

Summary

Report on the Task Force on Public Welfare

Chairman: Richard P. Nathan

The report focuses on near-term issues and opportunities facing the new Administration in the field of public welfare broadly defined to encompass problems and conditions of the poor in the United States and the government programs designed to assist them.

Following introductory and background material, the Task Force report makes recommendations on various near-term issues and opportunities.

A. Public Assistance and Related Support Systems.

Three pending HEW administrative regulations are discussed. The Task Force recommends the following actions ranked in the order listed:

1. First, retention of the declaration (or simplified) application procedure for Public Assistance recipients, with an amendment to allow individual states to negotiate for limited extensions on the basis of administrative necessity.

2. Second, implementation of the pending HEW regulations mandating continuation of assistance during the period of an appeal of the suspension or modification of a recipient's Public Assistance benefits.

3. Third, implementation of the HEW regulation making legal services available to appellants, on request, in hearings on appeals of suspension or modifications of a recipient's Public Assistance benefits.

On two immediate legislative issues, the task force recommends:

1. Repeal of the freeze on AFDC beneficiaries enacted in the 1967 Social Security amendments or, as an alternative, a further postponement of the effective date to July 1, 1971.

2. Formation immediately of a study panel to recommend a position on the anticipated effort in the 91st Congress to cut the Medicaid program. This recommendation assumes that the Health Task Force does not provide specific proposals suitable for this purpose.

On the subject of basic program reform of the Public Assistance programs, the Task Force recommends increased federal financial responsibility for Public Assistance and the establishment of national minimum standards for benefits under one of two specific approaches presented in the report:

1. Alternative one would blanket-in most adults on Public Assistance under the Social Security system, with general revenue financing to cover the added costs, and set minimum benefit levels for the AFDC program. The total estimated federal cost (with our assumptions) is \$1.9 billion, offset by savings to states and localities of between \$700 million and \$800 million.

2. Alternative two would set minimum benefit standards for all Public Assistance recipients. With our assumptions, it would cost \$1.4 billion, offset by savings to states and localities of \$500 million.

The Task Force report also includes suggestions for: (1) increasing employment opportunities to remove people from the Public Assistance rolls; (2) provision of day care and family planning services, both of which can help reduce poverty conditions and hence the need for Public Assistance; and (3) eventual

reform of state and local general assistance programs, which would ultimately permit the elimination of the categorical system and the establishment of a system with the single qualifying factor of economic need based on family size and resources.

The report also recommends consideration of the following changes in Public Assistance and related income support programs:

1. Mandating the AFDC program for families headed by an Unemployed Parent (AFDC-UP) as a means of curbing the present incentive of Public Assistance for men to desert their families in order to qualify them for welfare;
2. Setting a minimum monthly benefit for each member of the family under Social Security Survivors' Insurance, so that surviving children in large families are not prevented from receiving benefits;
3. Consideration of a proposal for the recovery, through a tax credit, of Social Security taxes paid by the poor;
4. Increasing widows' benefits; and
5. Separating the income and social service functions of welfare agencies.

B. Organization at the Federal Level of Service Programs for the Poor

The Task Force recommends that planning, coordination, and oversight functions for programs to aid the poor be assigned -- perhaps as a part of a broader assignment for all domestic programs -- to a staff component in the Executive Office of the President (EOP) -- although not the Office of Economic Opportunity (OEO)

which failed to carry out its planning and coordination assignments.

As for the future of OEO, the Task Force recommends that a new independent agency be created -- perhaps called the Agency for Community Development (ACD) -- which would be responsible for:

1. The Community Action Program and some of its closely related "national emphasis" programs, although the Task Force recommends that several of the current "national emphasis" programs be spun off or delegated to other agencies;
2. The new economic self-development program along the lines recommended in the Community Self-Determination Act of 1968; and
3. The VISTA program.

The Task Force also suggests that the new Agency for Community Development (ACD) have general responsibility for innovative self-help programs and for the development of neighborhood service centers in urban poverty areas.

As for the Job Corps -- presently an OEO program -- the Task Force recommends that it be discontinued as a separate entity and that authority for operating centers which are efficiently administered, plus new ones for selected areas, be assigned to the Secretary of Labor or HEW -- preferably the Secretary of Labor.

#### C. The Community Action Program: Its Role at the Local Level

The Task Force discusses the Community Action Program and recommends its concentration on: (1) citizen participation and self-help; (2) innovative local programs; and (3) the improvement of program delivery in poverty areas. This section of the report discusses CAP functions along with related federal programs

in order to develop a comprehensive framework for action at the local level which maximizes program flexibility and promotes improved planning, coordination, and program implementation (principally through a recast Model Cities program) with the close involvement of state and local officials.

D. The Model Cities Program

The Task Force recommends the use of the Model Cities program -- with fundamental revisions -- as a basic federal strategy for improving program coordination and delivery in urban poverty areas. This requires that: (1) the states are brought into this system; (2) local officials have an effective role; (3) the program is broadened; and (4) the present federal aid formula is revised.

E. The Community Self-Determination Act.

The Task Force endorses the Community Development Corporation (CDC) approach for community-ownership and economic development and recommends a two-part strategy to fulfill the basic objectives of this proposed legislation:

1. In phase one, OEO (if it is retained) or the new Agency for Community Development (ACD) would be directed to support on a flexible and experimental basis local community organizations (some are already in existence) to foster economic self-development in poverty areas.

2. In phase two, the new Administration would work toward the enactment of legislation setting up CDCs on a more formal basis with the necessary financial support through tax incentives, a banking system, direct appropriations, or a combination of these techniques. Phase two would include the careful analysis of aspects of this legislation now being revised by its principal sponsors.

Other Areas for Early Action

Early action by the new Administration is recommended in six other areas: (1) hunger programs; (2) health services for the poor; (3) Indian poverty; (4) "black capitalism" and economic development; (5) rural poverty; and (6) returning Vietnam veterans.