs were completed for the bulk of the supervisors in the central office. In addition, training programs were developed for the new Medical Care and Aid to Totally Disabled Programs, which assisted the counties in establishing these programs in a relatively short period of time.

*Aid to Needy Children Simplification Procedure.* The grant payment procedures for aid to needy children cases have been complex and involved. ANC cases are more subject to frequent change than are Aid to Needy Blind or Old Age Security. Assembly Concurrent Resolution No. 24, January 10, 1957, requested the department to institute a study of the administration of the ANC program to determine ways in which it could be simplified and greater time be made available for casework for family rehabilitation. Numerous changes are being instituted to accomplish this objective.

**Summary of Aid Costs**

Public assistance program funds are budgeted in the Governor's Budget under Local Assistance but are supported by continuing appropriations and are not items in the Budget Bill. Administrative costs only are subject to budget review and are reported in the following analysis sections. Table 2 shows the total aid cost summaries for the California programs.

## Department of Social Welfare—Continued

## Summary of Administrative Costs by Programs

Table 3 on page 648 shows the administrative costs and percentage of total administrative costs for each program in 1954-55 and proposed for 1958-59. The difference between State and total cost is funded by the Federal Government.

Table 2—Summary of Aid Costs—Totals (In millions)

Program <sup>1</sup>	1947-48	1953-54	1958-59	Percent increase
				1947-48 to 1958-59
Old Age Security <sup>2</sup> -----	\$123.9	\$227.2	\$254.6	105.5
Aid to Needy Blind <sup>2</sup> -----	5.4	11.9	16.2	200.0
Aid to Partially Self-supporting Blind -----	0.4	0.5	0.4	--
Aid to Needy Children Total-----	19.4	79.9	105.5	443.8
(Families) -----	(17.3)	(73.4)	(97.2)	(461.8)
(Foster care) -----	(2.1)	(6.5)	(8.3)	(295.2)
Aid to Totally Disabled-----	--	--	5.5	--
Medical Care <sup>1</sup> -----	--	--	29.8	--
Prevention of Blindness <sup>3</sup> -----	0.04	0.09	0.13	225.0
Totals -----	\$149.1	\$319.6	\$412.1	176.4

<sup>1</sup> Medical Care costs are shown in the 1958-59 budget as a separate accounting of the Medical Care Premium Deposit Fund and also as separate assistance for each categorical aid. The Medical Care funds are not included in the totals for the categorical funds in this chart.

<sup>2</sup> Includes aid for institutional care, aged and blind, for 1948 and 1954 Fiscal years.

<sup>3</sup> A medical treatment program for the blind or near blind only. The concern is for sight and apparently does not duplicate either the Medical Care program above or the Vocational Rehabilitation program in the Department of Education. This program is shown in the budget as an administrative cost.

## ANALYSIS

The analysis of the State Department of Social Welfare administrative expenses include the following:

1. The emergency and deficit financing undertaken and proposed for 1957-58.
2. Recommendations for further management improvements.
3. Summary of position increases, new positions and other cost increases in the State Department of Social Welfare.
4. Specific analysis of the State Department of Social Welfare.

Two additional administrative costs under administrative control, county adoptions and county boarding home licensing, are separate closed-end appropriations items found in the budget and this budget analysis in the Local Assistance sections.

1. Summary of Emergency and Deficit Financing Requested  
During the Current Year

The department has requested three major augmentations of items within their administrative control since the 1957 legislation and legislative review.

Administrative program	Amount	Fund source
Aid to disabled-----	\$25,355	Emergency
Intercounty adoptions under P. L. 316-----	69,945	Emergency
County licensing -----	246,396	Deficiency (proposed)
1957-58 Total -----	\$341,696	

Table 3—California State Welfare Administration Costs<sup>1</sup> (In thousands)

Program <sup>2</sup>	1947-48 Actual			1953-54 Actual			1958-59 Estimated			Percent increase 1947-48 to 1958-59
	State cost	State cost	Total cost	State cost	State cost	Total cost	State cost	State cost	Total cost	
Old Age Security-----	\$339	20.7	\$667	\$413	10.7	\$826	\$550	8.9	\$1,097	62.2
Aid to Blind (ANB, APSB)-----	88	5.4	173	135	3.5	260	208	3.4	402	136.4
Aid to Needy Children (families and foster care)-----	173	10.5	315	457	11.8	881	635	10.3	1,222	267.1
Licensing <sup>3</sup> -----	575	35.0	575	1,304	33.7	1,304	2,020	32.9	2,020	251.3
Child Welfare Services-----	44	2.7	135	63	1.6	299	76	1.2	289	72.7
Adoptions <sup>3</sup> -----	413	25.2	413	1,502	38.7	1,525	2,796	43.3	2,796	577.0
Other-----	9	0.5	15	--	--	--	--	--	--	--
Totals, administration-----	\$1,641	100.0	\$2,293	\$3,874	100.0	\$5,094	\$6,285	100.0	\$7,826	283.0

<sup>1</sup> These figures do not include county welfare administration costs; they do include total subventions costs for county licensing and county adoptions which are state paid county administrative costs. They are Local Assistance budget bill items. Total costs include federal aid and the difference between state and total is federal. County costs of about \$21 million are not included.

<sup>2</sup> Administrative costs for Medical Care are approximately \$225,000 for 1957-58; its costs are apportioned to the appropriate categorical aid programs.

<sup>3</sup> Includes department administration and state subvention to counties for administration.

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The Aid to Disabled and Intercountry Adoptions increases are analyzed under the specific administrative unit analyses. County licensing (budget page 949), is analyzed under the Local Assistance section.

2. Summary of Total Increases, Position Increases, and Summary Analysis of Type of Increase

The following tables, 4 through 6, show how much administrative costs have increased during the last decade. One program, Adoptions, has increased 577 percent since 1948. The two-year increase of 1956-57 to 1958-59 alone represents a 28.7 percent increase. Authorized positions have increased by 128.5 from 1947-48 to 1958-59 and 94.7 have been added or are proposed for the two years, 1957-58 to 1958-59.

## Increases in Total Support

The following administrative figures indicate the administrative growth of this program over a 10-year period. (See also Table 3.)

Table 4—Administrative Costs

	State cost	Federal cost	Total cost
1947-48-----	\$1,304,098	\$652,210	\$1,956,308
1953-54-----	2,107,368	1,088,703	3,196,071
1956-57-----	2,494,821	1,290,234	3,785,055
1958-59-----	3,202,366	1,667,831	4,870,197

Total federal-state departmental costs have increased 2.9 million dollars since 1947-48 or 148.9 percent. These costs do not include subvention payments to counties for administration of delegated state functions for adoptions and licensing.

## Summary of Positions Added by Special Appropriation and Emergency Financing for Medical Care and Aid to Disabled

These positions represent the additions since the last budget review by the Legislature.

Table 5—New Positions<sup>1</sup>

Unit	Governor's Budget 1957-58 <sup>2</sup>	Actual authorized staff 1958-59 <sup>3</sup>	Proposed new positions	1958-59 total	Percent increase over 1957-58
Executive-----	18	24	4	28	55.6
Social Security, Division of-----	23	27	--	27	17.4
Blind, Division for-----	10.9	10.9	--	10.9	--
Medical Care, Division of-----	--	6	--	6	--
Child Welfare, Division of-----	22	21	3	24	9.1
Administrative Services, Division of-----	209.4	225.2	2	227.2	8.5
Area offices and operations-----	260	277.7	32	309.7	19.1
Totals-----	543.3	591.8	41	631.8	16.3

<sup>1</sup> Excludes estimated salary savings.

<sup>2</sup> These represent the last detailed review by Legislature.

<sup>3</sup> Excludes positions shown in 1958-59 Governor's Budget as proposed new positions.

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1958-59 Proposed Budget Increases Over 1957-58 Governor's Budget

	Governor's Budget 1957-58	Governor's Budget 1958-59	Percent increase
Salaries and wages-----	\$2,808,745	\$3,467,040	23.4
Operating expenses-----	856,513	1,098,820	28.3
Equipment-----	56,600	64,505	14.0
Retirement-----	247,511	293,832	18.7
Subtotal-----	\$3,969,369	\$4,924,197	24.1
Less reimbursements-----	—24,500	—54,000	12.0
Grand total-----	\$3,944,869	\$4,870,197	23.5

3. Specific Analysis of State Department of Social Welfare Budget

SUMMARY

The following is a summary of the proposed new positions with our analysis and recommendations. The detailed analysis follows this summary in the order shown on the table, the same order found in the budget.

Position	No. of pos.	Cost	Analysis of purpose New		Recommendation	
Division			service	Workload	Approve	Delete
Executive						
Public assistant specialist IV-----	2	\$15,456	--	\$15,456	\$15,456	--
Senior stenographer- clerk-----	2	8,550	--	8,550	8,550	--
Division of Child Welfare						
Child welfare specialist II-----	2	12,345	\$6,173	6,172	6,173	\$6,172
Intermediate typist--	1	3,585	3,585	--	--	3,585
Division of Administrative Services						
Personnel analyst---	1	6,060	6,060	--	--	6,060
Administrative analyst	1	8,765	--	8,765	8,765	--
Area Operations						
Child welfare specialist II-----	4	24,690	12,345	12,345	12,345	12,345
Child welfare specialist I-----	14	79,918	62,793	17,125	17,125	62,793
Public assistant specialist-----	2	10,992	--	10,992	--	10,992
Intermediate typist--	12	42,522	28,347	14,175	10,632	31,890
Total-----	41	\$212,883	\$119,303	\$93,580	\$79,046	\$133,837

We recommend approval of 14 positions costing \$79,046 and deletion of 27 positions costing \$133,837.

Departmental Administration

This section of the budget is an integration of the Executive unit and administrative adviser's office found in previous budgets. In addition, the various medical consultants, who do not have major administrative responsibilities, are shown as budgeted under departmental administration. The other positions are Social Welfare Board members, the director and deputy director, the chief of field operations, and the information officer, plus clerical help.

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*Summary of Recommendations.* We recommend approval of the two public assistance specialists and two stenographers proposed on budget page 577, lines 37 to 44. These positions are based on workload.

*Hearing Officers.* The administrative adviser's office (legal) presently consists of the adviser, a chief hearing officer and four hearing officers, or referees, plus clerical help (see below). The hearing officers hear appeals of recipients or applicants for the public assistance programs. The hearing officers submit briefs of the appeals to the Social Welfare Board with recommended decisions.

These are the only positions in the department's central office which have well-established yardsticks: one hearing officer for each 15 appeals per month which are actually heard. The budget proposes two additional hearing officers, public assistance specialist IV, on the grounds that appeals are increasing because of the new Medical Care and Aid to Disabled Programs and the new grant procedures.

*Medical Consultants.* These doctors have been authorized from the special appropriation for administration of Medical Care and Aid to Disabled. This \$75,250 item includes part-time consultation of a dentist. There appears to be sufficient workload at this time to warrant these six positions in addition to the doctors listed under Area Operations. These six medical consultants are for the medical advice to the Director, the Division of Medical Care, the Bureau of Aid to Disabled, and the area offices. Whether all of these positions are warranted in a well-established program remains to be seen.

*Clerical.* Two senior stenographer-clerks are proposed. One is for the medical consultants, the other is for the administrative adviser's hearing officer section. The two central office medical consultants have sufficient workload to justify clerical assistance of their own, in addition to the typing pool services now available. The second clerical position is for the chief hearing officer's office to provide stenographic assistance and general help to the existing clerks in scheduling hearings, assembling recommended appeal decisions for Social Welfare Board consideration and other similar functions. The position represents primarily a workload increase for the anticipated increase in appeals and appears to be a necessary position. We do not accept the staffing ratio of one full-time clerk for each two hearing officers in addition to the typing pool and other clerical services available to the unit.

## Division of Social Security

This division comprises the Bureaus of Old Age Security, Aid to Needy Children, Field Review and the new Bureau of Aid to Needy Totally Disabled (ATD).

The Bureau of ATD is shown in the budget on page 578, lines 14-17. The entire staff for the new ATD program includes a full-time medical consultant in the central office (see Departmental Administration), medical social workers, doctors and clerks in the area offices in addition to the five positions shown. This pattern of organization is somewhat different from the other aid programs because the Federal Government requires state review and decisions of disability. The bureau appears adequately staffed. The department intends to review and revamp,

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where necessary, the staffing formulas and procedures of this program during the coming year.

Division of Medical Care

The new Medical Care program is a supplementary aid to the recipients of the categorical aid programs. This new division administers the Medical Care program with the advice of the medical consultants (see Departmental Administration) and the categorical aid program bureaus. This means three units, the Division of Social Security, the medical consultants and this division are all working on what amounts to one policy. This may be satisfactory as an expedient to establish this new program but this is plainly poor organization and should not continue on a long-term basis.

Division of Child Welfare

Bureau of Adoptions

We recommend deletion of one child welfare specialist (budget page 579, line 58) and the clerical position (line 59) based on the recommendation to delete the new service Intercountry Program. We recommend approval of the other child welfare specialist, based on a sufficient workload increase.

This unit provides the staff work and overall supervision of the adoptions programs.

There are four main types of adoptions handled by various public and private jurisdictions. These adoption agencies are licensed by child welfare workers in the area offices.

<i>Type of Adoption</i>	<i>Agencies</i>
Independent	SDSW area and certain counties
Relinquishment	17 counties and private agencies
Intercountry Adoptions	
a. Children from open-quota countries.	SDSW area and private agencies
b. Children admitted under P. L. 316 September 11, 1957 to June 30, 1959)	SDSW area and private agencies
Stepparent	Probation offices, courts

To accomplish the work undertaken by the State, the SDSW has a central office Bureau of Adoptions, consisting of six social workers and four clerks. The area offices have adoption units in the Child Welfare sections with 22 positions for direct field work and nine positions for licensing and supervising other public (subsidized by the State) and private agencies. The State pays for all public adoptions work in California plus assisting the private agencies. There are no federal funds used for this program. The county programs are entirely supported by state funds.

1958-59 Estimated State Expenditures for Adoptions

1. Continuing state operations -----	\$703,000
2. State support of county programs ----- (local assistance)	1,965,000
3. Intercountry by P. L. 316, 85th Congress ----- (proposed)	129,000
Total -----	\$2,797,000

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 Intercountry Adoptions Program Established During  
 the Current Year by Emergency Fund Financing

In September, 1957, Public Law 316 was enacted by Congress and signed by the President. This law, which is an amendment to the Immigration and Naturalization Act, provides for the issuance prior to June 30, 1959, of visas for an unlimited number of eligible orphans under 14 years of age from countries where the quota is over-subscribed (known as closed-quota countries). This law is similar to the Refugee Relief Act which expired in December, 1956, and for which California enacted a special program, the only state in the Nation to do so, known as the Refugee Relief Adoption program. The Refugee Relief Adoption program cost the State approximately \$64,000 per year during its existence and was staffed with five casework positions.

With the passage of Public Law 316, the department proposes to establish a new program known as the Intercountry Program. This title is the same as the on-going program for intercountry adoptions with open-immigration quota nations which has existed under state jurisdiction and financing for approximately 10 years. The two programs with the same title operate under different sections of the Immigration and Naturalization Act. The long established intercountry adoption program, which caters to children from open-quota (unfilled quota) countries is budgeted under the independent adoptions workload. The staff time factor for the new program enabled by Public Law 316, the new Intercountry Adoption program, is almost 2.5 times as much as the continuing program. The proposed annual cost for the new program is about 100 percent higher than for the somewhat similar Refugee Relief Adoption program.

The new program has been established by the Department of Social Welfare and the Department of Finance with Emergency Fund money for the 1957-58 Budget. One social worker and one clerical position are budgeted in the Bureau of Adoptions (budget page 579, line 58) in the Division of Child Welfare while the balance are budgeted under the adoptions program in area operations (budget page 582, lines 6 to 9). There are a total of 14 social workers and nine clerical positions budgeted for this program.

The cost for the program for the current year and budget year is as follows:

	1957-58	1958-59
Salaries and wages -----	\$54,000	\$110,000
Operating expenses -----	11,000	19,000
Equipment -----	7,500	--
Totals -----	\$72,500	\$129,000

The estimated workload which the staff will handle is as follows:

Reference studies -----	72
Inquiries -----	1,632
Adopting couple home studies -----	360
Placement supervision -----	180
Services terminated prior to placement -----	12

## Department of Social Welfare—Continued

This means that out of the 1,632 estimated number of couples who inquire about the program, 360 will go so far as to have their homes studied and half of these will have children placed with them. The reference studies are for California families who are adopting children overseas. This program will cost over \$250,000 even if the federal law expires as scheduled.

The new intercountry program consists almost entirely of those in the hard-to-place category and who are similar to the domestic hard-to-place minority and handicapped children for which other staff is attempting to find homes at present. Consequently, the staff time allowed for each case has been taken from the domestic relinquishment adoption yardstick.

*We recommend that the policy establishing this program be disapproved and the positions, salaries, and other expenses be deleted from the budget.* The chief reason is that this is a new service. In addition, immigration is a federal policy, yet there are no federal funds used or devoted to this program. Domestic relinquishments adoptions have a \$400 fee, to defray expenses, paid by the adopting couple. No such fee exists for this intercountry program. There is virtually no county participation in the financing of any of the adoption programs. The one statewide private adoption agency does not participate in this program and the other smaller private agencies participated only to a very limited extent. The State already finances another intercountry program on a continuing basis. No other state has established such a program for these foreign-born children. The foreign governments concerned have certain additional requirements which necessitate staff time. There are a number of minority and handicapped or older children who are in need of homes who already live in California.

As an alternative recommendation we suggest that, should the Legislature desire to establish a program, it should be established at the same level as it existed under the federal Refugee Relief Act which was approximately \$64,000 a year. This program is staffed far above the existing open-quota adoption program. In addition, we recommend that if any program is undertaken the fee schedule which exists for California relinquishment adoptions should be applied to this program. A \$400 fee for 180 placements would finance a \$72,000 program.

The bulk of the cost for this program is found under the budget heading of area operations (Adoptions) proposed new positions and expenses (budget page 582, lines 6-9) and are recommended for deletion under that section of the analysis. The only positions for this program in the central office Bureau of Adoptions are one of the two social worker positions and the clerical position (budget page 579, lines 58-59) which are recommended for deletion from the proposed budget. Most of the operating expenses and equipment are budgeted under the Division of Administrative Services and can be adjusted by the Department of Finance according to legislative action on the program.

Department of Social Welfare—Continued  
Positions Requested for Bureau of Adoptions General Workload

The bureau requests an additional Child Welfare Specialist to assist the other central office staff with the general adoptions workload. The justification made by the department is on workload only. The statistical data presented to substantiate this justification primarily reflects data already accounted for by budgeting for the areas and counties.

	1950-51	1953-54	1956-57
Step-parent adoptions .....	2,502	2,764	3,644
Independent petitions .....	3,253	4,032	4,214
Court reports filed .....	3,607	4,433	4,712
Children accepted for study .....	2,085	3,109	4,218
Children placed .....	872	1,746	2,418
Relinquishments filed .....	932	1,713	2,409
Agencies			
Public .....	7	14	17
Private .....	5	9	12

The increases staffed and budgeted for in the areas and counties also cause an increase, not necessarily directly related, in the number of exceptional problem situations which require central office Bureau of Adoption staff time assistance. Consequently, it appears that some additional help is needed. Whether the workload increase also represents some increase in level of service can not be ascertained without a time study.

We think a substantial amount of the time of this requested position will represent workload. Approval is recommended for this position which is shown as one of two proposed (budget page 579, line 58); the other one is for the program analyzed above and is recommended for deletion.

Division of Administrative Services

This division supplies staff services to the other central and area units. The chief staff service functions are fiscal control, personnel, management analysis, training, research and statistics, and office services. Considerable reorganization has occurred in this division in the past year. The division itself has been reorganized from six bureaus to form seven bureaus. The new fiscal officer supervises three of these: the Bureau of Fiscal Services, Bureau of Administrative Accounting, and the Bureau of Office Services. The Bureau of Office Management has been changed to the Bureau of Office Services and has had some of its functions transferred to the Bureau of Management Analysis. The Bureau of Personnel is to be studied for organization and procedures in the coming year. The Bureau of Research and Statistics is being reorganized according to 1957-58 budget requests and presentations. Our recommendations regarding the budget must be viewed in the light of this overall reorganization and the specific bureau reorganizations.

Summary and Recommendations

The following is a summary of our recommendations for the division.

1. *Organization and Procedures.* The division is reviewing and simplifying procedures in four of the seven bureaus. The division itself has been reorganized. We recommend approval of the new division

## Department of Social Welfare—Continued

organization pattern, but this pattern should be reviewed in the next budget review to determine the additional achievements made possible within the bureaus.

2. *Staffing Yardsticks and Performance Standards.* Staffing formula yardsticks should be devised for the clerical positions in central office.

3. *New Positions.* We recommend deletion of the proposed assistant personnel analyst (budget page 580, line 79).

We recommend approval of the associate administrative analyst position (budget page 580, line 81).

*Fiscal Officer.* The fiscal officer position is, in effect, an assistant division chief. It replaces an abolished position. The division organization chart shows the Bureau of Office Services, the Bureau of Administrative Accounting, and the Bureau of Fiscal Services responsible directly to the fiscal officer, who in turn is responsible to the division chief. The division chief maintains direct responsibility for the other four bureaus in the division. These three bureaus are concerned primarily with clerical procedures. As shown in the budget (budget page 580, lines 47, 53, 56), these three bureaus have 140 clerical type positions among them, costing over one-half million dollars. Despite this total, they do not have any staffing formula for justifying these positions. Workload statistics were not offered by the department in justification of these positions.

## Bureau of Personnel

This bureau is requesting an additional personnel analyst. The bureau is responsible for the personnel work for the department and for the counties. The personnel work for the counties involves direct advice and review of county welfare personnel staff activity. There are two types of county welfare personnel systems: (1) civil service counties, which have acceptable county-wide civil service programs; (2) merit system counties, which do not have civil service systems for all county employees but which must have a state supervised merit system program for welfare employees working on federal aid subventions.

There are presently 13 civil service counties and these provide personnel supervision for about 80 percent of the 7,500 county welfare workers. The remaining 20 percent of county welfare personnel are in the 45 merit system counties which the State Department of Social Welfare believes needs closer supervision than the civil service counties.

The department advances the following factors as indicative of a staff increase need:

1. Increase in county employees.
2. Increase in complexity of merit system county personnel programs.
3. Increase in personnel transactions.
4. Inability to accomplish a single complete merit system county classification survey in seven (7) years.

At present, this bureau has five technical personnel positions and 16 clerical positions. The technical positions have been partially reorganized this year for more effective utilization. The Division of Administra-

**Department of Social Welfare—Continued**

tive Services has been reorganized to provide closer supervision of subordinate bureaus including this bureau. A procedural study and further organization review of this bureau is planned by the department. Our study of this unit leads us to the conclusion that savings in time will be possible with streamlined procedures. The workload submitted by the department is largely clerical and more efficient procedures should produce salary savings. If the proposed organization and procedure study substantiates the need for an additional professional position, then it should be submitted to legislative review at that time. Development of time-saving procedures should produce salary savings to finance such a position, if the organization and procedures studies adequately substantiate the need for the position. Positions should not be added before proof exists that the purpose cannot be fulfilled within existing costs.

*Pending the results of the studies referred to above, we recommend deletion of the proposed assistant personnel analyst (budget page 580, line 79).*

**Bureau of Management Analysis**

This unit studies and advises on administrative procedures, work simplification and staffing for the department and the counties. Thus far the accomplishments of this unit have proved valuable. In addition to the analysts in the bureau, there is one administrative analyst in each area office (see "Area Operations").

At present, the bureau consists of the bureau chief or senior analyst, three associate analysts, and one assistant analyst. One of the associate analyst positions is for a limited term, expiring June 30, 1958. It is a position established in 1955 on a year-to-year basis to enable the department to concentrate on a study of administrative costs. In the budget, it is shown as a deletion from the current year and is requested as a new position on a permanent basis.

The department is requesting this position on the grounds that the progress and development in the administrative cost study for counties has warranted a longer term study in order to develop certain standards for California welfare administration.

We think there has been sufficient progress to date with sufficiently outlined steps for future activity to warrant the continuation of this position. We therefore recommend that the existing limited term associate administrative analyst, shown in the budget as a proposed new position, be established on a permanent basis.

**Bureau of Research and Statistics**

The Bureau of Research and Statistics is undergoing reorganization. A study was made in 1956 of the organization and procedures of this bureau. The proposed reorganization resulting from this study was presented to the Legislature and the request for additional staff was granted, effective July 1, 1957. In addition, three positions were authorized to accomplish the new research necessary for the new programs of Medical Care and Aid to Totally Disabled, an associate research technician and two assistant research technicians. The examination and

## Department of Social Welfare—Continued

appointment of the two senior analysts necessary to actually undertake the reorganization of this bureau have not been accomplished as of January 10, 1958, a full six months after legislative authorization.

We recommend that: (1) the bureau develop performance or staffing formulas for the 18 existing research positions and for future staff requests; (2) the bureau evaluate all existing periodic reports not required by the Federal Government in order to ascertain their usefulness and necessity; (3) the department establish some "ground rules" on the use of research staff by other departmental units in order to lessen delays on some of the planned and necessary research.

## Area Operations

The department has three area offices, in San Francisco, Sacramento and Los Angeles. These offices supply direct service in certain adoptions and licensing functions and supervise and advise county welfare departments in the other welfare functions.

## Summary of Recommendations

The following positions are proposed in the Budget for 1958-59 on page 582.

Position	Purpose	No. of positions	Cost	Legislative analyst's recommendations	
				Approve (No.)	Delete (No.)
Child welfare specialist II					
Intercountry -----		2	\$12,345		\$12,345 (2)
Licensing -----		1	6,172	6,172 (1)	
Child welfare -----		1	6,173	6,173 (1)	
Subtotal -----		4	\$24,690		
Child welfare specialist I					
Intercountry -----		11	\$62,793		62,793 (11)
Licensing -----		2	11,417	11,417 (2)	
Adoptions -----		1	5,708	5,708 (1)	
Subtotal -----		14	\$79,918		
Public assistant specialist I					
Complaints -----		2	\$10,992		10,992 (2)
Subtotal -----		2	\$10,992		
Clerical					
Intercountry -----		8	\$28,348		28,348 (8)
Complaints -----		1	3,543		3,543 (1)
Adoptions -----		1	3,544	3,544 (1)	
Child welfare -----		1	3,544	3,544 (1)	
Licensing -----		1	3,543	3,543 (1)	
Subtotal -----		12	\$42,522		
Total -----		32	\$158,122	\$40,101 (8)	\$118,021 (24)

The bases for our recommendations are in the following subsections except for the Intercountry Program which is explained under the Bureau of Adoptions.

Department of Social Welfare—Continued

*Administration.* A position of administrative assistant was created in the Sacramento area office by the deletion of a senior clerk position. The Los Angeles office has had an assistant position for two years.

*Public Assistance.* These area sections give advice and supervision to counties for the public assistance programs and handle complaints and appeals filed with the department. The two public assistance specialists requested are for augmentation for the Complaints and Appeals Unit. The workload for these units fluctuates and occasionally other workers are borrowed from other parts of the public assistance sections for temporary periods.

Procedures are due for a thorough review and the department plans a staffing formula yardstick study and procedures study. The two positions are requested on a workload basis, but some of the workload does not appear necessary. *We recommend that no positions be approved by the Legislature until an adequate formula is developed which relates workload to staff.*

*Field Review.* One position was added during 1957 for a field review of the new medical and disabled aid programs.

*Medical and Aid to Totally Disabled.* These are new positions established under the rather hurried conditions for the new programs. The department plans studies on staffing reviews during the coming year.

*Child Welfare.* These sections handle independent adoptions and supervision of county adoptions, county child welfare projects, and county boarding home licensing. One position is requested based on workload and a somewhat obsolete staffing formula yardstick. We recommend approval of this proposed child welfare position, provided the department accomplishes a review of the yardstick during the coming year.

*Licensing.* These sections accomplish the direct licensing of aged institutions, children institutions and large day nurseries. A yardstick for staffing developed and adopted last year requires the addition of three positions based on workload estimates. We recommend approval of these three child welfare specialist positions.

*Adoptions.* These sections accomplish the direct independent adoptions work and the work for both types of intercountry programs. The independent adoptions and open-quota immigration intercountry adoptions are budgeted together. A staffing formula and yardstick developed by the department and adopted last year, necessitates the addition of one child welfare specialist I, based on estimated increase in workload.

		<i>Man-months</i>	<i>Positions</i>
Independent adoptions completed-----	1,520	.13	16.46
Services to other agencies-----	516	.033	1.42
Intercountry (open-quota) -----	96	.26	2.08
Total -----			19.96

Department of Social Welfare—Continued

We recommend approval of one position based on this yardstick and the estimated workload. *We recommend that two child welfare specialist II positions and eleven child welfare specialist I positions be deleted from the proposed budget for the intercountry program for the reasons given in the discussion of this program under the Bureau of Adoptions in the Division of Child Welfare.*

*Fiscal.* Two administrative analysts' positions were established and two accountant positions were abolished during 1957. Now each area office has an administrative analyst to work with the counties.

*Clerical.* Clerical positions in the area offices are established according to a formula relating clerical positions to the number of professional positions. The proposed new clerks are for proposed new professional positions related above.

Intercountry Adoptions clerks.....	8
Appeals and Complaints clerks.....	1
Independent Adoptions clerks.....	1
Child Welfare unit clerk.....	1
Licensing clerk.....	1
	1
Total .....	12

We recommend the approval of three clerical positions and the deletion of nine clerical positions for the reasons given under the appropriate program headings discussed above, since these positions are based on professional and technical positions recommended for deletion.

**Economies and Improvements Requiring Legislation**

The following two aspects of public welfare are recommended for legislative study and action.

*Licensing fees should be established for social welfare licenses similar to those established for public health and mental hygiene licenses.*

Licensing fees should be established for the licenses issued by the Department of Social Welfare and its delegated agencies, in order to assist in defraying the cost of licensing. Licensing is not only protection for the client or customer, but is also protection for the license holder against unfair or unscrupulous competition. Licensing helps maintain certain standards to protect the legitimate operator. The Social Welfare program includes institutes and demonstrations to operators of facilities caring for aged and children. These services include not only care of the children but proper ways to run the institution and business methods. Table 3 in the Analysis above shows that the cost to the State for licensing has increased, since 1947-48, from about \$575,000 to \$2,020,000, or 251.3 percent. This is accounted for by both an increase in the number of licenses and an increase in the level of services.

The Department of Public Health licenses nursing homes and hospitals. Section 1403 of the Health and Safety Code prescribes the following fees for licenses:

50 beds or less .....	\$20
50 beds—100 beds .....	30
100 beds—200 beds .....	40
200 beds or more .....	50

## Department of Social Welfare—Continued

The Department of Mental Hygiene licenses private hospitals and other facilities for care and treatment of the mentally ill and incompetent. Section 5701 of the Welfare and Institutions Code provides for the following fee schedule:

10 patients or less -----	\$20
10-30 patients -----	40
30-50 patients -----	75
50 patients or more -----	100

The licensees of the Department of Social Welfare receive as much service as Public Health and Mental Hygiene licensees, yet they do not pay a fee.

If the estimated 1,300 licenses for institutions and large day nurseries, licensed by state welfare personnel, were charged an average fee of \$25, the revenue for the budget year would amount to about \$32,500. If the licenses for small boarding homes and nurseries, issued by county personnel, were charged an average \$10 fee the estimated 19,700 licenses would develop about \$197,000 in revenue. The estimated revenues total (\$32,500 + \$197,000) would defray \$229,500 of the estimated total licensing cost of about \$2,020,000, or 11.4 percent reduction of cost.

The above fees in the example do not appear to be out of line in comparison with the Public Health and Mental Hygiene license fees or with the fact that these operators are in a profit-making business licensed by the State. Classified ads to the effect that these facilities are licensed appear in most of the metropolitan newspapers.

*County General Relief standards required by Sections 2500 and 200.1 (Chapter 1323, Statutes of 1957) of the Welfare and Institutions Code, and county medical indigent care and aid should be centrally recorded in the State Department of Social Welfare.*

The facets of public welfare and medical welfare in the State of California which are left to the counties should be centrally recorded in order that the extent of all public social welfare services available in this State can be reviewed and analyzed. At present, there is no centralized method available to ascertain to what extent needs are being met within the State. This central recording should include both details of service rendered and the financial costs, since the reporting of one does not fully show the other because accounting is not uniform among the counties.

This central recording and reporting is of particular importance to the new Medical Care program. It is not possible at present to analyze the extent of the increase of medical service resulting from the new program. This makes it virtually impossible to analyze what portion of the medical care program represents new service to recipients. In addition, the examination of proposed or possible expansion of services will be extremely limited if this information is not known. For example, the Aid to Totally Disabled program is not covered under the new Medical Care program. If the Legislature should include this program at a future date, the services offered under such a medical program should be established in the light of existing services for such recipients.

**CITIZENS' ADVISORY COMMITTEE ON AGING**

ITEM 245 of the Budget Bill

Budget page 584

**FOR SUPPORT OF CITIZENS' ADVISORY COMMITTEE ON AGING  
FROM THE GENERAL FUND**

Amount requested .....	\$34,043
Estimated to be expended in 1957-58 Fiscal Year .....	33,364
<hr/>	
Increase (2.0 percent) .....	\$679

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages .....	\$1,424	\$1,424	--	584 38
Operating expense .....	—425	—425	--	584 50
Equipment .....	—320	—320	--	584 51
<hr/>		<hr/>		
Total increase .....	\$679	\$679		

**RECOMMENDED REDUCTIONS** .....

None

**GENERAL SUMMARY**

An Interdepartmental Co-ordinating Committee on Aging was established by the Governor in 1951. In 1953, an executive secretary position was established on a full-time basis and supported by the participating departmental budgets. In 1955, a Citizens' Advisory Committee on Aging was established and in 1956 participation of legislators on this committee was provided by Chapter 59, First Extraordinary Session, Statutes of 1956. The interdepartmental committee has continued as a co-ordinating body for state agencies.

The statute provides that the Citizens' Advisory Committee is solely advisory in character and is to advise the Governor on the needs and problems of the aging. The committee and staff's stated objectives include: (1) studying all aspects of aging and reporting to the Governor; (2) maintaining an information center and publishing a quarterly newsletter; and (3) assisting in establishing and informing local community groups in order to utilize and develop local resources to cope with the local problems. The committee feels that it is desirable to devote time to local groups on aging because it is thought that they are effective in solving local problems. These 70 local groups provide information for the committee's reports. At present, the staff consists of the professional executive secretary, a social worker and one clerical position.

**ANALYSIS**

The budget for this agency represents a 2.0 percent increase over the budget for 1957-58. We recommend approval.