

PUBLIC ASSISTANCE
IN PENNSYLVANIA

ORGANIZATION, ADMINISTRATION AND
POLICY PROBLEMS



A Report

of the

JOINT STATE GOVERNMENT COMMISSION

to the

GENERAL ASSEMBLY

of the

COMMONWEALTH OF PENNSYLVANIA

SESSION OF 1951

#5506528

The Joint State Government Commission was created by Act of 1937, July 1, P L 2460, as amended 1939, June 26, P L 1084, 1943, March 8, P L 13, as a continuing agency for the development of facts and recommendations on all phases of government for the use of the General Assembly

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LETTER OF TRANSMITTAL

*To the Members of the General Assembly of the
Commonwealth of Pennsylvania*

In accordance with the directive of the General Assembly as contained in Senate Resolution Serial No 40 and House Concurrent Resolution No 74, Session of 1949, there is presented herewith a report dealing with the administration and financing of public assistance in Pennsylvania

In accordance with the Act of 1943, March 8, P L 13, Section 1, the Commission created a subcommittee to aid in the study of Pennsylvania's public assistance programs Cognizant of the complexities of the problem, the subcommittee in turn appointed a steering committee to determine and direct the major lines of investigation On behalf of the Commission, the cooperation of the subcommittee and its steering committee is gratefully acknowledged

It was considered that Pennsylvania's blind pension program, which is administered by the Department of Public Assistance, presents problems not common to the three assistance programs dealt with in this report Hence, the results of a study of the blind pension program have been embodied in a separate report

The field investigation of a random sample of assistance cases, drawn by the Commission staff, was made by the Pennsylvania State Police The Commission appreciates the splendid cooperation of the Pennsylvania State Police

BAKER ROYER, *Chairman*

*Joint State Government Commission
Capitol Building
Harrisburg, Pennsylvania*

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SUMMARY OF FINDINGS

I During the biennium 1949-51, total public assistance expenditures from state funds in Pennsylvania will approximate \$198,000,000. Estimated expenditures of the Department of Public Assistance represent 27 per cent of the budgeted General Fund expenditures of the Commonwealth for the 1949-51 biennium.

II Public assistance expenditures in Pennsylvania are made on the basis of standards formulated by the State Board of Public Assistance, which consists of the Auditor General, the State Treasurer and seven citizens appointed by the Governor with the advice and consent of two thirds of all the members of the Senate.

III Per inhabitant expenditures for public assistance grants, assistance recipient rates and average payments per recipient for each of the three assistance programs in Pennsylvania and the United States are summarized below.

	<i>Penn- sylvania</i>	<i>United States</i>
Per Inhabitant Expenditures for Public Assistance Grants—1949		
General Assistance	\$2 61	\$1 86
Old Age Assistance	4 06	9 15
Aid to Dependent Children	5 01	3 14

	<i>Penn- sylvania</i>	<i>United States</i>
Assistance Recipient Rates—December, 1949		
General Assistance (Recipients per 1,000 population)	11 2	9 8
Old Age Assistance (Recipients per 1,000 population 65 years of age and over)	115	241
Aid to Dependent Children (Recipients per 1,000 population under 18 years of age)	46	33
Average Payments per Recipient—De- cember, 1949		
General Assistance	\$25 60	\$19 38
Old Age Assistance	39 80	44 76
Aid to Dependent Children (Total expenditures divided by num- ber of <i>children</i> receiving aid)	35 65	29 23

IV Contrary to the practice in all but two other states, local governments in Pennsylvania do not participate in the financing of any of the assistance programs

V During recent years, general assistance recipients represented approximately one half of one per cent of the total population of the Commonwealth. Approximately 4 per cent of the recipients were partially or fully employed, about one per cent had full-time employment. Fully employed assistance recipients earned approximately \$125 per month

VI Over the period 1938 to 1950, public assistance grants have increased more than has the cost of living. For a four-person family receiving general assistance or aid to dependent children, the purchasing power of the 1950 grant is 43 per cent greater than the purchasing power of the 1938 grant. In the case of the grant to a single old age assistance recipient, the comparable percentage is 12.

VII Individuals living in assistance families of six or more members have no incentive to seek gainful employment. Again, these recipients have little opportunity to practice and improve their skills because counties do not take advantage of work relief programs authorized by law. In 1950, only 3 per cent of the 15,700 employable assistance recipients were employed on work relief projects.

VIII It is estimated that during the biennium 1949-51 net assistance overpayments to recipients amounted to \$16,000,000. Of this amount, \$10,000,000 is financed from Commonwealth taxes.

INTRODUCTION

THE public assistance report is divided into three parts. Part I briefly outlines the growth of the problems of indigency in Pennsylvania, describes the administrative machinery which has been developed to cope with the problems, details the dollar cost imposed upon the community by indigency and the financing of the cost, and presents interstate comparisons of the levels and methods of financing of public assistance expenditures.

Part II presents facts and analyses which have a direct bearing upon future policy.

Specifically, Part II presents

- 1 The relationship between changes in assistance grants and changes in the cost of living
- 2 The characteristics of the men and women who constitute the general assistance case load
- 3 The relationship between assistance grants and private employment opportunities, as well as work relief programs
- 4 Relationships between public assistance expenditures and local participation in the financing of assistance
- 5 Effects, in terms of local tax rates, of alternative plans for local financial participation

Part III outlines the educational and experience background of the staff charged with the administration of public assistance and attempts an over-all appraisal of the operating efficiency of the agencies concerned with the administration of public assistance in the Commonwealth.

PART I

Section I

THE BACKGROUND

Prior to 1932, aid to indigent citizens was primarily a local responsibility. The most common unit for the administration of poor relief was the county, operating through poor boards. However, in some areas, townships, boroughs and cities, singly or in combination, organized administrative units.

Except for relatively small Commonwealth contributions made available under the Mothers' Assistance Act of 1913,¹ poor relief was financed by local property taxes. In 1929, total local tax collections and appropriations for the relief of the indigent amounted to \$8,215,718.²

The Woodward Act of 1932,³ which established the State Emergency Relief Board charged with aiding those who were indigent in consequence of lack of employment, shifted a large measure of administrative and financial responsibility from local units of government to the state. The State Emergency Relief Board appointed county relief boards, usually consisting of seven members, which administered the program on the local level.

An appropriation of \$12,000,000⁴ was made to the State Emergency Relief Board for the period September, 1932,

¹ 1913, April 29, P L 118

² *Poor Relief Administration in Pennsylvania*, State Department of Welfare, Harrisburg, 1934

³ 1932, August 19, P L 88

⁴ 1932, August 19, P L 90

through March, 1933, to be allocated among the counties on the basis of an index of need. In 1932, total local poor tax collections and appropriations amounted to \$11,810,270.⁵

In 1934, two groups—the aged and the blind—were removed from the jurisdiction of the poor boards.⁶ Responsibility for the administration of the programs for the blind and the aged was vested in the trustees of the Mothers' Assistance program, but aid to the blind was financed exclusively by the Commonwealth.⁷

In 1936, cash unemployment relief was substituted for relief in kind throughout the Commonwealth.

The era of local relief financing and local relief administration ended in 1937 with the passage of the Public Assistance Law.⁸ At that time, the state Department of Public Assistance and the State Board of Public Assistance were established,⁹ and the State Emergency Relief Board, county poor boards and boards of trustees of the Mothers' Assistance Fund were abolished.

Currently, the Department of Public Assistance, under standards formulated by the State Board of Public Assistance, administers the following five programs designed to aid economically or physically handicapped citizens:

- 1 old age assistance,
- 2 aid to dependent children,

⁵ See footnote 2, above.

⁶ 1934, January 18, P. L. 282 (Extraordinary Session of 1933), 1934, January 17, P. L. 246 (Extraordinary Session of 1933).

⁷ For a history and analysis of the blind aid program see Joint State Government Commission Report, *Blind Pensions in Pennsylvania*, 1951.

⁸ 1937, June 24, P. L. 2051.

⁹ 1937, June 24, P. L. 2003.

- 3 aid to the permanently and totally disabled,¹⁰
- 4 general assistance,
- 5 blind pensions¹¹

The federal government participates in the financing of the first three programs, general assistance and blind pensions are financed exclusively by the Commonwealth

¹⁰ The program for aid to the permanently and totally disabled became effective in Pennsylvania on January 1, 1951

¹¹ See footnote 7, above

Section II

THE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS

A *The State Board of Public Assistance—*

All assistance programs are administered by reference to policies and standards established by the State Board of Public Assistance. The Board consists of the Auditor General, the State Treasurer, and seven other citizens appointed by the Governor with the advice and consent of two-thirds of all the members of the Senate, for overlapping six-year terms. The statutory powers and duties of the board are

- (1) To approve or disapprove and adopt rules, regulations, and standards, consistent with law, recommended by the Department of Public Assistance and local boards, as to eligibility for assistance and as to its nature and extent.
- (2) "To establish for the department and local boards rules and regulations concerning the administration of this act as provided by law."
- (3) To study the work of the Department of Public Assistance and, from time to time, to recommend to the Governor changes in the administrative policy or in the law."¹²

The policies formulated by the State Board are carried out by the Department of Public Assistance through county boards of assistance.

¹² Act of 1929, April 9, P. L. 177, Section 2503 A, as amended 1937, June 24, P. L. 2003, Article XXV-A.

B *The Department of Public Assistance—*

The principal statutory duties of the Department of Public Assistance are

- (1) 'To allocate to the several assistance programs funds with which to provide assistance and funds for administrative expenses
- (2) To establish, with the approval of the State Board of Public Assistance, rules, regulations and standards, consistent with law, as to eligibility for assistance and as to its nature and extent '
- (3) "To exercise general supervision of the local boards, and to establish for such boards rules, regulations and standards as to accounting and as to forms, records and reports so as to effect reasonable uniformity ¹³

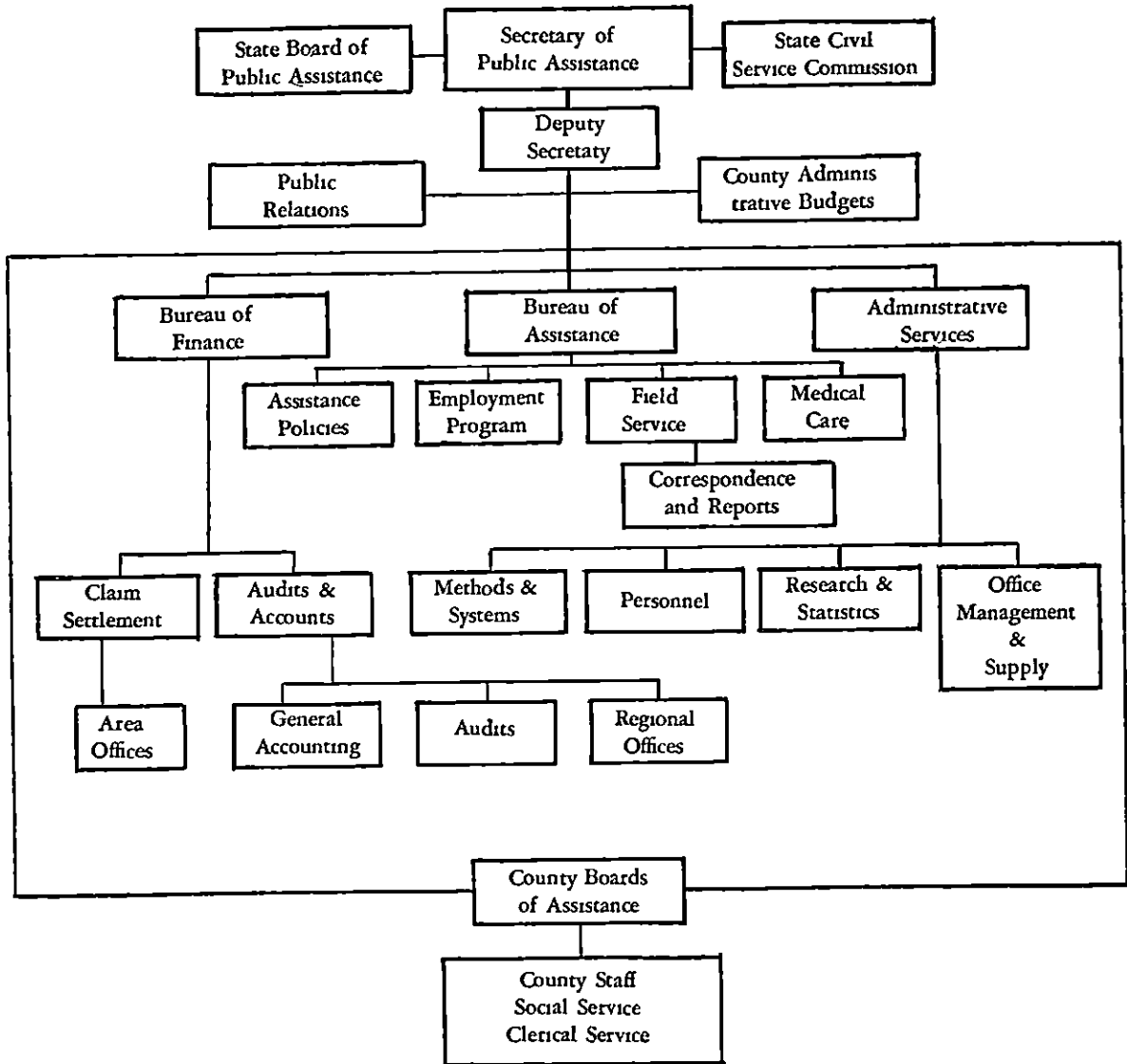
The organization of the Department and its relationship with other agencies are shown in Chart I

C. *County Boards of Assistance—*

The public assistance law provides for a county board of assistance in each county, composed of men and women engaged or interested in business, social welfare, labor, industry, education and public administration. Boards in counties of the first and second class are composed of eleven members, in other counties, of seven members. The county boards are appointed by the Governor with the advice and consent of two-thirds of all members of the Senate for overlapping terms of three years. No member of a board may serve for more than two consecutive terms. Employees are appointed by the boards from civil service lists prepared by the State Civil Service Commission.

¹³ 1937, June 24 P. L. 2051, as last amended 1949, April 28, P. L. 767

CHART I
ORGANIZATION OF THE DEPARTMENT OF PUBLIC ASSISTANCE



Among the specific responsibilities delegated to the county boards are

- (1) To administer public assistance in the county and determine the eligibility of applicants in accordance with law and the general principles and policies determined by the State Board of Public Assistance "
- (2) To take measures to promote the welfare and self dependence of individuals and families eligible for assistance "
- (3) To hear and determine appeals from actions of its employes affecting the rights of those applying for or receiving assistance ' "
- (4) To make recommendations to the Department of Public Assistance as to rules, regulations, and standards as to eligibility for assistance, and as to its nature and extent ' "
- (5) To study report and interpret its policies, problems and work, to the Department of Public Assistance, and to the public ' ¹⁴

D. *The Auditor General*—

In addition to participating in the formulation of assistance policies as a member of the State Board, the Auditor General makes so-called "eligibility audits" of selected assistance cases. However, the Auditor General does not have authority to remove assistance recipients from the rolls. Under a regulation approved by the Attorney General, the Department of Public Assistance is the sole judge of the eligibility of a recipient. The regulation is justified by reference to the Federal Social Security Act, which requires that a single state agency administer the assistance programs—old age assistance, aid to dependent children, and aid to the permanently and totally disabled—partially financed by the Federal Government.

¹⁴ 1937, June 24, P L 2051, as last amended 1949, April 28, P L 767

E. *The Operation of Assistance*—

Aside from provisions which apply only to specific assistance programs, eligibility for public assistance is dependent upon two factors—residence and need¹⁵. A person establishes residence in Pennsylvania for purposes of assistance if he resides in Pennsylvania for at least one year or if he was last a resident of a state with which Pennsylvania has a reciprocal agreement. Certain exceptions to this regulation occur. If a recipient leaves Pennsylvania for purposes of employment and subsequently returns to Pennsylvania, he is deemed not to have lost Pennsylvania residence and is immediately eligible for assistance if other conditions are met.

The determination of need is summarized in the following quotation from departmental regulations:

“Need” is defined as a condition in which a person’s income and other available resources are less than the sum of allowances the Department has set up to meet defined minimum living requirements.

“In order to determine, or re-determine, whether an individual is in need, the Department considers the following factors in accordance with the specific policies and procedures which govern them:

- (a) Those living costs which it recognizes by allowances for specified items of living requirements
- (b) Income and other resources available to the individual

To all persons who are found to be in need and who meet all other conditions of eligibility for assistance, the Department grants assistance.”¹⁶

¹⁵ The eligibility conditions for public assistance programs in Pennsylvania are reproduced in Appendix A.

¹⁶ Regulations of the Department of Public Assistance: Determination of Need and the Amount of Grant for Old Age Assistance, Aid to Dependent Children, and General Assistance, Section 3200.

The specified items of living requirements established by the department consist of allowances for food, clothing, incidentals, and shelter maintenance and, in addition, special allowances for transportation, medical supplies, special diets, and other items applicable to specific cases. Schedules of amounts for food, clothing and incidentals, based upon the number of persons living in a household, are uniform throughout the state. The current schedules for food, clothing and incidentals are reproduced in Table I.

Table I
**Maximum Monthly Allowance Per Person for Food,
 Clothing, and Incidentals by Number of Persons in
 the Household,* as of October 16, 1950**

<i>Type of Allowance</i>	<i>Number of Persons in the Household</i>					
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
	<i>Maximum Allowance</i>					
Adults	\$27 00	\$24 20	\$23 00	\$22 40	\$21 60	\$21 00
Food	20 40	18 20	17 40	16 80	16 20	15 60
Clothing	3 60	3 60	3 60	3 60	3 40	3 40
Incidentals	3 00	2 40	2 00	2 00	2 00	2 00
Children 12—not yet 19	30 00	27 00	25 60	25 00	24 00	23 40
Food	23 00	20 60	19 60	19 00	18 20	17 60
Clothing	5 00	5 00	5 00	5 00	4 80	4 80
Incidentals	2 00	1 40	1 00	1 00	1 00	1 00
Children 5—not yet 12	25 00	23 00	22 20	21 80	21 00	20 40
Food	19 00	17 00	16 20	15 80	15 20	14 60
Clothing	5 00	5 00	5 00	5 00	4 80	4 80
Incidentals	1 00	1 00	1 00	1 00	1 00	1 00
Children Under 5	19 00	17 80	17 20	16 80	16 20	15 80
Food	14 00	12 80	12 20	11 80	11 40	11 00
Clothing	4 00	4 00	4 00	4 00	3 80	3 80
Incidentals	1 00	1 00	1 00	1 00	1 00	1 00

Table I (Continued)

Type of Allowance	Number of Persons in the Household					
	7	8	9	10	11	12 or more
<i>Maximum Allowance</i>						
Adults	\$20 20	\$19 60	\$18 80	\$18 20	\$17 60	\$17 00
Food	15 00	14 40	13 80	13 20	12 60	12 00
Clothing	3 20	3 20	3 00	3 00	3 00	3 00
Incidentals	2 00	2 00	2 00	2 00	2 00	2 00
Children 12—not yet 19	22 60	21 80	21 00	20 20	19 60	19 00
Food	17 00	16 40	15 80	15 20	14 60	14 00
Clothing	4 60	4 40	4 20	4 00	4 00	4 00
Incidentals	1 00	1 00	1 00	1 00	1 00	1 00
Children 5—not yet 12	19 60	18 80	18 20	17 60	17 20	16 80
Food	14 00	13 40	13 00	12 60	12 20	11 80
Clothing	4 60	4 40	4 20	4 00	4 00	4 00
Incidentals	1 00	1 00	1 00	1 00	1 00	1 00
Children Under 5	15 20	14 60	14 20	13 80	13 60	13 40
Food	10 60	10 20	10 00	9 80	9 60	9 40
Clothing	3 60	3 40	3 20	3 00	3 00	3 00
Incidentals	1 00	1 00	1 00	1 00	1 00	1 00
Pregnant Women	Use Adult Scale Plus \$3 00 extra Food Allowance for all family sizes					

SOURCE Regulations of the Department of Public Assistance, Section 3200

* The term "household" refers to those individuals living together who share food costs

Shelter maintenance is the actual cash outlay for shelter expenses,¹⁷ but such outlay may not exceed a maximum amount. This maximum amount is based upon the number of persons in the assistance unit and the geographic area in which assistance is received. The current schedule for shelter maintenance is shown in Table II.

¹⁷ Included in shelter expenses are rent or taxes, insurance and necessary repairs, cost of ice, electricity, fuel, water, and refuse disposal.

Table II

**Maximum Monthly Shelter Maintenance Allowances by
Size of Assistance Unit * by Schedule Areas
as of October 16, 1950**

Schedule 1—Allegheny,^a Delaware, Philadelphia

<i>Number of Persons in Assistance Unit</i>	1	2	3	4	5	6	7	8	<i>9 and over</i>
<i>Maximum Allowance</i>	\$32	\$39	\$43	\$46	\$49	\$51	\$53	\$55	\$57

Schedule 2—Berks, Bucks, Carbon, Chester, Dauphin, Erie, Lackawanna,
Lehigh, Luzerne, McKean, Monroe, Montgomery, Northampton

<i>Number of Persons in Assistance Unit</i>	1	2	3	4	5	6	7	8	<i>9 and over</i>
<i>Maximum Allowance</i>	\$29	\$36	\$40	\$43	\$45	\$47	\$49	\$51	\$53

Schedule 3—Adams, Beaver, Blair, Cambria, Clinton, Columbia, Crawford,
Cumberland, Franklin, Huntingdon, Lancaster, Lawrence, Lebanon, Ly-
coming, Mercer, Mifflin, Montour, Northumberland, Pike, Schuylkill,
Venango, Wayne, York

<i>Number of Persons in Assistance Unit</i>	1	2	3	4	5	6	7	8	<i>9 and over</i>
<i>Maximum Allowance</i>	\$27	\$33	\$36	\$38	\$40	\$42	\$44	\$46	\$48

* An assistance unit comprises all individuals in a common dwelling who are receiving assistance

^a For assistance recipients who live in areas covered by Pittsburgh's anti smoke ordinance, the shelter maintenance allowance shown in Schedule 1 may be increased by an amount sufficient to cover the higher cost of the smokeless coal which must be used in these areas. The additional allowance may not exceed \$1 per month for 1 person, \$2 per month for 2 or 3 persons, and \$3 per month for 4 or more persons.

Table II (Continued)

Schedule 4—Armstrong, Bedford, Bradford, Butler, Cameron, Centre, Clarion, Clearfield, Elk, Fayette, Forest, Fulton, Greene, Indiana, Jefferson, Juniata, Perry, Potter, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Warren, Washington, Westmoreland, Wyoming

<i>Number of Persons in Assistance Unit</i>	1	2	3	4	5	6	7	8	<i>9 and over</i>
<i>Maximum Allowance</i>	\$24	\$29	\$31	\$33	\$35	\$37	\$39	\$41	\$43

SOURCE Regulations of Department of Public Assistance, Section 3200

If a recipient has no income, the amount of his cash assistance grant equals the total assistance allowance. If he has income, the income is subtracted from the total allowance. Certain types of nonrecurring income and income from specified sources and designated for specific purposes are not subtracted from the total allowance.

Real and personal property owned by the applicant for assistance represent resources and affect his eligibility. Real property owned and occupied by the applicant does not affect eligibility if the applicant acknowledges the liability of the property for reimbursement. The individual who owns real property in which he does not live is ineligible for assistance unless he disposes of his property. Some types of personal property, such as household furnishings and personal effects, do not enter into eligibility determination unless of unusual value. Insurance policies of a cash value in excess of amounts specified by the department must be assigned to the department if the individual is to be eligible.

The Pennsylvania support law places legal responsibility for the support of a needy person on his spouse, parents and children if these relatives are financially able to contribute

The department has established a schedule of expected contributions from a recipient's legally responsible relatives based on the income of the relative and the number of persons in his family. If the relative refuses to contribute the amount requested by the department, recourse is had to court action.

A person who is considered wholly or partially employable is required, as a condition of eligibility, to register for work with the local office of the State Employment Service. Gainful employment does not make a person ineligible for assistance if the remuneration from such employment is less than his assistance allowance.

Section III

COSTS AND FINANCING

The Federal Government does not provide grants-in-aid for general assistance programs. Pennsylvania is one of the three states¹⁸ which finance general assistance expenditures entirely from state funds. In the remaining states, financial participation is divided between the state and local governments.

The cost of old age assistance, aid to dependent children and aid to the permanently and totally disabled in Pennsylvania are financed jointly by the State and Federal Governments.

As regards Federal financial participation, the Federal Social Security Act requires that a state, in order to be eligible for Federal moneys, must provide (1) that the program shall be in effect in all political subdivisions of the state, and if administered by them, be mandatory upon them, (2) for financial participation by the state, and (3), for the establishment or designation of a *single* state agency to administer the plan or for the establishment of a *single* state agency to supervise the administration of the plan.

The Social Security Act specifies for every type of assistance (a) the maximum grant per recipient for which Federal funds may be made available, and (b), the Federal participation fractions on the basis of which Federal funds will be made available for each type of grant.

In the case of old age assistance and aid to the permanently and totally disabled, the maximum grant per indi-

¹⁸ Pennsylvania, Utah and Arizona

vidual per month for which Federal participation is available is \$50

In the aid to dependent children program, the maximum grants per individual per month for which Federal participation is available are \$27 for the needy parent or relative with whom the child or children live, \$27 for the first child and \$18 per child for additional children

The Federal participation fractions are

- (a) $\frac{3}{4}$ of the first \$20 per month per recipient of old age assistance and aid to the permanently and totally disabled,
- (b) $\frac{3}{4}$ of the first \$12 per month per recipient of aid to dependent children,
- (c) $\frac{1}{2}$ of the difference between the amounts indicated under (a) and (b) above and the maximum grants for which federal funds may be made available

By virtue of the nature of the Federal participation fractions, the extent of Federal financial participation in aggregate expenditures for assistance grants varies from year to year depending upon the size of the individual grants, and, in the case of aid to dependent children, the family composition. In 1950, Federal participation was approximately 61 per cent for the old age assistance program and approximately 41 per cent for the aid to dependent children program. Experience is too limited to determine the amount of Federal participation in aggregate expenditures for aid to the permanently and totally disabled. However, it is expected that the proportion will be approximately equal to Federal participation in old age assistance.

In addition to participating in expenditures for grants, the Federal Government shares in the costs of assistance administration. The Federal proportion is one-half the amount expended for "proper and efficient administration" of the approved state plans.

All Commonwealth moneys for public assistance purposes are appropriated from the General Fund. The appropriation to the Department of Public Assistance for the biennium 1949-51 was \$161,100,000, an amount equal to 22 per cent of the entire General Fund budget. In addition, the legislature appropriated \$25,000,000 from "surplus funds," if any, in the event the original appropriation was insufficient. It is estimated that state expenditures for public assistance purposes for the biennium 1949-51 will exceed the total of these two amounts by about \$12,000,000.

In Table III, public assistance expenditures in Pennsylvania, by program and source of funds, are shown for the period 1932 to 1950.¹⁹

Examination of the table shows that from 1932 to 1950 total expenditures for general assistance grants increased from approximately \$11,000,000 to about \$32,000,000. Total expenditures for old age assistance, which were included in expenditures for general assistance in 1932, amounted to approximately \$42,000,000 in 1950. Total expenditures for aid to dependent children increased from approximately \$1,000,000 in 1932 to about \$54,000,000 in 1950.

¹⁹ For average expenditures per recipient per month for the period 1932 to 1950, inclusive, see Appendix B.

Table III
Total Expenditures for Public Assistance Grants by Program and by Source

Year	General Assistance			Old Age Assistance			
	Total ^a	State	Federal	Total	State	Federal	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1932 ^b	\$11,446,949	\$3,801,052	\$7,645,897				\$1
1933	74,793,558	30,476,077	44,317,481				3,
1934	91,983,557	25,318,031	66,665,526	\$662,573	\$662,573		3,
1935	149,408,646	33,982,155	115,426,491	9,124,993	9,124,993		3,
1936	63,443,715	63,443,715		11,703,712	8,351,866	\$3,351,846	3,
1937	57,813,216	57,813,216		22,639,542	11,319,772	11,319,770	6,
1938	75,979,214	75,979,214		23,477,006	11,738,502	11,738,504	7,
1939	91,646,433	91,646,433		20,328,027	10,164,014	10,164,013	10,
1940	60,923,352	60,923,352		25,326,472	12,663,291	12,663,181	16,
1941	30,415,030	30,415,030		27,222,427	13,611,256	13,611,171	27,
1942	12,519,014	12,519,014		27,664,929	13,843,129	13,821,800	23,
1943	7,443,492	7,443,492		29,519,117	14,760,745	14,758,372	18,
1944	6,039,689	6,039,689		29,318,442	14,656,763	14,661,679	14,
1945	6,269,927	6,269,927		29,910,987	15,083,314	14,827,673	16,
1946	10,639,408	10,639,408		32,948,697	16,075,654	16,873,043	25,
1947	13,817,512	13,817,512		36,629,708	15,873,254	20,756,454	33,
1948	15,831,419	15,831,419		38,776,101	16,755,558	22,020,543	39,
1949	27,517,938	27,517,938		41,626,082	16,365,094	25,260,988	51,
1950	32,319,840	32,319,840		41,925,240	16,508,181	25,417,059	54,

SOURCE: Division of Research and Statistics, Department of Public Assistance, Commonwealth of Pennsylvania.

^a Total for years 1932-1936 does not include expenditures by local Poor Boards for outdoor relief.

^b September-December Total.

Section IV

INTERSTATE COMPARISONS OF THE LEVELS AND METHODS OF FINANC- ING OF PUBLIC ASSISTANCE EXPENDITURES

A *Per Capita Expenditures for Public Assistance Grants—*

Per capita, or per inhabitant, expenditures for assistance grants for each program and for all programs in selected states are shown in Table IV, page 30, for the year 1949

The table shows that, as regards the three programs, per capita expenditure variation among the states is least pronounced in connection with aid to dependent children

As regards general assistance, per capita expenditures in Pennsylvania are about 40 per cent above the national average, in fact, they are higher than in any neighboring state except New York Pennsylvania's per capita old age expenditures are less than half the national average but greater than per capita expenditures in New Jersey, Delaware, Maryland and West Virginia Per capita aid to dependent children expenditures in Pennsylvania are almost 60 per cent greater than in the nation as a whole and outrank per capita expenditures for this program in all neighboring states as well as in Illinois and California

The variation of per capita public assistance expenditures, both among states and among the three programs, is due to (1) variations in the level of payments to assistance recip

ents and/or (2) differences in the ratio of the number of indigent citizens who are aided to the total population of the state

Table IV
Expenditures for Public Assistance Grants Per Inhabitant, by Program, Selected States, 1949

<i>State</i>	<i>General Assistance Expenditures Per Inhabitant</i>	<i>Old Age Assistance Expenditures Per Inhabitant</i>	<i>Aid to Dependent Children Expenditures Per Inhabitant</i>	<i>Expenditures for G A, O A A and A D C Per Inhabitant</i>
(1)	(2)	(3)	(4)	(5)
United States	\$1 86	\$9 15	\$3 14	\$14 15
Pennsylvania	2 61	4 06	5 01	11 68
New York	4 51	5 05	4 66	14 22
New Jersey	1 58	2 80	1 07	5 45
Delaware	1 63	1 62	1 43	4 68
Maryland	1 04	2 25	2 39	5 68
West Virginia	46	3 46	3 84	7 76
Ohio	2 32	8 86	1 28	12 46
Illinois	2 77	7 66	3 39	13 82
California	2 24	19 41	3 27	24 92
Highest State	5 38 ^b	30 36 ^a	7 42 ^b	36 03 ^b
Lowest State ^a	04 ^c	1 33 ^e	1 06 ^o	2 75 ^o

SOURCE Social Security Bulletin, September, 1950, and 1950 Census of Population, United States Bureau of Census, Series PC-9, No 1

^a Lowest among states with programs approved for Federal participation

^b Washington

^c Mississippi

^d Colorado

^e Virginia

B. Recipient Rates and Average Payments per Recipient—

Table V shows recipient rates for three assistance programs for selected states as of December, 1949

Table V
Assistance Recipient Rates, by Program, Selected States,
December, 1949

<i>State</i>	<i>Recipients of General Assistance Per 1,000 Estimated Civilian Population</i>	<i>Recipients of Old Age Assistance Per 1,000 Population Aged 65 and Over</i>	<i>Children Receiving Aid to Dependent Children Per 1,000 Population Under 18 Years</i>
(1)	(2)	(3)	(4)
United States	9.8	241	33
Pennsylvania	11.2	115	46
New York	14.0	105	35
New Jersey	7.4	67	11
Delaware	^a	67	19
Maryland	2.6	79	28
Ohio	15.6	187	16
West Virginia	5.6	217	61
Illinois	12.1	190	29
California	9.2	289	27
Highest State	22.2 ^b	829 ^d	78 ^d
Lowest State	4 ^e	67 ^e	11 ^f

SOURCE Social Security Bulletin, March, 1950

^a Data not available

^b Rhode Island

^c Mississippi

^d Louisiana

^e New Jersey and Delaware

^f New Jersey

Inspection of Columns (2) and (4) shows that general assistance and aid to dependent children rates for Pennsylvania are higher than for the nation as a whole. Pennsylvania's rate for general assistance is exceeded by the rates of but two neighboring states—New York and Ohio. For aid to dependent children, the recipient rate for Pennsylvania is larger than comparable rates for Illinois and California, and for all neighboring states except West Virginia.

Column (3) of Table V shows that Pennsylvania's old age recipient rate is less than half the rate for the nation as a whole. In this connection, it may be noted that states whose statutes place responsibility upon relatives for the support of aged assistance recipients generally have a lower recipient rate than states without such support law provisions. As of December, 1949, the average old age recipient rate for the twenty states which do not have support law provisions in their assistance statutes was 388, as compared with an average rate of 180 for the twenty-eight states, including Pennsylvania, which require relatives to contribute to the support of assistance recipients.

Table VI, on the opposite page, presents the average payment per recipient for the three assistance programs in selected states as of December, 1949.

Inspection of the table shows that the average payment per recipient in Pennsylvania is above the national average for the aid to dependent children and general assistance programs, and below the national average for old age assistance. The interstate variation of average payments per recipient is less pronounced than the variation among states as regards recipient rates.

Table VI
Average Payment Per Assistance Recipient, by Program,
Selected States, December, 1949

<i>State</i>	<i>General Assistance</i>	<i>Old Age Assistance</i>	<i>Aid to Dependent Children^a</i>
(1)	(2)	(3)	(4)
United States	\$19 38	\$44 76	\$29 23
Pennsylvania	25 60	39 80	35 65
New York	32 40	54 14	47 67
New Jersey	22 99	48 95	33 35
Delaware	^b	28 51	24 78
Maryland	37 28	37 09	27 13
Ohio	15 53	46 77	23 46
West Virginia	10 74	27 17	19 49
Illinois	23 44	44 34	37 89
California	20 57	70 74	50 20
Highest State	37 28 ^c	77 89 ^o	57 55 ^e
Lowest State	5 00 ^d	18 92 ^f	9 76 ^g

SOURCE Social Security Bulletin, March, 1950

^a Total expenditure divided by number of children receiving aid. Number of adults receiving aid to dependent children not available.

^b Data not available.

^c Maryland.

^d Tennessee.

^e Colorado.

^f Mississippi.

^g Washington.

C. Source of Public Assistance Funds—

Considering the nation as a whole, funds for public assistance purposes are supplied by all levels of government—Federal, state and local. However, Federal financial participation is limited to old age assistance and aid to depen-

dent children. In some states, local governments participate financially in all assistance programs, in others—e.g., in Pennsylvania—no local participation is required.

The percentage distribution of expenditures for *general* assistance for selected states for the year 1949 is presented in Table VII.

Table VII
Percentage Distribution of Expenditures for General Assistance by Source of Funds, Selected States, 1949

<i>State</i>	<i>Percentage Distribution</i>	
	<i>State Funds</i>	<i>Local Funds</i>
(1)	(2)	(3)
United States	63.0%	37.0%
Pennsylvania	100.0	
New York	79.8	20.2
New Jersey	28.3	71.7
Delaware	50.0	50.0
Maryland	53.0	47.0
West Virginia	43.3	56.7
Ohio ^a	100.0	
Illinois	75.8	24.2
California		100.0

SOURCE: Social Security Bulletin, September, 1950.

^a Distribution between state and local funds not available.

Except in Ohio where local participation is inconsequential, among the selected states only Pennsylvania finances general assistance exclusively out of state funds. In the nation as a whole, 37 per cent of general assistance funds are supplied by local governments.

In most states, the degree of local participation in aid to dependent children and old age assistance programs is substantially less than the degree of local participation in general assistance programs. As regards the weighted average for the forty eight states, local governments finance about 11 per cent of aid to dependent children expenditures and about 4 per cent of old age assistance expenditures. In approximately one half of the forty eight states, there is some measure of local participation in both programs.

D. Public Assistance Expenditures and State Income Payments—

Variations in assistance payments among the states gain in significance when assistance payments are related to income levels.

Table VIII, page 36, shows, for selected states, total and state expenditures for assistance, including administration, as percentages of the income of the residents of the states.

Examination of Table VIII, Column (2), shows that, as regards total expenditures for public assistance as a per cent of income payments, Pennsylvania ranks slightly below the average for the forty-eight states. Examination of Column (3) shows that, as regards public assistance expenditures from state funds as percentages of income of residents, Pennsylvania ranks above the average for the forty-eight states.

Table VIII

Total and State Expenditures for Public Assistance as Percentages of State Income Payments, Selected States, 1949 ^a

<i>State</i>	<i>Total Expenditures for Public Assistance as Percentages of Income of Residents</i>	<i>Expenditures for Public Assistance from State Funds as Percentages of Income of Residents</i>
(1)	(2)	(3)
United States	1 15%	51%
Pennsylvania	91	57
New York	91	48
New Jersey	38	11
Delaware	31	12
Maryland	43	16
Ohio	91	48
West Virginia	85	28
Illinois	91	50
California	1 67	86
Highest State	3 72 ^b	1 78 ^b
Lowest State	31 ^c	07 ^d

SOURCE Social Security Bulletin, September, 1950, and Survey of Current Business, August, 1950

^a Excludes payments for aid to the blind

^b Louisiana

^c Delaware

^d Virginia

PART II

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THE preamble to the Act of June 24, 1937, which established the present administrative basis for all public assistance programs, reads in part "to promote the welfare and happiness of all the people in such a way and such a manner as to encourage self-respect, self-dependency" ²⁰

This policy directive of the General Assembly poses a problem for the State Board of Public Assistance. "Happiness," as commonly conceived, presupposes a decent level of living. In other words, the Board is directed to underwrite a decent standard of living without destroying personal effort and initiative.

Part II is devoted to a review of the levels of living prescribed by the State Board of Public Assistance for assistance recipients, the economic position of assistance recipients, the economic incentive to seek "self-dependency," and of work-relief programs. In conclusion, Part II presents an analysis of the relationship between general assistance expenditures and local participation in the financing of assistance grants.

²⁰ 1937, June 24, P. L. 2051, as amended 1943, May 21, P. L. 434

Section I

CHANGES IN PUBLIC ASSISTANCE STANDARDS, CHANGES IN COST OF LIVING, 1938 TO 1950

The State Board of Public Assistance is charged with the responsibility of determining or approving the "standards of public assistance. The "standard" or "level" is the standard or level of living, or more specifically, amounts of various commodities which the recipient is able to purchase with his assistance grant.

If the assistance grant remains constant during a period of rising commodity prices, standards fall. Conversely, a constant dollar grant over a period of falling prices raises the standard.

The standard is based upon a 'basket of goods' which is selected by reference to considerations of health and remains relatively constant over time. Assuming that a constant standard is desired, the dollar grant would be changed only when a change in price of the items in the "basket of goods" occurs.

The maximum allowance schedules for food, clothing, incidentals and shelter maintenance, which define the current standard set by the State Board of Public Assistance, have been shown previously ²¹

Until 1947, general assistance and aid to dependent children grants were made on the same schedules, but old age assistance grants were based upon a separate schedule. Since

²¹ See above, pages 19-22

1947, one schedule has been used for the determination of maximum grants for all three programs

During the period from 1938 to 1950, numerous changes were made in maximum grant schedules²² These changes have produced a substantial increase in the standard of assistance in 1950, as compared with the standard which prevailed in 1938 for general assistance and aid to dependent children Between 1938 and 1950, the maximum allowance for food, clothing, incidentals and shelter maintenance has increased more than the increase in the cost of these items²³

The relationship between actual maximum grants for a four-person family receiving general assistance or aid to dependent children and the 1938 maximum grant to such a family adjusted for changes in the cost of living is graphically presented in Chart II, on opposite page

In Chart II, the solid line shows the actual maximum monthly grant for a four-person family on general assistance or aid to dependent children for the years 1938 to 1950 The broken line represents the maximum monthly allowance for such a family in effect in December, 1938, adjusted for changes in the cost of living since that time Hence, the distance between the broken and solid lines measures the change in assistance standards At the end of 1950, the standard for a four-person family on general assistance or aid to dependent children was about 42.7 per cent above the standard of 1938²⁴

²² See Appendix C, Appendix Table C 5

²³ For a description of the methods used in calculating changes in costs, see Appendix C, page 107

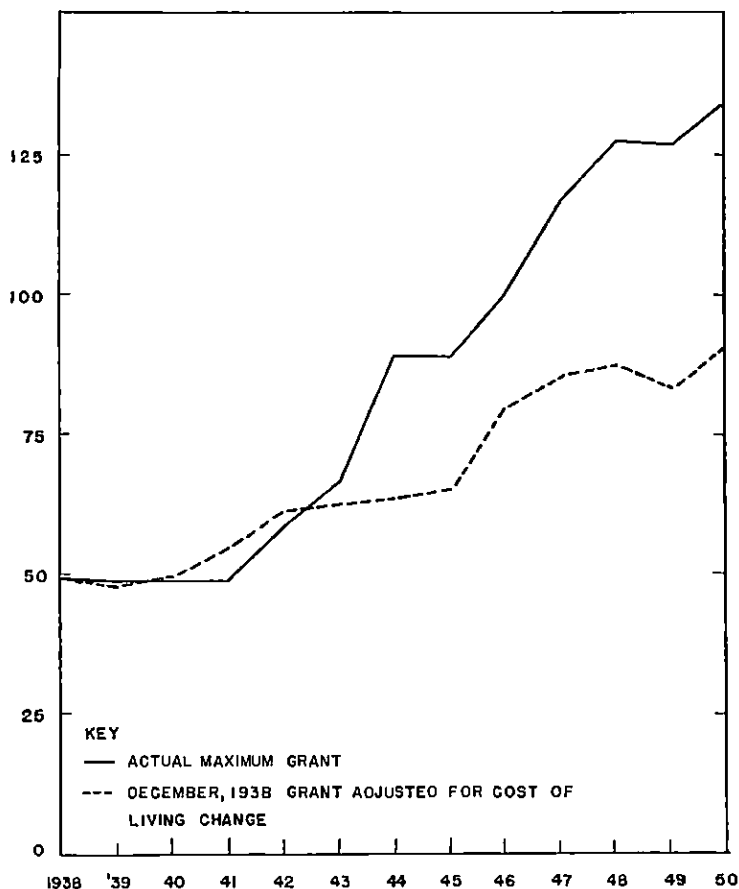
²⁴ For two adults receiving general assistance, the increase in standards was about 45.0 per cent, for two adults and one child, about 40.8 per cent

CHART II

AID TO DEPENDENT CHILDREN AND GENERAL ASSISTANCE

Maximum Grant for a Four-Person Family, and Maximum Grant in Effect December, 1938, Adjusted for Changes in the Cost of Living, December, 1938 to December, 1950

MAXIMUM MONTHLY
GRANT (IN DOLLARS)



SOURCE *Current Living Costs as Related to Standards of Public Assistance in Pennsylvania*, Pennsylvania Department of Public Assistance, and *Monthly Labor Review*, U S Bureau of Labor Statistics

The relationship between the actual maximum grant for a single old age recipient and the 1938 maximum grant to such a recipient adjusted for changes in the cost of living is graphically shown in Chart III, on opposite page

Examination of Chart III shows that at the end of 1950, the standard for a single old age recipient was about 11.7 per cent above the standard in effect in 1938. That is to say, the increase in the maximum monthly grant for an old age recipient since 1938 has only slightly exceeded the increase in cost of the commodities upon which the maximum allowance schedules in 1938 were based.

At the present time, as compared to 1938, the old age assistance recipient is on a standard about 11.7 per cent greater than the 1938 standard, while the general assistance and aid to dependent children family is on a standard of assistance about 42.7 per cent above that in effect in 1938. The differences under review may be explained in part by examining the origin of the standards established in 1938 when the unified public assistance law became effective. At that time, according to the 1938 annual report of the Department of Public Assistance, the "schedules now [that is, in 1938] in use for general assistance and aid to dependent children were established in October 1936 when the State Emergency Relief Board inaugurated cash relief on a State-wide basis."

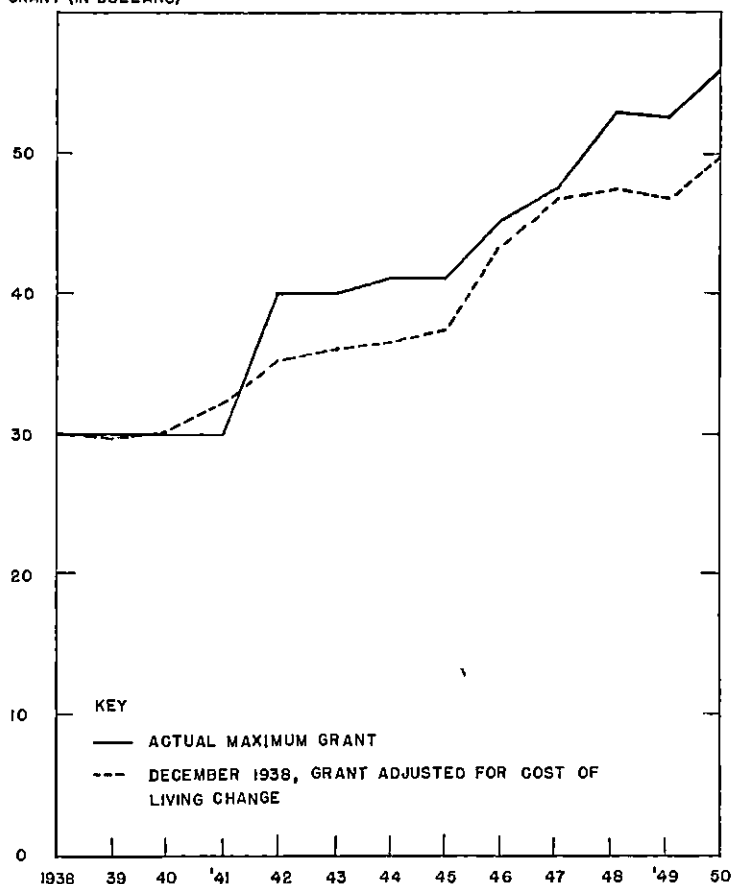
As regards the standard for old age assistance, \$30 per month, it appears that this maximum allowance was carried over from the state old age assistance program established by the General Assembly in 1934²⁵

²⁵ For details regarding changes in grants see Appendix C, Appendix Table C.4

CHART III OLD-AGE ASSISTANCE

**Maximum Grant for a Single Recipient Residing Alone,
and Maximum Grant in Effect December, 1938, Adjusted
for Changes in the Cost of Living, December, 1938, to
December, 1950**

MAXIMUM MONTHLY
GRANT (IN DOLLARS)



SOURCE *Current Living Costs as Related to Standards of Public Assistance in Pennsylvania*, Pennsylvania Department of Public Assistance, and *Monthly Labor Review*, U S Bureau of Labor Statistics

Section II

THE CHARACTERISTICS OF GENERAL ASSISTANCE RECIPIENTS

The analysis of the characteristics of general assistance recipients is based, in the main, upon a random sample of the general assistance case load of the last week of June, 1947. During this month, postwar employment was at a very high level, and relatively few workers were idle due to labor stoppages. Moreover, the size of the case load tends to be 'average' in June. Seasonal swings usually occur during the winter and late summer months. It is believed that persons who received general assistance during June, 1947, are representative of that portion of the state's population that may be expected to have recourse to general assistance even during the most prosperous period.

A second random sample was selected from the case load during the final week of June, 1949. Generally speaking, the 1949 sample has been used to test stability of the 1947 findings and to ascertain secular trends.²⁶

The data which form the basis for this section may be divided into two groups—those which pertain to the *assistance case* and those which describe characteristics of the *individuals* constituting the case. In general, the case contains all individuals in one household who receive general assistance.

Two views of the relative magnitude of the general assistance load in several regions are presented in Table IX.

²⁶ For sampling methods and tests of sample, see Appendix D.

Table IX

Number of Persons Receiving General Assistance and Percentage of Total Population Receiving General Assistance, Allegheny County, Philadelphia County, and Remainder of State, June, 1947 and June, 1949 *

Region	June, 1947			June, 1949		
	No of Persons on General Assistance	Percent of Gen- eral As- sistance Receipts by Region	Per Cent of Total Popu- lation on Gen- eral As- sistance	No of Persons on General Assistance	Percent of Gen- eral As- sistance Receipts by Region	Per Cent of Total Popu- lation on Gen- eral As- sistance
(1)	(2)	(3)	(4)	(5)	(6)	(7)
State Total	49,859	100 0%	0 48%	65,148	100 0%	0 62%
Allegheny County	10,171	20 4	0 67	9,357	14 4	0 62
Philadelphia County	13,967	28 0	0 65	20,676	31 7	0 96
Remainder of State	25,721	51 6	0 37	35,115	53 9	0 51

* Population is State Planning Board estimate for August, 1948

About one third of the state's population, 3 5 million out of a total population of 10 5 million, reside in the two predominantly urban counties of Allegheny and Philadelphia, and about 50 per cent of the general assistance population is centered in these counties. Hence, in 1947 (see Column 4), the proportion of the total population receiving general assistance was larger in these urban areas than in the remainder of the state. Column (7) indicates that a comparable situation existed in 1949, although Allegheny

County showed an improvement as compared to 1947, while the proportion of population receiving general assistance in Philadelphia increased substantially over 1947

A. Characteristics of General Assistance Cases — Case Size and Length of Time on Assistance—

Although the average general assistance case in 1947 was composed of 1.7 persons, Table X shows that more than three fourths of all cases consisted of only one person

Table X
Percentage Distribution of Total Cases by Number of Recipients in Case, 1947

<i>Number of Recipients in Case</i>	<i>Percentage Distribution of Cases in State</i>
1	76.6%
2	12.1
3	2.3
4	2.0
5	1.5
6-15	5.5
Total	100.0%

The distribution of cases by number of persons in the case does not show a marked geographic variation, although nonurban areas tend to have slightly fewer, single person cases²⁷ In 1949, the proportion of single-person cases was about 71 per cent of total cases

As regards administrative costs, it should be noted that, in general, given a certain number of recipients, the larger the number of persons per case, the smaller the cost of investigation

²⁷ See Appendix D, Table D 1

Again, since per-person food and shelter allowances vary inversely with the number of persons in the household or shelter group, the per-person allowance decreases as the number of persons increases. For example, under current schedules, the monthly allowance for food, clothing and incidentals for an adult ranges from \$17 when the household consists of twelve or more persons to \$27 when the recipient lives alone. If two recipients in Philadelphia who formerly lived alone were to reside together, the maximum shelter allowance for each would be reduced from \$32 to \$19.50.

In 1947, 54 per cent of total general assistance cases consisted of single persons residing alone. This percentage shows a decided geographic variation. Single-person cases not living with other individuals (either recipients of other categories of assistance or nonrecipients) constitute a significantly larger proportion of total cases in the urban counties.²⁸

The average length of time on general assistance was approximately four and one half years for the case load of June, 1947. That is, during the period 1932 to 1947, an average of four and one half years was spent on general assistance by the cases on the rolls in June, 1947. The distribution of cases by the length of time on assistance between 1932 and 1947 is shown in Table XI, page 51.

Inspection of Table XI shows that about 30 per cent of the 1947 cases had received assistance less than a full year, while over 5 per cent had been twelve or more years on the assistance rolls. For the case load of June, 1949, the distribution of cases by time on assistance did not differ materially from the 1947 distribution.

²⁸ See Appendix D, Table D 2

Table XI
Percentage Distribution of Total Cases by Length
of Time on Assistance, 1947

<i>Length of Time</i>	<i>Per Cent of Total Cases</i>
Less than 1 year	30.4%
1 less than 2 years	10.9
2 less than 3 years	7.7
3 less than 4 years	6.3
4 less than 5 years	4.8
5 less than 6 years	5.1
6 less than 7 years	5.5
7 less than 8 years	6.2
8 less than 9 years	4.9
9 less than 10 years	6.1
10 less than 11 years	3.9
11 less than 12 years	2.6
12 to 15 years	5.6
Total	100.0%

It may also be noted that length of time on assistance is related to the number of recipients in the assistance case. Medium-sized cases, containing from three to five persons, have averaged less time on assistance than either the small or large cases.²⁹

**B Characteristics of General Assistance Recipients—
Sex, Race, Age and Residence—**

The sex and race distribution of recipients of general assistance in June, 1947, is shown in Table XII, on page 52

²⁹ For details, see Appendix D, Table D 3

Table XII
Percentage Distribution of General Assistance
Recipients by Sex and Race, 1947

<i>Region</i>	<i>Male White</i>	<i>Female White</i>	<i>Male Negro</i>	<i>Female Negro</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)	(6)
State Total	33.3%	35.3%	13.0%	18.4%	100.0%
Allegheny County	26.9	26.4	19.6	27.1	100.0
Philadelphia County	18.0	16.1	27.0	38.9	100.0
Remainder of State	44.1	49.2	2.8	3.9	100.0

The table shows that in Allegheny County approximately one half of the recipients of general assistance were white, while in Philadelphia only about one third of the recipients of general assistance were white. In the remaining counties as a group, about 93 per cent of the recipients were white. It appears that, over time, these proportions do not change significantly.

In the three geographic areas shown in Table XII, female recipients outnumbered male recipients. The largest preponderance of females occurred in Philadelphia, where they constituted 55 per cent of total recipients.

Table XIII, page 53, shows the number of general assistance recipients in designated race and sex groups as percentages of the total number of persons constituting these groups.

The table shows that in Allegheny County 5.24 per cent of the female Negro population were general assistance recipients. In Philadelphia one fourth of one per cent of the female white population were general assistance recipients. These percentages—5.24 and .25—represent the highest and lowest frequencies in the occurrence of indigency within the groups shown in the table.

Table XIII

Percentages of Population Groups (Classified According to Sex and Race) Receiving General Assistance, 1947

<i>Region</i>	<i>Male White</i>	<i>Female White</i>	<i>Male Negro</i>	<i>Female Negro</i>
(1)	(2)	(3)	(4)	(5)
State Total	34%	36%	2 32%	3 05%
Allegheny County	40	38	3 90	5 24
Philadelphia County	30	25	2 55	3 19
Remainder of State	33	37	1 04	1 44

NOTE Population groups based on 1950 census data adjusted to reflect sex and race proportions existing in 1947 in metropolitan counties and in 1940 for remainder of state

Comparison of Columns (2) and (3) of Table XIII with Columns (4) and (5) shows that, whereas the proportions of white males and white females receiving general assistance are about identical, a larger proportion of Negro females than Negro males received general assistance

Table XIV shows the ratios of females to males by race and age³⁰

³⁰ The age distribution for general assistance recipients is given in Appendix D, Table D 4

Table XIV

General Assistance Recipients, Ratio of Females to Males by Race and Age, 1947

<i>Age</i>	<i>Ratio of Females to Males</i>	
	<i>White</i>	<i>Negro</i>
(1)	(2)	(3)
Under 20	1 05	97
20 39	1 52	1 51
40 59	99	1 93
60 and over	91	1 53

It appears that, as regards general assistance recipients up to forty years of age, the ratio of females to males is approximately the same for white and Negro recipients. However, for recipients above forty years of age, the ratio of females to males among Negro general assistance recipients greatly exceeds the ratio for white recipients. The divergence does not appear to be a random occurrence, inasmuch as the 1949 general assistance case load showed similar characteristics.

The residence requirement for general assistance in Pennsylvania is one year unless the applicant for assistance was last a resident of a state with which Pennsylvania has a reciprocal agreement. It was noted previously⁸¹ that Pennsylvania's general assistance recipient rate and average payment per recipient are above the comparable measures for the nation as a whole and higher than most neighboring states. Under the circumstances, it might be expected that the general assistance case load would contain families or individuals who have migrated to Pennsylvania for the purpose of obtaining better-than-average assistance allowances.

Examination of the sample data discloses that relatively few general assistance recipients have migrated to Pennsylvania within the past decade. For the case load of June, 1947, about 6 per cent of the recipients had a residence status in Pennsylvania of five years or less, and the residence status of about 9 per cent of the recipients was nine years or less. In other words, about 9 per cent of the recipients of general assistance in 1947 had moved to Pennsylvania sometime between 1938 and 1947, while the remaining 91 per cent of the recipients had not resided elsewhere during that nine-year period.

⁸¹ See pages 31-33

It should also be noted that during the war years a considerable number of individuals moved to Pennsylvania to take advantage of employment opportunities in the state's industrial centers. If a portion of these individuals subsequently received general assistance, the percentages given in the preceding paragraph are larger than would be the case during a "normal" period.

C *Characteristics of General Assistance Recipients— Employability and Skills—*

Department regulations call for classifying general assistance adults into one of three employability groups: wholly employable, partially employable and unemployable. The classification criteria are not clearly defined and the matter of actual classification is left largely to the judgment of visitors and supervisors.

In applying employability classifications, it would seem that the visitors have been inaccurate. Instances were found in the sample cases where recipients classified as "unemployable" were holding part-time jobs and where "partially employable" individuals were employed full time. It seems that the employability classifications refer to but one job or a very limited number of similar jobs and do not encompass the entire range of available opportunities. A physical impairment that renders an individual unemployable as regards heavy manual labor may not handicap him for less strenuous occupations. Yet, under current procedures, recipients classified as "unemployable" are not required as a condition of continued assistance to seek employment nor to register with the Pennsylvania State Employment Service.

In connection with employment matters, it may be noted that the regulations of the Department appear to be in con-

flict with the statutes dealing with assistance recipients, and employment Section 5 of the Act of 1939, June 27, P L 1184, provides

Any person, copartnership, association or corporation, desiring one or more permanent or temporary employes, and any State or Federal employment office having demand for any such employes, may apply to any county board of assistance for the number of persons required, whereupon it shall be the duty of the county board, unless it deems the proposed employment improper, to notify the required number of employables receiving assistance, and not exempted hereby, to report for work at a time and place designated in the notice In the event that such assignment results in full time permanent employment, the persons so employed shall be dropped from the assistance rolls when they receive their first pay ”

Section 3184 6 of the regulations of the Department of Public Assistance, dated August 1, 1950, provides that

A person who has employment is eligible for assistance if he meets all the conditions of eligibility, and if (3) he is working on a full time job and/or part-time job but his wages are less than the Department s total assistance allowances for himself and his dependents ”

In 1947, about 73 5 per cent of general assistance recipients were adults and, hence, classified as to employability The percentage distribution of adults by employability classification was as follows

Wholly Employable	16 8 per cent
Partially Employable	22 3 per cent
Unemployable	60 9 per cent
	<hr/>
Total Adults	100 0

Multiplying the above percentages by 735 gives ratios in terms of the total number of recipients

Wholly Employable	12 3
Partially Employable	16 4
Unemployable	44 8
Children	26 5
	<hr/>
Total Recipients	100 0

In 1949, 20.1 per cent of general assistance adults were wholly employable, the proportion of partially employable adults remained the same as in 1947. On the basis of total recipients, the 1949 figures are

Wholly Employable	13.3 per cent
Partially Employable	14.9 per cent
Unemployable	37.9 per cent
Children	33.9 per cent
	<hr/>
Total Recipients	100 0

The relations between employability classifications and the age of general assistance recipients, and between employability classifications and the industry in which assistance recipients had been employed, are shown in Appendix D, Tables D-5 and D-6.

It is a condition of eligibility for general assistance that wholly and partially employable persons will "actively seek employment." Aside from registration with the Pennsylvania State Employment Service, it appears to be left to the judgment of the individual visitor whether or not the recipient is actively seeking employment.

Current Department regulations provide that, if income from full- or part-time employment is insufficient to meet

the minimum needs of the individual or family, as determined by departmental schedules, assistance to make up any difference may be authorized

The percentage distribution of adults receiving general assistance in 1947, by employment status, was as follows

Fully employed	1 3 per cent
Partially employed	3 0 per cent
Unemployed	95 7 per cent

Considering only the wholly employable and partially employable, about 10 4 per cent of the total of these two groups were employed

The 1949 proportions are almost identical with those shown above for 1947

As might be expected, in view of the relatively large number of employable individuals receiving assistance during prosperous periods, their skills are of a low order. The distribution of adults by skills is shown in Table XV

Table XV
Percentage Distribution of General Assistance Adults by Skill, 1947

<i>Region</i>	<i>Skilled Occupations and Professions</i>	<i>Clerical, Sales, and Service</i>	<i>Unskilled</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)
State Total	12 0%	28 5%	59 5%	100 0%
Allegheny County	9 3	30 4	60 3	100 0
Philadelphia County	7 2	37 9	54 9	100 0
Remainder of State	15 7	22 8	61 5	100 0

D. Characteristics of General Assistance Cases and Recipients—Special Expenditures and Income—

- 1 **Special Expenditures**—In addition to allowances for food, clothing, incidentals and shelter maintenance, some individuals on assistance, by virtue of their particular circumstances, are given supplemental grants to cover specific needs

Expenses actually incurred for special diets, laundry, and transportation to and from a source of medical care are allowed in cases of illness. The special expense items allowed for illness appear to be relatively stable over time, both as to the average amount received and the proportion of the general assistance load receiving this type of special aid. In both 1947 and 1949, about 10 per cent of the general assistance cases were receiving an allowance to cover expenses occasioned by illness. The average allowance was about \$6.25 per month. One- and two-person cases account for almost all of the special allowances for the ill.

Expenditures for employment cover transportation, tools and special clothing for employed recipients. No allowance is made for these items, but part of the income received from employment is not considered when the grant is computed. In both years under review, about one per cent of the cases showed expenditures for employment. The average expenditure for employment was \$10 in 1947 and \$8.50 per month in 1949.

Payroll deductions include wage taxes withheld at the source and union dues if a union checkoff is in force. Only a very small number of cases showed this item—about one half of one per cent of the total cases.

in both years. The amount of payroll deductions averaged \$4.50 per month.

Income for specific purposes covers contributions for diagnostic and remedial services for handicapped children, recreational services for children, necessary items of household equipment and various other specified purposes from relatives not legally required to contribute to the support of the recipient, nonrelated persons and organizations. Such income is not considered when computing the general assistance grant. Income for specific purposes entered in about 3 per cent of total general assistance cases in both years. The average amount was about \$12 per month.

2. **Source and Amount of Income**—Both the proportion of cases receiving income and the average amount of income received increased in 1949 as compared to 1947. In the earlier year, about 15 per cent of the cases were receiving income averaging \$40.50 per month. In 1949, the average had risen to about \$54.50 per month and the proportion of cases receiving income to about 18 per cent.

Table XVI, page 61, presents distributions of the average income per month by source, of recipients receiving income in 1947 and 1949. Inasmuch as the table is based upon data for individuals, the average amounts shown are smaller than those referred to in the preceding paragraph which deals with income per case.

The individuals covered in Table XVI represent about 9 per cent of all general assistance recipients in both 1947 and 1949.

Table XVI

Average Amount of Income Per Month and Percentage Distribution of Recipients Receiving Income, by Source of Income, 1947 and 1949

Source of Income ^a	1947		1949	
	Percentage Distribution of Recipients Receiving Income	Average Amount of Income Per Month	Percentage Distribution of Recipients Receiving Income	Average Amount of Income Per Month
(1)	(2)	(3)	(4)	(5)
Employment	38.7%	\$49.00	28.2%	\$75.48
Roomers or Boarders	25.5	24.00	16.6	22.10
Legally Responsible Relatives	14.5	27.40	17.2	24.22
Other Relatives or Other Persons	1.8	12.60	5	5.00
Veterans Disability or Survivors Pension	5.0	23.90	4.0	35.67
Unemployment Compensation	7.1	80.10	19.8	79.73
Other ^b	7.4	36.70	13.7	59.31
TOTAL	100.0%	\$38.87	100.0%	\$54.47

^a A small number of recipients reported income from several sources. These are classified by major source.

^b Includes income from property, workmen's compensation, old age and survivors insurance, railroad retirement, public retirement, servicemen's readjustment allowance, public welfare agency, and private welfare agency.

Section III

ASSISTANCE GRANTS, ECONOMIC INCENTIVES AND "SELF-DEPENDENCY"

Generally speaking, a citizen has an economic incentive if, by the exercise of reasonable effort, he can reasonably expect to improve his standard of living

The section presents data bearing upon the earning capacity of general assistance recipients and the size of assistance grants. In addition, it relates changes in assistance grants to changes in average weekly earnings of production workers in major industries

A. *Assistance Grants and Earning Capacity of Assistance Recipients in 1947—*

The survey of the Joint State Government Commission of men and women on general assistance in 1947³² shows that during that year the relatively few fully employed general assistance recipients earned in the neighborhood of \$125 per month. Examination of their work records, their skills and their ages suggests that they are not likely to improve their earning capacity

Again, in 1947, the average assistance grant for a family consisting of two adults and four children was about \$125 per month. Hence, a family in these circumstances could not possibly improve its standard of living even though one member of that family elected to take full-time employment

In this connection it should be noted that the majority of public assistance families of six or more individuals have but

³² See above, Section II, page 47

one employable member. Again, it should be noted that on the basis of the 1947 data, 26 per cent of general assistance recipients lived in families which had from six to fifteen members.

In other words, the evidence shows that in 1947 the recipients of assistance in families of six or more members had no economic incentive to seek employment.

B. *Changes in Assistance Grants and Changes in Average Weekly Earnings of Production Workers: 1947-1950—*

Table XVII, page 65, shows the maximum assistance allowances for large families located in different geographic areas of the Commonwealth for November, 1947, and November, 1950.

Inspection of Column (4) of Table XVII shows that the increase in assistance grants to large families between November, 1947, and November, 1950, ranged from 27.4 per cent to 37.7 per cent.

Table XVIII, page 66, shows average weekly earnings of production workers in major industries as of November, 1947, and November, 1950.

Inspection of Column (4), Table XVIII, shows that the relative changes in average weekly earnings of production workers between 1947 and 1950 ranged from minus 3.2 per cent in anthracite mining to plus 19.6 per cent in manufacturing.

The relationship between percentage changes in assistance grants and percentage changes in average weekly earnings of production workers strongly suggests that the incentives of assistance recipients to actively seek work have been lessened between 1947 and 1950.

Table XVII

**Maximum Assistance Allowances for Large Families,
November, 1947, and November, 1950**

<i>Family Size, Composition and County of Residence</i> ^a	<i>Maximum Allowance November, 1947</i>	<i>Maximum Allowance November, 1950</i>	<i>Percentage Increase, 1950 Over 1947</i>
(1)	(2)	(3)	(4)
6 Persons—Philadelphia County 2 adults, 4 children Ages 3, 6, 9 and 14	\$134 20	\$173 00	28 9
6 Persons—York County 2 adults, 4 children Ages 3, 6, 9 and 14	127 70	164 00	28 4
6 Persons—Carbon County 2 adults, 4 children Ages 1, 3, 5 and 7	117 20	161 40	37 7
6 Persons—Fulton County 2 adults, 4 children Ages, 1, 3, 5 and 7	110 70	151 40	36 8
7 Persons—York County 1 adult, 6 children Ages 2, 3, 5, 6, 8 and 9	135 30	173 00	27 9
7 Persons—Fulton County 1 adult, 6 children Ages 2, 3, 5, 6, 8 and 9	126 80	168 00	32 5
8 Persons—Philadelphia County 3 adults, 5 children Ages 3, 6, 10, 15 and 18	166 20	209 60	26 1
8 Persons—Carbon County 3 adults, 5 children Ages 3, 6, 10, 15 and 18	157 70	205 60	30 4

^a County examples are representative of the four shelter maintenance schedule areas, see above, page 21

Table XVIII
Average Weekly Earnings of Production Workers,
November, 1947, and November, 1950,
Selected Industries

<i>Industry</i>	<i>November, 1947</i>	<i>November, 1950</i>	<i>Percentage Change 1947-1950</i>
(1)	(2)	(3)	(4)
Manufacturing	\$52 17	\$62 38	19 6
Service Industries			
Laundries	32 81	35 82	9 2
Cleaning and Dyeing Plants	38 32	42 68	11 4
Trade			
Retail	41 39	47 84	15 6
Wholesale	54 01	62 24	15 2
Mining			
Bituminous	70 88	73 57	3 8
Anthracite	63 49	61 50	3 2 ^a

SOURCE The Handbook of Basic Economic Statistics, 1951, 1950 Annual Editions, Monthly Supplement, January-February, 1951, Economic Statistics Bureau of Washington, D. C.

^a Percentage decrease

With regard to the economic incentive factor, it may be noted that the Department of Public Assistance permits each employed individual an "employment deduction" of \$10 per month. This amount of earnings, whether from part- or full-time employment, is considered exempt income and does not reduce the grant.

Section IV

EMPLOYABLE PUBLIC ASSISTANCE RECIPIENTS AND RELIEF- WORK PROGRAMS

The Act of June 27, 1939,³³ directs the organization of relief-work projects, makes it mandatory upon able-bodied recipients of assistance to work on such projects and directs county boards of assistance to furnish lists of employable assistance recipients to designated agencies

The act provides in part

Section 3 Each county board of assistance shall make available each month to the governing body of the county and of each political subdivision or school district within the county as well as each district office of the State Department of Highways, State institution, or other State agency and each State or Federal employment office within the county, or an adjoining county, and each regularly organized charitable organization and institution, in whole or in part supported by tax money, operating in the county, the number of such persons who are available for employment, classified by occupation and political subdivision

Section 4 It shall be the duty of such governing bodies and of the person in charge of each State district office, institution and other agency, and of each such regularly organized charitable organization and institution, to furnish employment for as many such employable persons, and for as long a period, as the care, maintenance, improvement and policing of the highways, streets, buildings, grounds, parks, playgrounds and streams and their respective supervision will permit, and to

³³ 1939, June 27, P L 1184

designate to the county board of assistance the number of persons that can be used and the character of the work for which they are required Thereupon the county board, if it determines that the work proposed is not contrary to the provisions of section eight of this act, shall notify the required number of such employables to report for work for a specified number of hours each week, at a time and place designated in the notice Such services shall be rendered free of charge to the State, political subdivision or charitable organization, except for the cost of transportation, if such distance exceeds one mile, in which case such employable person shall be required to report to some designated point from which transportation shall be furnished, in return for the assistance being received '

Table XIX shows the number of recipients available for relief-work programs and the number of recipients actually employed on relief-work projects, by calendar quarter, from December, 1946, to September, 1950, see page 69

Inspection of Columns (2) and (4) of the table shows that the number of recipients who have been employed on relief-work projects is small as compared with the number of employables receiving assistance As of September 30, 1950, less than 3 per cent of the employable assistance recipients in the state were employed on relief-work projects

A few counties accounted for the great majority of the 448 workers on relief-work projects as of September 30, 1950 Counties which have consistently employed assistance recipients include Carbon, Indiana, Jefferson, Lackawanna, Somerset and Wyoming Bedford, Blair, Bradford, Huntingdon, Lehigh, Luzerne and Montour counties had relief-work projects in operation for one or more months

Of the 2,438 employable assistance recipients available for work in Allegheny County on September 30, 1950, only seven were engaged on relief-work projects In Philadel-

Table XIX

Number of Employable Public Assistance Recipients Available for Relief-Work Program Assignments, Number of Counties With Relief-Work Program Projects, and Number of Recipients on Relief-Work Program Projects; by Quarters, December, 1946-September, 1950

<i>Date</i>	<i>Recipients Available for Relief-Work Program Assignments</i>	<i>Number of Counties with Relief Work Program Projects</i>	<i>Number of Recipients on Relief Work Program Projects</i>
(1)	(2)	(3)	(4)
1946			
Dec 31	1,409	6	49
1947			
March 31	2,302	7	67
June 30	2,416	4	54
Sept 30	2,133	4	44
Dec 31	3,103	3	46
1948			
March 31	3,931	3	56
June 30	3,544	4	60
Sept 30	2,799	3	57
Dec 31	3,862	2	41
1949			
March 31	6,453	3	82
June 30	9,807	3	104
Sept 30	15,026	4	154
Dec 31	20,058	8	193
1950			
March 31	24,782	7	262
June 30	20,432	15	409
Sept 30	15,740	17	448

SOURCE Department of Public Assistance

phia, 6,291 employable recipients were available but no relief-work projects were in operation. Other counties with a sizeable number of employable recipients but without relief-work projects in operation included Cambria, Chester, Clarion, Crawford, Dauphin, Delaware, Erie, Fayette, McKean, Montgomery, Northampton, Northumberland, Susquehanna, Washington and Westmoreland.

Section V

THE RELATIONSHIP BETWEEN EXPENDITURES FOR PUBLIC ASSISTANCE AND LOCAL PARTICIPATION IN THE FINANCING OF ASSISTANCE

It has been said from time to time that the per capita expenditures for public assistance, particularly general assistance, tend to decrease as the percentage of cost, financed locally, increases. For example, the United States Congress Joint Committee on the Economic Report observes

The 17 States that spent less than 50 cents per inhabitant for general assistance in 1948 include 11 in which this type of assistance is financed entirely from local funds. Only California, among the States where the localities meet the full cost of general assistance, spent more per inhabitant than the United States average of \$1.36.³⁴

A Determinants of General Assistance Expenditures—

Close examination of the relationship under review shows that the per capita expenditures for general assistance vary with

- 1 per capita income,
- 2 proportion of income derived from agriculture,
- 3 degree of local participation in the financing of general assistance

³⁴United States Congress *Joint Committee on Economic Report*—Selected Government Programs which Aid the Unemployed and Low Income Families (1949)

Increases in per capita income tend to be associated with increases in per capita general assistance expenditures. Increases in the proportion of income derived from agriculture tend to be associated with decreases in per capita general assistance expenditures. Increases in the percentage contribution of local government tend to be associated with decreases in per capita general assistance expenditures.

The interaction of the three determinants of per capita general assistance expenditures are illustrated by the following examples.

In 1947, Florida and California derived 8.1 per cent of their income from agriculture. In both states, general assistance was financed entirely at the local level, yet Florida had a per capita general assistance expenditure of \$33, while California's per capita general assistance expenditures was \$135. The difference in general assistance expenditures is partially accounted for by the fact that California's per capita income exceeded Florida's by \$517.

In 1947, Colorado's per capita income was \$1,447, while Michigan's was \$1,425. Local government in the two states made comparable percentage contributions toward the financing of assistance—50.8 per cent in Colorado and 57.7 per cent in Michigan. However, Michigan's per capita general assistance expenditures exceeded Colorado's by \$28. The difference is partially explained by the fact that the proportion of Colorado's income which was derived from agriculture was 19.6 per cent, while only 5.1 per cent of Michigan's income was derived from agricultural activities.

Again, in 1948, Utah had a per capita income of \$1,231, of which 11.2 per cent came from agriculture. Vermont had a per capita income of \$1,229, with a comparable share of 15.4 per cent derived from agriculture. However, Utah's per capita general assistance expenditures exceeded Ver-

mont's by \$128. The difference is explained, in part, by the absence in Utah of local financing. In Vermont, local units financed 97 per cent of all general assistance expenditures.

Generally speaking, examination of the 1947-49 experiences of a number of states shows that changes in (1) per capita income, (2) the ratio, "income from agriculture to total income", and (3), percentage contributions of local governments toward general assistance expenditures, will produce the changes shown below in general assistance expenditures³⁵

1. A change of \$100 in per capita income payments will change per capita general assistance expenditures by about \$10 in the same direction.

2. A change of five points in the proportion of income arising from agriculture will change per capita general assistance expenditures about \$10 in the opposite direction.

3. A change of fifteen points in the local participation factor will change per capita general assistance expenditures about \$10 in the opposite direction.

B. Pennsylvania Changes in Financial Responsibility for General Assistance and Variations in Local Capacity to Finance General Assistance—

Contemplated shifts in financial responsibility for general assistance—or for that matter, for any assistance program—call for an evaluation of the capacity of local government to finance whatever share of the cost of the program is shifted to them.

Assuming that part or all of the cost of general assistance is to be shifted from the Commonwealth to the counties,

³⁵ For method and detail, see Appendix E.

the fiscal capacity of Pennsylvania's counties in relation to the cost imposed upon them becomes a matter of concern

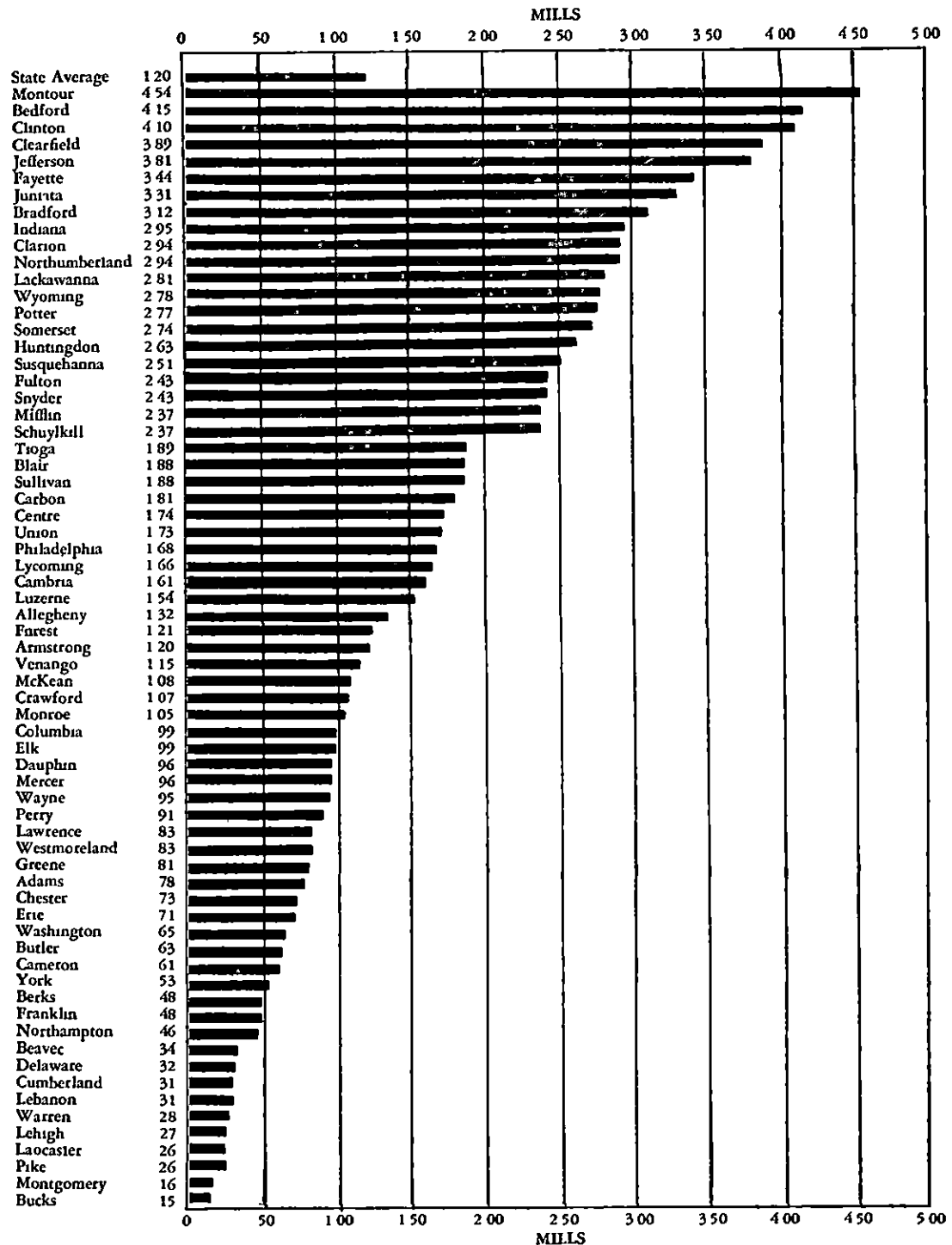
In Pennsylvania, the backbone of county finance is taxable real property. However, the burdens imposed upon the counties by shifts in financial responsibility for general assistance cannot be compared by relating cost shifted to counties and county assessed valuation of taxable property. County assessed valuations are unreliable measure of the value of taxable real property³⁶. If significant comparisons of burden are to be made, the county costs consequent upon a shift in financial responsibility for general assistance must be related to the market value of taxable real property.

Chart IV, on the opposite page, shows, in terms of the market values of taxable real property, the tax rates which would have been necessary to finance the general assistance expenditures which were made in the counties during the year 1949. It will be noted that the rates range from 15 mills for Bucks County to 4.54 mills for Montour County. The Commonwealth average is 1.20 mills.

³⁶ For intercounty variations in the assessed market value ratios of taxable real property, see Appendix E.

CHART IV
COUNTY TAX RATES ON MARKET VALUE OF TAXABLE REAL PROP-
ERTY NECESSARY TO PRODUCE AN AMOUNT EQUAL TO 1949
GENERAL ASSISTANCE EXPENDITURES, WITHIN COUNTIES

75



C *Pennsylvania. Alternative Plans, and Their Probable Effects, for the Shifting of Part of the Cost of General Assistance to the Counties—*

It has been pointed out previously that a shift in financial responsibility for general assistance usually produces changes in expenditures

PLAN I:

Plan I proceeds on the basic assumption that it is desirable, from a policy point of view, to shift to the counties one half of the cost of general assistance granted to persons who are not permanently unemployable

It is believed that persons classified in 1949 as permanently unemployable will be eligible for aid to the totally disabled

Under such a plan, the cost to the counties in any one year would depend upon (1) the number of general assistance recipients who are not permanently unemployable, and (2), the magnitude of the payments made to those eligible for grants. The second factor is subject to direct legislative and administrative control, given an established policy, the magnitude of the first factor depends largely upon economic conditions

To visualize the implications of such a plan, particularly of effects upon county tax rates, let it be assumed that total general assistance is of the magnitude of the load which obtained in 1949, which involved a Commonwealth expenditure of approximately \$27,500,000. Approximately \$6,900,000 of the total expenditure was accounted for by grants to the permanently unemployable. Hence, approximately \$20,600,000 represents expenditures for grants to fully or partially employables

A shift in the financial responsibility for one half of the load would have reduced total expenditures by an estimated \$2,750,000³⁷ Hence, a plan contemplating a shift to the counties of one half of the financial responsibility for assistance to employables would have imposed a financial obligation of approximately \$8,940,000 upon the counties. Inasmuch as the market value of real property taxable by the counties, as determined by the State Tax Equalization Board, is \$22,925,531,078, the average tax rate required to finance the county share of the load would have been about 39 mill. In other words, a parcel of real property which has a market value of \$10,000, on the average, would have been subject to a tax of about \$3.90.

However, it should be understood that the general assistance tax rates in specific counties would show marked variations from the state average of 39 mill.³⁸

If it is desirable, as a matter of policy, to reduce the variation in county tax rates for general assistance, the plan could be modified to provide that grant expenditures in excess of expenditures that can be financed by the imposition of a tax rate of 39 mill should be the responsibility of the Commonwealth.

As regards the effects of this modification, it is estimated, on the basis of the 1949 load, that

1. In each of 33 counties, the yield of a tax of 39 mill upon the market value of taxable real property would have exceeded one half of the cost of general assistance grants.

³⁷ For details regarding the calculation of the reduction factor, see Appendix E.

³⁸ See above, Chart IV, page 75.

- 2 In each of 34 counties, the yield of a tax of 39 mill upon the market value of taxable real property would not have produced sufficient revenue to finance one half of the cost of general assistance grants
- 3 In the 34 counties referred to under 2, above, the difference between one half of the cost of general assistance grants and the yield of a 39 mill tax upon the market value of taxable real estate would have amounted to \$2,270,000 Under the plan, as modified, this difference would have been financed by the Commonwealth
- 4 The financing by the Commonwealth of the difference referred to under 3, above, would have reduced the aggregate county contribution toward the financing of general assistance under the shift, from \$8,940,000 to \$6,740,000, and would have reduced the county participation ratio from 36.1 per cent to 26.4 per cent of total expenditures

PLAN II:

Plan II is similar to Plan I as modified. It proceeds on the assumption that it is desirable, as a matter of policy, to shift all of the cost of general assistance grants to employables to the counties, subject to the condition that no county be required to levy a tax rate for assistance in excess of a legislatively stipulated maximum rate.

It is estimated³⁹ that under this plan the reduction factor would increase from \$2,750,000 to \$5,270,000. Hence, the grant cost to be borne by the counties would be \$15,370,000.

³⁹ For estimation techniques, see Appendix E.

instead of \$8,940,000 as under Plan I. The average county tax rate, in terms of the market value of taxable real estate, necessary to produce \$15,370,000 is 67 mill.

As regards the effects of Plan II, it is estimated on the basis of the 1949 load that

- 1 In each of 33 counties, the yield of a tax of 67 mill would have exceeded the cost of general assistance grants
- 2 In each of 34 counties, the yield of a tax of 67 mill upon the market value of taxable real property would not have produced sufficient revenue to finance the cost of general assistance grants
- 3 In the 34 counties referred to under 2, above, the difference between the cost of general assistance grants and the yield of a 67 mill tax upon the market value of taxable real estate would have amounted to \$3,900,000. Under the plan, if 67 mill were the legislatively-stipulated maximum rate, this difference would have been financed by the Commonwealth
- 4 The financing by the Commonwealth of the difference referred to under 3, above, would have resulted in an aggregate county obligation of \$11,750,000, and a county participation ratio of 49.5 per cent of total expenditures

D. Fitting Alternative Financing Plans Into the Contemporary Administrative Pattern—

The types of plans outlined above can be utilized in connection with the financing of all assistance programs—aid to the aged, aid to dependent children, aid to the permanently and totally disabled and general assistance.

Whatever the primary objective involved in contemplated changes in financing method, some technical, administrative and policy factors call for consideration

- 1 **Technical Considerations** From a purely technical point of view, it may be noted that expenditures under different assistance programs show pronounced differences as regards variations over time⁴⁰ In descending order of stability over time, the programs rank as follows old age assistance, aid to dependent children, general assistance There is good reason to believe the new aid to totally and permanently disabled program will become about as stable as the old age assistance program

In view of the budgetary procedures used by local governments, a program calling for relatively stable expenditures presents fewer technical difficulties for local governments than a program under which expenditures fluctuate widely

- 2 **Administrative Considerations** Currently, the Federal Government participates in the financing of old age assistance, aid to dependent children and assistance to the totally and permanently disabled Under the circumstances, local financial participation in any of these programs would necessitate the collaboration of three levels of government
- 3 **Policy Considerations** As will be recalled,⁴¹ within the counties, responsibility for the administration of all assistance programs is lodged in county boards of assistance whose members are appointed by the Governor

⁴⁰ See above Table III, page 27

⁴¹ See above, Section II, page 13

with the advice and consent of two thirds of all the members of the Senate

At present, the county boards do not have the power to levy taxes and must administer all programs in conformity with the policies established or approved by the State Board of Public Assistance

Assuming that it was decided to shift part or all of the cost of any assistance program to the counties, the question as to what body should raise the necessary moneys would have to be faced. In view of the fact that the county boards are appointive rather than elective, it would appear that the business of imposing the necessary taxes might have to be assigned to the county commissioners. The legislative imposition of such a duty would in turn raise the question of the proper relationship between county boards of assistance and county commissioners.

Again, it is a well established precept that public bodies should not be placed under obligation to levy taxes unless they have discretion as to the volume of expenditures. Hence, a shift in financial responsibility from the Commonwealth to the counties would probably call for participation by the tax levying authority in the formulation of assistance standards.

PART III

IN PART III, an attempt is made to evaluate the operating efficiency of the agencies and departments charged with the administration of public assistance programs the Department of Public Assistance, county boards of assistance and the Auditor General

The Department of Public Assistance is charged with the over-all administration of the program. The county boards are charged with the details of administration within individual counties. The Auditor General makes so called "eligibility audits" of selected cases in order to determine whether or not grants have been made in conformity with the specifications of the State Board of Public Assistance and the supplemental regulations of the Department of Public Assistance.

Details aside, it is the job of the Department of Public Assistance and the county boards to apply the eligibility rules of the State Board of Public Assistance to the cases of applicants for public assistance. In effect, this means to ascertain the applicants' needs, in terms of dollars, in accordance with State Board rules, to establish the applicants' resources, in terms of dollars, in conformity with State Board rules, and to subtract resources from needs. It is the Auditor General's duty to audit the operations by checking both the facts and the arithmetic.

To facilitate appraisal of the operating efficiency of the parties involved, Section I, below, briefly outlines the educational background, job experience, salary and turnover rates of public assistance personnel, exclusive of the personnel employed by the Auditor General in connection with eligibility audits. Section II presents in summary form the results of a recheck on public assistance cases made by the Joint State Government Commission in collaboration with the Pennsylvania State Police.

Section I

PUBLIC ASSISTANCE PERSONNEL

A *The Federal Mandate—*

Under the Federal Social Security Act, a state, in order to be eligible for Federal financial participation in any assistance program, must provide such methods of administration relating to the establishment and maintenance of personnel standards on a merit basis as the Federal Government deems necessary for the proper and efficient operation of the program. The merit system for the Department of Public Assistance employees established by the State Civil Service Act of 1941 has been approved by the Federal Security Agency.

B *Pennsylvania Public Assistance Personnel—*

- 1 Total Number of Civil Service Employees—In October, 1949, the personnel concerned with the interpretation of assistance policies and the determination of eligibility of individuals for assistance numbered 2,289. Of these employees, 31 were located in the state office and 2,258 were operating within the counties.

The number of employees, by job classification, is shown below.

State Office

Director of Assistance	1
Supervisor of Field Service	1
Senior Field Representative	5
Field Representative	12
Division Chief of Assistance Policies	1
Assistant in Policy	2

State Office (Continued)

Director of Relief Work Program	1
Supervisor of Medical Program	1
Senior Supervisor	5
Supervisor	1
Junior Supervisor	1
	<hr/>
Total	31

County Offices

Administrative	
Executive Director	66
Assistant Executive	2
Social Service	
County Supervisor	13
Principal Supervisor	1
Advanced Supervisor	12
Senior Supervisor	21
Supervisor	46
Junior Supervisor	261
Advanced Visitor	2
Senior Visitor	738
Visitor	1,096
	<hr/>
Total	2,258

- 2 Duties of Visitors and Supervisors and Civil Service Requirements—Visitors and supervisors are responsible for ascertaining the facts upon which eligibility for assistance is determined and for processing the facts in accordance with regulations. It is the duty

of the visitor to make periodic investigations to ascertain changes in circumstances, if any, of recipients

The educational and special experience qualifications which have been established by the Department of Public Assistance in collaboration with the Pennsylvania Civil Service Commission for the position of visitor and supervisor are as follows

Supervisor Full-time, paid employment of from six to ten years, depending upon the grade, during the last ten to fifteen years, including four to eight years of special experience Special experience is defined as employment relating to the duties and responsibilities obtained in one or more of the following related fields public assistance or welfare work, private welfare work, social group work and other public services One year of high school may be substituted for one half year of employment and one year of college for one year of employment, but only college education may be substituted for part of the special experience Graduate training in social welfare work may be substituted for special experience

Visitor Full-time, paid employment varying from five to six years according to the grade, including three to four years of special experience Special experience is defined as work relating to the duties and responsibilities obtained in one or more of the following fields public and private welfare work, teaching in accredited schools, registered or public health nursing, vocational counselling, credit investigation, personnel placement and rehabilitation One year of high school may be substituted for one-half year of employment and college training may be substituted for special experience

Table XX
Public Assistance Visitors and Supervisors, Type and Extent of Education¹

Type of Education	Visitors				Supervisors			
	No College Degree	College Degree	Total Number	Per Cent of Total with Edu- cational Back- ground as Shown in Col- umn (1)	No College Degree	College Degree	Total Number	Per Cent of Total with Edu- cational Back- ground as Shown in Col- umn (1)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Liberal Arts	238	629	867	47.0	43	106	149	39.1
Scientific and Technical	34	47	81	4.4	11	14	25	6.6
Fine Arts	12	20	32	1.7		4	4	1.0
Medicine and Related Fields	62	9	71	3.9	9	2	11	2.9
Law	4	11	15	.8		2	2	.5
Business and Commerce	125	69	194	10.5	20	11	31	8.1
Professional Social Service		3	3	.2		16	16	4.2
Education	268	302	570	30.9	54	87	141	37.0
Religion	4	5	9	.5		1	1	.3
Other	2		2	.1	1		1	.3
TOTAL	749	1,095	1,844	100.0	138	243	381	100.0

¹ For visitors, educational attainment is as of date of employment, for supervisors, as of January, 1950

- 3 **Educational Background of Visitors and Supervisors**
—The type and extent of educational training of supervisors and visitors are shown in Table XX

Table XX shows that the great majority of both visitors and supervisors received liberal arts or educational training. Training in business and commerce ranks second.

- 4 **Job Experience of Visitors and Supervisors**—The type of job experience of public assistance supervisors and visitors is shown in Table XXI

Table XXI

Public Assistance Visitors and Supervisors, Payroll Classification by Type of Experience, October, 1949

<i>Type of Experience</i>	<i>Visitor</i>		<i>Supervisor</i> ^a	
	<i>Number</i>	<i>Per Cent of Total</i>	<i>Number</i>	<i>Per Cent of Total</i>
(1)	(2)	(3)	(4)	(5)
None	382	20.7%	39	10.2%
Clerical	430	23.3	83	21.8
Business	40	2.2	5	1.3
Industry and Commerce	209	11.3	41	10.8
Technical	42	2.3	9	2.4
Professional Social Work	140	7.6	66	17.3
Educational and Ministry	458	24.8	115	30.2
Professional	78	4.2	13	3.4
Administrative and Supervisory	49	2.7	9	2.3
Other	16	.9	1	.3
TOTAL	1844	100.0%	381	100.0%

^a Includes 77 supervisors in Allegheny County, 98 in Philadelphia County, 179 in all counties except in Allegheny and Philadelphia, and 27 in State Locations

Examination of the table shows that some 20 per cent of visitors had no previous experience, and that another 48 per cent had experience in clerical or educational occupations. As regards supervisors, 30 per cent had educational experience and almost 22 per cent clerical experience. About 17 per cent of the supervisors had previous experience in social service work. Few visitors or supervisors show experience in occupations where they might have gained investigatory training.

- 5 **Salaries of Public Assistance Visitors**—Prior to September 16, 1950, visitors in the Department of Public Assistance were paid the following annual salaries:

Visitor	\$2,124-\$2,496
Senior Visitor	2,496- 2,820
Advanced Visitor	2,820- 3,168

The cost of living increase of September, 1950, has resulted in the following salaries being currently paid visitors in the Department of Public Assistance:

Visitor	\$2,328-\$2,700
Senior Visitor	2,700- 3,024
Advanced Visitor	3,024- 3,204

- 6 **Visitor Turnover**—Turnover is defined as the number of voluntary resignations during a one-year period. The percentage rate of turnover is the total number of such resignations divided by the average number of employes working during the year.

Table XXII shows visitor turnover rates for the years 1948 and 1949.

Table XXII
Turnover Rate of Visitors

	<i>Average Number of Employees During Year</i>	<i>Total Number of Resignations</i>	<i>Percentage Rate of Turnover</i>
1948			
State Total	1,528	364	23.8%
Counties			
Allegheny	266	51	19.2
Berks	21	5	23.8
Cambria	25	3	12.0
Chester	17	3	17.6
Delaware	34	9	26.5
Luzerne	72	11	15.3
Montgomery	18	12	66.7
Philadelphia	448	196	43.8
Washington	23	7	30.4
Westmoreland	19	3	15.8
All Other Counties	585	64	10.9
1949			
State Total	1,643	283	17.2
Counties			
Allegheny	271	34	12.6
Berks	23	2	8.7
Cambria	27	5	18.5
Chester	18	4	22.2
Delaware	38	7	18.4
Luzerne	72	11	15.3
Montgomery	21	14	66.7
Philadelphia	494	159	32.2
Washington	22	5	22.7
Westmoreland	23	5	21.7
All Other Counties	634	37	5.8

During 1949 in the state as a whole, the rate of turnover among visitors was 17.2 per cent. This was a decrease from 1948 when the rate was 23.8 per cent. However, in 1948, turnover rates in Montgomery, Philadelphia, Washington and Delaware counties exceeded 25 per cent. In 1949, this situation continued in Montgomery and Philadelphia counties.

⁴² For a discussion of turnover rates, see W. E. Mosher and J. D. Kingsley, *Public Personnel Administration* (Harper, New York [1941]) p. 341.

Section II

THE OPERATING EFFICIENCY OF THE ADMINISTRATION OF PUBLIC ASSISTANCE

The operating efficiency of the administration of public assistance can be measured in terms of the accuracy and promptness with which the standards of the State Board of Public Assistance are applied to individual cases

The application of the standards to the facts is, in the first instance, the responsibility of the visitor who works out of the county office. Presumably, the visitors' determinations are subject to immediate review by his supervisor. An audit unit, working out of the Department of Public Assistance in Harrisburg, re-examines cases selected at random and the Auditor General, in turn, reviews, on a sample basis, the net result of the determinations of county and departmental personnel.

As regards the review of the Auditor General,⁴³ it seems that this officer does not examine the facts of any case unless, on perusal of records in county offices, individual case records are found which appear to be incomplete or to contain conflicting entries.⁴⁴

⁴³ The General Assembly makes no direct appropriation to the Auditor General for expense incurred in connection with eligibility audits. The Department of Public Assistance allocates funds to the Auditor General for this purpose. In 1949, the amount so allocated was \$269,320, and expenditures for this purpose were \$254,541.19.

⁴⁴ For correspondence between Joint State Government Commission and the Auditor General bearing upon this matter, see Appendix F.

A Restitution—

When any of the administrative checks outlined above uncover assistance overpayments, the department, subject to certain conditions, attempts to recover the amount of the overpayment. The department distinguishes four types of overpayment for which restitution is not required

- ' a Overpayments resulting from circumstances which were beyond the recipient's control
- b Overpayments to recipients who have fulfilled their obligation for reporting and who cannot be expected to know that their grants were in excess of amounts allowable
- ' c Any overpayment amounting to less than \$5. Restitution proceedings to collect amounts less than this are administratively wasteful
- d Overpayments which occur under such circumstances that it would be unreasonable to seek restitution ' ⁴⁵

However, it should be noted that, according to departmental regulations

'Restitution is required only while the debtor is not receiving old age assistance, aid to dependent children, or general assistance and while he has resources more than sufficient to meet current living expenses as well as any unusual or emergency expenses. Payments which would reduce the debtor's available resources below current assistance standards are never required' ⁴⁶

The amounts of overpayments for which restitution claims were set up and the amounts and percentages of collections on restitution claims are shown in Table XXIII

⁴⁵ Commonwealth of Pennsylvania, *Rules and Regulations of the Department of Public Assistance*, Section 3811.1, May 1, 1950

⁴⁶ *Ibid*, Section 3817, July 1 1949

Table XXIII
Public Assistance Restitution Overpayments and
Amounts Collected, 1947-1950

<i>Year</i>	<i>Restitution Overpayments</i>	<i>Collections</i>	<i>Collections as Per Cent of Overpayments</i>
	(1)	(2)	(3)
1947	\$1,316,602	\$371,052	28.2%
1948	1,718,150	415,313	24.2
1949	1,830,001	396,612	21.7
1950*	2,880,515	453,121	15.7

SOURCE Department of Public Assistance

* First ten months

It may be noted, from an inspection of Column (3) of the table, that in all four years collections were less than 30 per cent of restitution overpayments. Furthermore, collections as percentages of overpayments have been decreasing since 1947.

B Re-examination of Selected Public Assistance Cases by the Joint State Government Commission—

The operating efficiency of the agencies concerned with the administration of public assistance, particularly the efficiency of the Department of Public Assistance and county boards of assistance, is not adequately measured in terms of *overpayments* such as are reflected in restitution claims. All social and humane considerations aside, *underpayments* are as serious a reflection upon operating efficiency as are overpayments.

For the purpose of approximating both *underpayments* and *overpayments*, the Joint State Government Commission, in collaboration with the Pennsylvania State Police, has re-

investigated a representative sample⁴⁷ of public assistance recipients

The Commission staff prepared the schedules used in the re-investigation⁴⁸. The Pennsylvania State Police made the actual investigation of the facts. The Commission staff compared and analyzed the facts as established by the Pennsylvania State Police with the facts as shown in the case records.

Table XXIV, on opposite page, summarizes the findings of the re-investigation⁴⁹.

Examination of Table XXIV shows that the estimated *net overpayment* for all assistance programs amounted to \$7,953,000 for the year 1949. The share of the estimated *net overpayment* financed by means of Commonwealth taxes amounted to \$5,075,000.

⁴⁷ For method of sample selection, see Appendix F, page 133.

⁴⁸ For sample of schedule used, see Appendix F, page 134.

⁴⁹ For details, see Appendix F, Appendix Table F 1, page 173.

Table XXIV

Estimated Net Overpayments to Recipients of Old Age Assistance,
Aid to Dependent Children, and General Assistance, 1949

Program	Investigation Sample			Estimates for All Cases			
	Under- payments Per Month Per Case	Over payments Per Month Per Case	Net Over- payments Per Month Per Case	Estimated Net Over payment During Last Half of December, 1949	Net Over- payments as Per Cent of All Payments	Estimated Net Over payments During Year, 1949	State's Share of Net Over payments, 1949
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Old Age Assistance	\$0 35	\$2 23	\$1 88	\$80,465	4 3	\$1,808,000	\$711,000
Aid to Dependent Chil- dren	1 16	9 63	8 47	228,208	9 1	4,643,000	2,862,000
General Assistance	0 55	3 88	3 32	83,969	5 5	1,502,000	1,502,000
Totals				\$392 642	6 6	\$7,953,000	\$5,075,000

APPENDICES

APPENDIX A

CONDITIONS FOR PUBLIC ASSISTANCE PROGRAMS IN PENNSYLVANIA, JANUARY, 1951

<i>Old Age Assistance</i>	<i>Aid to Dependent Children</i>	<i>Aid to the Permanently and Totally Disabled</i>
(3)	(4)	(5)
65 years or over	Child must be under 16 years or under 18 years if regularly attending school	18 to 64, inclusive
No requirement	No requirement	Must be a citizen or must have filed first papers within two years prior to January 1, 1940
None	Child must be deprived of parental support or care because of death, continued absence from home, or physical or mental incapacity of one or both parents	Applicant must have a physical or mental impairment, disease or loss likely to continue throughout his lifetime, and this condition makes it unlikely that he will be able to engage in any gainful occupation, or homemaking without pay
If applicant has transferred any real or personal property within two years prior to application he must have received fair consideration in return for the transfer. If an applicant transferred property valued at less than \$500, this does not come within this provision.	If applicant has transferred any real or personal property within two years prior to application, he must have received fair consideration in return for the transfer.	If applicant has transferred any real or personal property within two years prior to application, he must have received fair consideration in return for the transfer.
No requirement	An employable person is required to seek employment related to his capacity for work. When a job within his capacity is available, the person is not eligible for assistance if he refuses employment. An employed person is eligible for assistance if his wages are less than the Department's allowances for him or his family.	Applicant must be unemployable
The Department has set up as minimum living requirements	In determining the extent of need and the amount of the grant, the Department recognizes certain living necessities such as food, clothing,	
May not reside in any tax supported institution	Child must be at home under care and control of father, mother, grandfather, grandmother, brother, sister, uncle or aunt in a place of residence maintained by one or more of such relatives as his or their own home	May not reside in any tax supported institution
Not affect eligibility if it is not of unusual value and provided the individual acknowledges the liability of the property for reimbursement in which he is not residing is ineligible unless he takes adequate steps to sell it promptly at whatever price the property brings when it is offered for sale on the open market convertible into cash is considered available to meet current living expenses. The cash value of insurance sufficient to purchase \$500 paid up whole life insurance policy or \$300 in the form of an		
Pennsylvania less than one year, assistance may be granted if he was last a resident of a state with which Pennsylvania has reciprocal arrangements to grant assistance without regard to length of residence		
a spouse, parent or child, if financially able, contribute to the support of an assistance applicant		

Pennsylvania, Department of Public Assistance, October, 1949
and the Amount of Grant for Old Age Assistance, Aid to Dependent Children, and General Assistance, Section 3200, Definitive Conditions other than Need, Section 3100, Department of Public Assist

APPENDIX B

Average Expenditure Per Recipient Per Month by Public Assistance Program, 1932-1950

<i>Year</i>	<i>General Assistance</i>	<i>Old Age Assistance</i>	<i>Aid to Dependent Children</i>
1932	\$2 89		\$8 91
1933	3 73		8 86
1934	6 34	\$20 74	9 06
1935	8 91	20 83	9 30
1936	9 55	21 40	9 52
1937	10 40	21 91	9 84
1938	9 86	21 41	9 89
1939	10 26	20 44	9 69
1940	10 09	21 75	10 76
1941	10 58	22 20	10 82
1942	12 73	23 59	10 68
1943	17 39	27 20	12 78
1944	19 21	28 62	13 67
1945	22 19	29 42	16 40
1946	21 64	30 52	18 24
1947	23 52	32 49	19 48
1948	29 16	34 88	22 06
1949	30 24	36 86	23 52
1950	29 45	36 39	23 29

SOURCE Division of Research and Statistics, Department of Public Assistance

APPENDIX C

ADJUSTMENT OF SELECTED 1938 GRANTS FOR CHANGES IN THE COST OF LIVING

The 1938 grants have been adjusted for changes in the cost of living on the basis of the United States Bureau of Labor Statistics Consumers Price Index of the prices paid for commodities purchased by moderate income families living in large United States cities

A similar index for Philadelphia and Pittsburgh, based on United States Bureau of Labor Statistics data, fluctuated within 2 per cent of the all city index during the 13 years considered

The consumers' price index used is reproduced below

APPENDIX TABLE C-1

Consumers' Price Index for Moderate Income Families
in Large Cities, by Group of Commodities
(December 15, 1938 = 100)

<i>Date</i>	<i>All Items</i>	<i>Food</i>	<i>Clothing</i>	<i>Shelter Maintenance</i> ¹
(1)	(2)	(3)	(4)	(5)
December 15, 1938	100	100	100	100
December 15, 1939	99	98	100	100
December 15, 1940	100	100	101	101
December 15, 1941	110	116	114	104
December 15, 1942	120	136	125	104
December 15, 1943	124	141	133	105
December 15, 1944	127	141	141	105
December 15, 1945	130	145	148	105
December 15, 1946	153	191	175	107
December 15, 1947	167	213	189	115
December 15, 1948	171	211	199	120
December 15, 1949	167	203	184	123
December 15, 1950	178	222	195	127

SOURCE United States Department of Labor, Bureau of Labor Statistics, Monthly Labor Review August 1940 to February, 1951

¹ Includes rent, fuel, light, and ice

As a matter of actual adjustment operation, the 1938 maximum grant for a four person family receiving general assistance or aid to dependent children, as well as the 1938 maximum for an individual residing alone and receiving old age assistance, has been broken into three major parts—food, clothing and shelter maintenance. Each part has been adjusted for changes in cost, and the adjusted parts have been recombined.

In connection with this adjustment, it may be noted that the behavior of indices for items entering into the budgets for children differ somewhat from the behavior of indices for items entering into the budgets of adults and families.

Tables C-2 and C-3, below, show indices for the items entering into the budgets of adults and children, respectively.

APPENDIX TABLE C-2

Index of Costs of Food Requirements for an Adult and a Child Living in a Large City (1939 = 100)

<i>Year</i>	<i>Moderately Active Man</i>	<i>Child 6-12 Years of Age</i>	<i>Difference</i>	<i>Difference as Per Cent of Index for Adult</i>
(1)	(2)	(3)	(4)	(5)
1939	100.0	100.0	0.0	0.0
1940	102.2	102.6	0.4	0.4
1941	111.0	112.7	1.7	1.5
1942	132.5	133.8	1.3	1.0
1943	155.3	156.0	0.7	0.5
1944	153.5	153.3	0.2	0.1
1945	159.1	159.4	0.3	0.2
1946	173.4	172.8	0.6	0.3
1947	200.7	201.0	0.3	0.1
1948	211.6	212.4	0.8	0.4
1949	207.0	207.1	0.1	0.0

SOURCES: Pennsylvania Department of Public Assistance, Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, December, 1939-December, 1949, and United States Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, 1940-1950.

APPENDIX TABLE C-3

Index of Costs of Clothing Requirements for an Adult and a Child Living in a Large City (1944 = 100)

<i>Year</i>	<i>Male Adult</i>	<i>Male Child 6 11 Years of Age</i>	<i>Difference</i>	<i>Difference as Per Cent of Index for Adult</i>
(1)	(2)	(3)	(4)	(5)
1944	100 0	100 0	0 0	0 0
1945	116 7	115 8	0 9	0 8
1946	133 3	126 3	7 0	5 3
1947	133 3	126 3	7 0	5 3
1948	141 7	131 6	10 1	7 1
1949	125 0	126 3	1 3	1 0

SOURCE Pennsylvania Department of Public Assistance, Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1944 to 1949, and United States Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, October 1940 October 1950

Columns (5) of Tables C 2 and C-3 show the differences between the indices of items entering into budgets for adults and children, respectively, as percentages of the indices of items entering into budgets for adults. Examination of Column (5) in the two tables shows conclusively that the differences are not of sufficient magnitude to affect consequentially the adjustment of selected 1938 grants for changes in the cost of living.

APPENDIX TABLE C-4

Index of Maximum Assistance Allowances by Commodity Group and by Program (December, 1938 = 100)

Date	All Items		Food		Clothing		Shelter Maintenance ^c	
	General Assistance and Aid to Dependent Children ^a	Old Age Assistance ^b	General Assistance and Aid to Dependent Children ^a	Old Age Assistance ^b	General Assistance and Aid to Dependent Children ^a	Old Age Assistance ^b	General Assistance and Aid to Dependent Children ^a	Old Age Assistance ^b
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
December, 1938	100	100	100	100	100	100	100	100
December, 1939	100	100	100	100	100	100	99	100
December, 1940	100	100	100	100	100	100	99	100
December, 1941	100	100	100	100	100	100	99	100
December, 1942	120	133	124	113	100	100	122	159
December, 1943	134	133	151	133	100	100	121	147
December, 1944	182	137	171	144	185	100	186	147
December, 1945	182	137	171	144	185	100	186	147
December, 1946	203	150	203	189	215	100	187	147
December, 1947	239	160	238	222	215	100	213	147
December, 1948	261	177	253	233	277	133	232	168
December, 1949	261	177	253	233	277	133	231	167
December, 1950	266	187	250	227	265	120	255	193

SOURCES Department of Public Assistance, 'Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938 to 1949, and Allowance Schedule effective October 16, 1950, from DPA Manual

^a For a four person family receiving general assistance or aid to dependent children

^b For an individual residing alone and receiving old age assistance

^c Includes rent, fuel, and light

APPENDIX TABLE C-5

Estimated Effects of Changes in Maximum Allowances for General Assistance, Aid to Dependent Children and Old Age Assistance Since 1938

<i>Allowances, by Programs, Which Were Changed</i>	<i>Year of Change</i>	<i>Nature of Change</i>	<i>Reason for Change</i>	<i>Estimated Effects</i>
(1)	(2)	(3)	(4)	(5)
Shelter maintenance, ^a general assistance, aid to dependent children	1939	Reduction	None given	Compensated for change in costs
Food, general assistance, aid to dependent children	1942	Increase	To compensate for change in cost	Compensated for change in costs
Food, old age assistance	1942	Increase	To compensate for change in cost	Partially compensated for increased costs Net result, a decrease in standards
Food, larger families, general assistance, aid to dependent children	1942	Increase	To adjust for inequities to larger families	Data inadequate for reliable estimate
Shelter maintenance, ^a general assistance, aid to dependent children	1942	Increase	To bring allowances more nearly in line with average costs	Increased standard
Shelter maintenance, ^a old age assistance	1942	Increase	To increase standard	Increased standard

APPENDIX TABLE C-5 (Continued)

<i>Allowances, by Programs, Which Were Changed</i>	<i>Year of Change</i>	<i>Nature of Change</i>	<i>Reason for Change</i>	<i>Estimated Effects</i>
(1)	(2)	(3)	(4)	(5)
Food, general assistance, aid to dependent children, old age assistance	1943	Increase	To partially compensate for increased costs and for elimination of Federal Food Stamp Plan	Increased standard
Shelter maintenance, ^a general assistance, aid to dependent children, old age assistance	1943	Decrease	None given	Decreased standard
Shelter maintenance, ^a general assistance, aid to dependent children	1944	Increase	To increase standard	Increased standard
Food, general assistance, aid to dependent children, old age assistance	1944	Increase	The revised allowances were related to living costs	Increased standard
Clothing, general assistance, aid to dependent children	1944	Increase	The revised allowances were related to living costs	Increased standard
Household supplies, general assistance, aid to dependent children	1944	Introduction	None given	Increased standard -
Food, general assistance, aid to dependent children, old age assistance	1946	Increase	To compensate for increased costs	Increased standard

APPENDIX TABLE C-5 (Continued)

<i>Allowances, by Programs, Which Were Changed</i>	<i>Year of Change</i>	<i>Nature of Change</i>	<i>Reason for Change</i>	<i>Estimated Effects</i>
(1)	(2)	(3)	(4)	(5)
Clothing, school age children, general assistance, aid to dependent children	1946	Increase	Clothing inadequacies most detrimental to school age children	Increased standard
Shelter maintenance, ^a general assistance, aid to dependent children	1946	Increase	None given	Compensated for increased costs
All categories	1947	Complete revision	To eliminate program discrepancies, and to adjust for increased costs	Compensated for increased costs, general assistance, aid to dependent children, decreased standard, old age assistance changed relative food and clothing standards as between children and adults
Food, clothing, shelter maintenance, ^a general assistance aid to dependent children, old age assistance	1948	Increase	To adjust for increased costs	Compensated for increased costs, relative food and clothing standards changed as between children and adults
Shelter maintenance, ^a general assistance, aid to dependent children, old age assistance	1949	Decrease	None given	Decreased standard

APPENDIX TABLE C-5 (Continued)

<i>Allowances, by Programs, Which Were Changed</i>	<i>Year of Change</i>	<i>Nature of Change</i>	<i>Reason for Change</i>	<i>Estimated Effects</i>
(1)	(2)	(3)	(4)	(5)
Food, clothing, general assistance, aid to dependent children, old age assistance	1950	Decrease	To compensate for decreased costs	Compensated for decreased food costs except food standard remained higher than in 1948 for children 12-18 years old, clothing standard remained higher than in 1948 for all groups
Most special allowances	1950	Elimination	None given	Decreased standards for recipients of special allowances
Special diet allowances	1950	Restoration	To promote rehabilitation to make treatment at home possible, and to provide required diets for chronic diseases	Increased standards
Food, general assistance, aid to dependent children, old age assistance	1950	Increase	(No relevant data received since August, 1950)	Compensated for increased food costs except food standard increased for children under 5

SOURCES (1) Communication from the Secretary of Public Assistance to Joint State Government Commission, dated August 7, 1950, (2) Department of Public Assistance, Current Living Costs as Related to Standards of Public Assistance in Pennsylvania, 1938-1949 (3) Allowance Schedules Effective April 15, 1950 and October 16, 1950, from Department of Public Assistance Manual, and (4) U S Department of Labor, Bureau of Labor Statistics Monthly Labor Review, August, 1940 to October, 1950

* Includes rent, fuel and light

APPENDIX D

GENERAL ASSISTANCE SAMPLES: METHOD OF SELECTION AND TESTS OF REPRESENTATIVENESS

The 1947 and 1949 general assistance samples were selected by the use of identical methods and subjected to identical tests

The samples are stratified random samples All cases were selected at random from the public assistance check lists The number of cases selected from each county represents a constant proportion of the total case load Hence, the distribution of cases by county is subject to no error, other than that included by the indivisibility of a case In several instances, cases were closed prior to the mailing of the assistance check, and the check returned to the Department of Public Assistance These cases were replaced by others randomly selected from the same county The number of cases totaled 1,832 in 1947 and 2,137 in 1949

Total monthly grants and number of recipients for all cases on the assistance rolls during the final weeks of June, 1947, and June, 1949, have been obtained from the Department of Public Assistance The average grant per case and the average per capita grant for the general assistance population were ascertained and the samples tested for representativeness by comparing the values estimated on the basis of the samples with the comparable values for the population The results are summarized below

<i>Year</i>	<i>Measure Tested</i>	<i>Sample Mean</i>	<i>95 Probability Range of Sample Mean</i>	<i>Population Mean</i>
1947	Per Capita Grant	23 69	23 32—24 05	23 63
	Per Case Grant	39 47	38 34—40 60	39 25
1949	Per Capita Grant	29 71	29 22—30 20	29 80
	Per Case Grant	57 87	56 45—59 28	56 78

The summary shows that for the measures tested, the mean value computed from the sample does not differ from the mean value for all cases receiving assistance

Population means are not available for other case or individual characteristics. Since the samples are representative of the entire relief load for per case and per capita grants and were selected at random, it is assumed that they are also representative as regards all other characteristics

GEOGRAPHIC COMPARISONS

In certain of the tables in this appendix, comparisons are made among the following counties and groups of counties

- 1 All counties,
- 2 Philadelphia County,
- 3 Allegheny County,
- 4 All counties except Philadelphia and Allegheny,
- 5 Six anthracite coal counties—Carbon, Columbia, Lackawanna, Luzerne, Northumberland and Schuylkill,
- 6 Ten rural counties—Bedford, Fulton, Greene, Indiana, Juniata, Perry, Pike, Somerset, Susquehanna and Wyoming

As used here, the term "rural" refers to a relative absence of industry but does not necessarily indicate agricultural importance. The counties selected were the lowest ten in per capita "value added by industry in 1947." Anthracite counties are the six highest in per capita anthracite coal output. It should be noted that the rural and anthracite counties are subgroups of group 4—all counties excluding Allegheny and Philadelphia.

APPENDIX TABLE D-1

Percentage Distribution of Total General Assistance Cases by Number of Recipients in Case, Selected Regions, 1947 and 1949

1947						
<i>Number of Recipients in Case</i>	<i>State</i>	<i>Phila delphia</i>	<i>Alle gheny</i>	<i>All Except Philadel phia and Alle gheny</i>	<i>Anthra cite</i>	<i>Rural</i>
	(1)	(2)	(3)	(4)	(5)	(6)
1	76.6%	78.6%	79.8%	74.0%	69.5%	70.9%
2	12.1	11.6	12.1	12.5	14.2	16.3
3	2.3	2.0	2.4	2.4	4.6	0.0
4	2.0	1.6	1.4	2.4	3.9	2.3
5	1.5	1.2	1.0	1.9	1.8	1.2
6-15	5.5	5.0	3.3	6.8	6.0	9.3
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1949						
<i>Number of Recipients in Case</i>	<i>State</i>	<i>Phila delphia</i>	<i>Alle gheny</i>	<i>All Except Philadel phia and Alle gheny</i>	<i>Anthra cite</i>	<i>Rural</i>
	(1)	(2)	(3)	(4)	(5)	(6)
1	71.1%	75.1%	78.7%	65.9%	63.9%	58.2%
2	11.4	9.5	12.7	12.2	13.6	11.0
3	3.1	2.6	1.3	4.0	5.7	3.3
4	3.3	2.9	1.1	4.4	4.8	7.7
5	2.8	1.7	1.9	3.7	3.8	4.4
6-16	8.3	8.2	4.3	9.8	8.2	15.4
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

APPENDIX TABLE D-2

**Percentage Distribution of General Assistance Cases by
Size of Households, Selected Regions, 1947 and 1949**

1947						
<i>Household Size</i>	<i>State</i>	<i>Phila delphia</i>	<i>Alle gheny</i>	<i>All Except Phladel- phia and Allegheny</i>	<i>Antbra cite</i>	<i>Rural</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Households of one person	54 0%	61 8%	66 8%	43 9%	46 8%	33 7%
Households of two persons	17 2	14 4	16 1	19 1	20 2	24 4
Households of three or more persons	28 8	23 8	17 1	37 0	33 0	41 9
TOTAL	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%
1949						
<i>Household Size</i>	<i>State</i>	<i>Phila delphia</i>	<i>Alle gheny</i>	<i>All Except Phladel phia and Allegheny</i>	<i>Antbra cite</i>	<i>Rural</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Households of one person	59 2%	71 3%	70 3%	47 6%	46 2%	38 5%
Households of two persons	14 9	11 2	14 6	17 3	17 1	14 3
Households of three or more persons	25 9	17 5	15 1	35 1	36 7	47 2
TOTAL	100 0%	100 0%	100 0%	100 0%	100 0%	100 0%

APPENDIX TABLE D-3

Average Length of Time Recipients Have Been on Assistance by Size of Case,* 1947 and 1949

1947		1949	
<i>Number of Person Per Case</i>	<i>Average Years on Assistance Between 1932 and 1947</i>	<i>Number of Person Per Case</i>	<i>Average Years on Assistance Between 1932 and 1949</i>
(1)	(2)	(3)	(4)
1-2	4 73	1-2	4 40
3-4-5	2 04	3	3 24
6-15	3 04	4-7	1 50
		8-16	3 39
TOTAL	4 48		4 02

* Groupings are based upon significant differences in average years on assistance. For 1947, the probability is .95 that each group differs from the other two, but does not differ internally. The same is true for 1949, with the exception of the 3 person case, which does not differ significantly from the 8-16 person case. The totals for the two years differ significantly.

APPENDIX TABLE D-4

Percentage Distribution of General Assistance Recipients
by Age, Selected Regions, 1947 and 1949

1947						
Age	State	Phila- delphia County	Alle- gheny County	All Counties Except Phila- delphia and Alle- gheny	Rural Counties	Anthra- cite Counties
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Under 20	30.8%	30.4%	21.8%	35.2%	38.4%	31.7%
20-29	7.4	6.0	9.4	7.4	5.5	8.3
30-39	10.4	11.9	9.6	9.9	10.4	11.8
40-49	13.5	14.9	17.4	11.0	12.8	9.9
50-59	21.1	21.3	24.8	19.2	18.3	21.6
60 and over	16.7	15.5	17.0	17.3	14.6	16.7
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1949						
Age	State	Phila- delphia County	Alle- gheny County	All Counties Except Phila- delphia and Alle- gheny	Rural Counties	Anthra- cite Counties
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Under 20	36.4%	35.5%	24.3%	39.9%	48.6%	35.9%
20-29	7.8	8.0	4.7	8.5	8.2	6.5
30-39	12.0	12.6	12.4	11.5	8.6	14.5
40-49	13.5	16.0	17.3	11.1	9.1	12.3
50-59	17.7	18.2	25.0	15.6	12.3	16.7
60 and over	12.6	9.7	16.3	13.4	13.2	14.1
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

APPENDIX TABLE D-5

Percentage Distribution of General Assistance Adults,
Grouped by Employability Classification, by Age
1947 and 1949

1947				
<i>Age</i>	<i>Wholly Employable</i>	<i>Partially Employable</i>	<i>Unemployable</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)
16-19 ^a	60.4%	9.7%	29.9%	100.0%
20-29	22.1	19.5	58.4	100.0
30-39	23.1	14.2	62.7	100.0
40-49	18.5	21.0	60.5	100.0
50-59	11.0	26.0	63.0	100.0
60 and over	4.1	28.5	67.4	100.0
TOTAL	16.8%	22.3%	60.9%	100.0%

1949				
<i>Age</i>	<i>Wholly Employable</i>	<i>Partially Employable</i>	<i>Unemployable</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)
16-19 ^a	58.5%	7.5%	34.0%	100.0%
20-29	29.1	15.6	55.3	100.0
30-39	32.4	15.9	51.7	100.0
40-49	24.3	24.9	50.8	100.0
50-59	9.8	28.3	61.9	100.0
60 and over	5.1	25.1	69.8	100.0
TOTAL	20.1%	22.5%	57.4%	100.0%

^a Not enrolled in school

APPENDIX TABLE D-6

**Percentage Distribution of General Assistance Adults,
Grouped by Employability, by Industry of Work
Experience, 1947 and 1949**

1947				
<i>Industry</i>	<i>Wholly Employ- able</i>	<i>Partially Employ- able</i>	<i>Unemploy- able</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)
No data or no experience	19.4%	10.6%	31.3%	24.7%
Agriculture	1.6	1.4	0.3	0.8
Construction	10.9	7.8	2.9	5.3
Government ^a	11.4	14.8	16.0	14.9
Manufacturing, Durable	13.6	8.2	5.7	7.6
Manufacturing, Nondurable	7.7	6.0	5.6	6.1
Mining	8.0	7.8	5.1	6.1
Public Utilities	7.2	4.8	2.6	3.9
Service and Trade	20.2	38.6	30.5	30.6
TOTAL	100.0%	100.0%	100.0%	100.0%
1949				
<i>Industry</i>	<i>Wholly Employ- able</i>	<i>Partially Employ- able</i>	<i>Unemploy- able</i>	<i>Total</i>
(1)	(2)	(3)	(4)	(5)
No data or no experience	10.6%	17.3%	41.8%	30.1%
Agriculture	4.1	2.7	1.1	2.0
Construction	7.7	6.3	3.3	4.9
Government ^a	5.2	5.8	4.3	4.8
Manufacturing, Durable	18.1	9.5	3.9	8.0
Manufacturing, Nondurable	11.6	9.0	7.1	8.4
Mining	9.9	5.0	3.6	5.2
Public Utilities	7.7	4.3	2.6	4.0
Service and Trade	25.1	40.1	32.3	32.6
TOTAL	100.0%	100.0%	100.0%	100.0%

^a Includes WPA and similar projects and prison industries

APPENDIX E

DETERMINANTS OF THE LEVEL OF GENERAL ASSISTANCE EXPENDITURES

The problems implicit in the explanation of interstate variations in per capita assistance expenditures and the prediction of expenditures under changed conditions presupposes the isolation of the factors which determine the level of per capita assistance expenditures

A close examination of the relevant data shows that during recent years both interstate and interyear variations in per capita *general assistance* expenditures have been associated with differences in the magnitude of the following factors

- 1 Per capita income payments measured in dollars
- 2 Proportion of total income payments derived from agriculture, measured in percentage terms
- 3 Proportion of total general assistance expenditures financed by local governments, measured in percentage terms

If the historical relationships can reasonably be expected to be stable in space and time, estimates of per capita general assistance expenditures can be made on the basis of the values of the above three factors. A multiple linear regression of the three independent variables on the dependent variable, per capita expenditures, provides a basis for such estimates

Concerning the observations used, it should be noted that, in a number of states, the division of financial responsibility for general assistance between state and local governments is mandated by a statutory formula which, in effect, produces an inverse relationship between expenditures and the local participation factor. It is common procedure to require local governments to levy a specified rate on locally taxable property, the state furnishing the difference be

tween total expenditure and the yield of the specified rate. In view of the fact that property assessments are relatively constant over time, it follows that the local participation factor is completely determined by the level of expenditures. Hence, to avoid bias, it was necessary to eliminate all states in which such formulae were used.

Only observations for states in which the local participation factor was greater than 95 per cent or less than 5 per cent were utilized. Under the circumstances, 73 observations are available: 22 states in 1947, 25 in 1948 and 26 in 1949.

For these 73 observations, the multiple regression surface is given by the following formula:

$$X_1 = 000976X_2 - 02126X_3 - 00729X_4 + 48659$$

where X_1 = per capita general assistance expenditures

X_2 = per capita income

X_3 = proportion of income derived from agriculture

X_4 = local participation percentage

The multiple correlation coefficient is .73.

The partial correlation coefficients associated with the dependent variable are:

$$r_{12 \cdot 34} = .45$$

$$r_{13 \cdot 24} = -.41$$

$$r_{14 \cdot 23} = -.54$$

All measures of correlation are significant.

COMMONWEALTH OF PENNSYLVANIA
STATE TAX EQUALIZATION BOARD
1950 CERTIFICATION

1949 MARKET VALUE OF TAXABLE REAL PROPERTY AND PERCENTAGE OF
MARKET VALUE REPRESENTED BY THE ASSESSED VALUATION FOR 1949

<i>School District</i>		<i>Market Value of Taxable Real Property</i>	<i>Assessed Valuation of Taxable Real Property</i>	
<i>County</i>	<i>Number of School Distis</i>		<i>Total *</i>	<i>Percentage of Market Value</i>
Adams	33	\$76,936,534	\$17,006,345	22 10%
Allegheny	117	4,000,036,335	2,061,526,626	51 54
Armstrong	45	130,512,963	46,696,000	35 78
Beaver	53	464,034,727	113,895,601	24 54
Bedford	39	45,996,837	15,225,164	33 10
Berks	67	586,604,583	205,688,595	35 06
Blair	24	187,284,853	63,853,934	34 09
Bradford	51	66,376,273	17,983,225	27 09
Bucks	54	332,340,139	83,992,289	25 27
Butler	55	195,756,838	62,656,959	32 01
Cambria	57	368,262,355	143,609,940	39 00
Cameron	8	11,708,687	2,451,832	20 94
Carbon	26	84,033,682	27,050,031	32 19
Centre	35	73,822,617	16,472,205	22 31
Chester	73	392,266,026	122,780,546	31 30
Clarion	36	41,356,388	9,576,620	23 16
Clearfield	49	71,721,844	15,406,841	21 48
Clinton	29	45,232,325	11,574,493	25 59
Columbia	32	85,145,228	27,049,990	31 77
Crawford	51	146,839,821	41,583,540	28 32
Cumberland	33	184,695,641	57,597,500	31 19
Dauphin	40	429,530,938	139,095,496	32 38
Delaware	48	1,242,113,610	371,614,172	29 92
Elk	13	38,125,964	8,341,429	21 88
Erle	38	458,966,999	139,593,050	30 41
Fayette	42	211,314,093	58,581,468	27 72
Forest	9	7,570,509	2,278,100	30 01
Franklin	20	136,160,395	35,851,317	26 60
Fulton	12	8,891,071	2,229,608	25 08
Greene	24	119,132,657	40,723,751	34 18
Huntingdon	48	53,629,357	28,116,833	52 43
Indiana	41	111,621,155	36,131,089	32 37
Jefferson	35	61,360,248	19,945,552	32 51
Juniata	17	16,142,776	4,981,056	30 86

* Certified by the County Officials as required by Section 10 of Act 447 of 1947

COMMONWEALTH OF PENNSYLVANIA
STATE TAX EQUALIZATION BOARD
1950 CERTIFICATION

1949 MARKET VALUE OF TAXABLE REAL PROPERTY AND PERCENTAGE OF
MARKET VALUE REPRESENTED BY THE ASSESSED VALUATION FOR 1949

<i>School District</i>		<i>Real Market Value of Taxable Property</i>	<i>Assessed Valuation of Taxable Real Property</i>	
<i>County</i>	<i>Number of School Distts</i>		<i>Total *</i>	<i>Percentage of Market Value</i>
Lackawanna	39	\$396,438,285	\$158,852,107	40 07%
Lancaster	62	569,693,298	155,102,245	27 23
Lawrence	28	195,377,628	66,336,332	33 95
Lebanon	27	178,052,345	72,841,594	40 91
Lehigh	24	440,197,272	152,414,186	34 62
Luzerne	73	699,527,182	261,585,444	37 39
Lycoming	49	150,988,150	34,573,336	22 90
McKean	22	140,083,720	35,478,090	25 33
Mercer	48	202,149,868	63,171,720	31 25
Mifflin	14	65,957,424	16,176,660	24 53
Monroe	20	80,857,541	18,609,567	23 02
Montgomery	66	1,208,020,258	354,626,450	29 36
Montour	11	15,760,541	4,346,791	27 58
Northampton	39	453,221,649	135,341,161	29 86
Northumberland	37	145,908,993	33,319,864	22 84
Perry	23	29,079,324	9,371,215	32 23
Philadelphia	1	5,188,203,476	2,847,655,757	54 89
Pike	12	35,890,551	11,169,109	31 12
Potter	30	18,681,692	4,950,470	26 50
Schuylkill	68	284,923,027	85,482,589	30 00
Snyder	19	25,565,923	7,119,364	27 85
Somerset	47	102,325,963	28,457,061	27 81
Sullivan	13	8,522,578	2,918,629	34 25
Susquehanna	40	40,197,709	16,082,149	40 01
Tioga	36	41,446,846	11,490,382	27 72
Union	15	30,537,778	8,151,629	26 70
Venango	31	110,236,925	35,266,070	31 99
Warren	29	61,358,672	20,474,404	33 37
Washington	69	410,054,895	138,364,265	33 79
Wayne	27	49,227,299	15,566,333	31 60
Westmoreland	63	624,278,271	173,311,096	27 79
Wyoming	23	25,431,954	8,583,152	33 75
York	72	411,809,573	90,567,143	21 99
STATE TOTAL	2,531	\$22,925,531,078	\$9,128,917,561	

* Certified by the County Officials as required by Section 10 of Act 447 of 1947

CALCULATIONS OF ESTIMATED 'SAVINGS' ON AC-
COUNT OF LOCAL PARTICIPATION IN GENERAL
ASSISTANCE EXPENDITURES

Two estimates of savings consequent upon shift in financial responsibility for general assistance are presented below. Both estimates are based upon the 1949 general assistance expenditure in the amount of \$27,517,938. Of this total, an estimated \$6,879,484 was paid to permanently unemployable recipients. The first estimate is based on the assumption that one-half of the cost of expenditures to recipients *not permanently unemployable* is shifted to the counties. The second estimate is based on the assumption that the total cost of expenditures to those recipients *not permanently unemployable* is shifted to the counties.

A modification is introduced in both plans to provide that expenditures in excess of expenditures that can be financed by the imposition of a specified tax rate on the market value of locally taxable real property shall be the responsibility of the Commonwealth.

From the multiple correlation formula, it may be noted that the coefficient of X_3 , the local participation factor, is .00729. This indicates that a 'saving' of \$.00729 per capita can be expected for each increase of one point in the local participation factor, with other variables constant. In terms of the total population of 10,462,628, this 'savings' is \$76,273.

Plan 1

If the counties are to finance one-half of the payments to those recipients not permanently unemployable, the following conditions must be satisfied:

$$27,517,938 - (.00729)(10,462,628)(P) = R$$

$$6,879,484 + 2PR = R$$

where P = local participation percentage

R = total load reduced by savings on account of local participation

Solution of the equations gives

$$P = 36.10977$$

$$R = 24,763,752$$

Therefore, the estimated county share of the total reduced load is
 $3610977 (24,763,752) = \$8,942,134,$
 and the total 'savings' from the original load of \$27,517,938 is
 \$2,754,186

The county reduced load of \$8,942,134 is equivalent to a tax rate of about 39 mill on the market value of real property taxable by counties. However, this is the average millage rate, in 33 counties the yield of a 39 mill tax on market value would exceed the estimated reduced expenditures, while in 34 counties, expenditures would exceed the tax yield. Therefore, state financing of the excess of expenditures over tax yields in the 34 counties showing 'deficits' will produce a reduction in the 'savings' or a 'dissaving' from the original reduced load since the local participation percentage will be reduced. It follows from this condition that the dissaving attributable to the 34 counties with 'deficits' will be the responsibility of the state and, therefore, that the only *increase* in the total county load comes about from the dissaving on account of the 33 counties whose tax yields are sufficient to cover expenditures.

It greatly simplifies the calculation and introduces only a negligible error to assume that no county is changed from a "nondeficit" to a deficit county by reason of the dissavings. With the foregoing assumption, the new local participation factor (P_1) and the new reduced load (R_1) and the new county amount (C_1) are given by the following formulae

$$27,517,938 - (0.0729) (10,462,628) (P_1) = R_1 = \frac{100 C_1}{P_1}$$

$$C - D + F (36,109,777 - P_1) (0.0729) (10,462,628) = C_1$$

where

$$C = \text{county amount before transfer of 'deficit' to state} = 8,942,134$$

$$D = \text{total 'deficits' before dissaving} = 2,266,254$$

$$F = \text{ratio of expenditure in nondeficit counties to total expenditures on account of nonpermanently unemployed} = 0.9356 *$$

* Since all savings and dissavings are distributed among counties proportionately, F is constant at all points

Substitution of the above constants gives two equations in two unknowns for which the solution is

$$P_1 = 26\,449\,68$$

$$R_1 = \$25,500,553$$

Therefore, the new county amount = $2644968 (25,500,553) = \$6,744,815$

Plan II

Calculations under the assumption that the counties finance the entire cost of expenditures to recipients who are not permanently unemployable follow the same pattern as outlined for Plan I. The solutions are shown below

First reduced load	\$22,249,056
Local Participation percentage	69 079+
County amount	\$15,369,572
'Savings' from 1949 load	5,268,882
Millage rate	67
Load of 33 "nondeficit counties	\$2,875,962
Deficits" of 34 counties	3,895,172
Final reduced load	23,741,971
Local Participation percentage	49 506+
Final county amount	\$11,753,755
'Savings' from 1949 load	3,775,967

APPENDIX F

COMMUNICATION FROM THE AUDITOR GENERAL RELATIVE TO "ELIG- IBILITY AUDITS"

Under date of July 5, 1950, the Auditor General, in response to a request from the chairman of the Joint State Government Commission, submitted an outline of the procedures used by the Bureau of Public Assistance Audits, Department of the Auditor General, in connection with its 'eligibility audits' of public assistance cases.

Since the outline did not include a reference to the technique used in connection with the selection of the sample of cases to be reviewed, the chairman of Joint State Government Commission, under date of July 10, 1950, requested information concerning the sample selection from the Auditor General. The following is the revised outline submitted in response to this request:

1 The auditing of county relief rolls to determine eligibility of Public Assistance recipients is the responsibility of the Bureau of Eligibility Audits, Auditor General's Department. The entire personnel of this Bureau, with the exception of the Bureau Director, her Secretary and Statistician, spend their entire time in the field. Every effort is made to audit each county once a year.

2 Each year, the Auditor General tries to audit 30% of the public assistance case load in each county*. To perform this work, he currently has an auditing staff of forty-nine persons, consisting of twenty-three case readers and twenty-six investigators. Eighty per cent of the investigating staff are men. This staff is a 'roving' group except in Philadelphia and Allegheny Counties where permanent crews are maintained.

* Note: It appears that the Auditor General does not take a 30% sample of the total case load, but tries to select a 10% sample of each of the three assistance programs.

In addition to Philadelphia and Allegheny Counties, which are separate districts, there are six other auditing districts—a total of eight. Thus, at any one time, eight simultaneous county audits are being made, each under the direction of a crew leader representing the Auditor General.

3 Selection of cases to be audited is made by the Auditor General's Department from the Active Assistance File in each office or district office of a county assistance board. Thirty per cent of the total county case load, exclusive of blind pensions, is audited. If it is found that the case record shows all eligibility conditions have been met, the case is stamped and signed by the case reader and returned to the active files.

A duplicate list of the Active Assistance file in each county or district office is prepared in advance by a member of the auditing crew. Every 3rd, 5th, 11th or X number case in file is pulled by the crew leader and checked on her list. This eliminates duplication when making later audits. Specific cases are pulled and audited at the request of the Auditor General following complaints by groups or individuals.

"4 An Auditor General's Exception is taken to cases in which a condition of eligibility has not been established. Exception is taken after thorough investigation by an investigator of the auditing unit. A desk exception may be taken without investigation if proof of eligibility is not contained in the case record. Thirty days to clear this exception are allowed the county assistance office, which may request and receive an extension of this time period to sixty days. If the Executive Director of the county board and the crew leader cannot agree upon action on the exception, the case becomes controversial and is referred to the Director of Eligibility Audits, Auditor General's Department.

5 A controversial exception is cleared between the Director of Eligibility Audits, Auditor General's Department and a representative of the State Department of Public Assistance. A record of all exceptions, by county, is kept in the Bureau of Eligibility Audits of the Auditor General's Department.

'6 If few exceptions are found in Old Age Assistance cases, the normal percentage of such cases usually read may be decreased and the percentage of General Assistance and Aid to Dependent Children increased. If it is found that exceptions generally run higher than 25% or 30% in a county, the time limit set for such audit is extended.'

SELECTION OF ASSISTANCE CASES FOR PURPOSES OF RE-EXAMINATION

The assistance cases to be re examined were selected at random for each program from the Treasury Department check listings covering payments for the last half of December, 1949. The sample consisted of 448 cases distributed among the three assistance programs as follows: old age assistance, 151 cases, aid to dependent children, 149 cases, general assistance, 148 cases. The number of recipients included in these cases totaled 1,035.

All payment errors relate to the period December 16 to 31, 1949.

As regards the significance of the sample, the tabulation below shows that the chances are 19 out of 20 that for each program the mean grant computed from the sample is not significantly different from the average grant for all cases.

<i>Program</i>	<i>Sample Average Grant</i>	<i>95 Probability Range of Sample Mean</i>	<i>Population Average Grant</i>
Old Age Assistance	\$41.18	\$38.81—\$43.55	\$40.24
Aid to Dependent Children	94.38	87.15—101.61	93.72
General Assistance	65.66	58.88—72.44	63.17

Although the sample is adequate for aggregate estimates, it is not of sufficient size to yield reliable estimates as to the distribution of payment errors among counties or other geographic units.

SCHEDULE USED IN CONNECTION WITH THE RE-EXAMINATION OF PUBLIC ASSISTANCE CASES

The attached schedule was used in connection with the re-examination of a sample of public assistance cases

It will be noted that the schedule provides for two entries under every factor bearing upon eligibility

Briefly, the procedure used in making the re-examination was as follows

- 1 The Joint State Government Commission requested the Department of Public Assistance to furnish the Commission with the actual case records of assistance recipients which had been selected by the Commission staff on the basis of the sampling procedure, outlined above
- 2 The information was transcribed from the case record to the schedule
- 3 The schedule was furnished to the Pennsylvania State Police with instructions to
 - a Make an on-the-spot investigation of all factors shown on the schedule
 - b Record the established facts on the schedule
 - d Return the completed schedule to the offices of the Commission
- 4 Upon receipt of the completed schedule, the Commission staff audited all entries and computed under- and overpayments

COUNTY

CASE #

CASE #

PAYMENT NAME

ADDRESS

EXAMINED BY

CHECKED BY

RECONCILED BY

County
 Sample Case No
 Payment Name
 Address

WORK SHEET #1 A
 CASE COMPOSITION
 FROM DPA CASE RECORD

<i>Name</i>	<i>Birth day</i> ^{1 2}	<i>Social Security Number</i>	<i>Relation ship</i>	<i>Marital Status</i>	<i>Shelter Group</i> ³	<i>Household</i> ⁴	<i>Assis Unit</i> ⁵ <i>by Category</i>	<i>Other Case Nos</i>	<i>Payment Name</i>	<i>Amt of Grant</i>	<i>School</i>	<i>Employ ability</i>
1												
2												
3												
4												
5												
6												
7												
8												
9												

WORK SHEET #1 B

Investigator

Case No

CASE COMPOSITION

Area

County

INVESTIGATOR S REPORT

Period of Investigation

From To

<i>Name</i>	<i>Birth- day</i> ^{6 7}	<i>Social Security Number</i>	<i>Relation ship</i>	<i>Marital Status</i>	<i>Shelter Group</i>	<i>House- hold</i>	<i>Assis Unit or Cate gory*</i>	<i>Date of Change</i>	<i>Error</i>	
1										
2										
3										
4										
5										
6										
7										
8										

* Not to be filled in by investigator

Case No
County

WORK SHEET #1 E
INVESTIGATOR'S VERIFICATION OF PARENTAGE OF CHILDREN

Footnote 7

<i>Line #</i>	<i>Parentage</i>	<i>Source</i>
	Father Mother	
	Father Mother	
	Father Mother	
	Father Mother	
	Father Mother	
	Father Mother	
	Father Mother	

Case No

WORK SHEET #2

County

HOUSEHOLD EXPENSES

141

<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
	A Non Home Owners			
	1 Rent ¹			
	2 Room and board or room and meals in restaurant ¹			
	3 Room, board and services if physically incapacitated ¹			
	B Home Owners			
	4 Property taxes ¹			
	5 Property insurance ¹			
	6 Interest on mortgage ¹			
	7 Other payments on indebtedness ¹			
	C Heating Fuel			
	8 Coal			
	9 Electric ¹			
	10 Gas ¹			
	11 Oil			
	12 Wood			
	D Cooking Fuel			
	13 Coal			
	14 Electric ¹			

Case No

WORK SHEET #2

(Continued)

County

HOUSEHOLD EXPENSES

<i>DPA Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
	D Cooking Fuel— <i>continued</i>			
	15 Gas ¹			
	16 Oil			
	17 Wood			
	E Illumination			
	18 Candles			
	19 Electric ¹			
	20 Gas ¹			
	21 Oil			
	F Water			
	G Garbage and Refuse Disposal			
	H Necessary Repairs to Home			
	I Storing Household Possessions			
	J Total			

143

¹ Verification necessary

Case No
CountyWORK SHEET #3
EMPLOYMENT

<i>Line #</i>	<i>DPA Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Social Security No			
		Job Title			
		Work No			
		Dept or Section			
		Name of Employer			
		Address of Employer			
	daily weekly monthly	Earnings			
		Employed since			
		If paid daily, number days per week employed			
		<i>Deductions</i>			
		1 Payroll			
		2 Lunches			
		3 Transportation to and from work			
		4 Tools and work materials			
		5 Telephone			
		6 Care of children			
		7 \$10 00 for increased needs			

145

WORK SHEET #4

JSGC Form 1249

Case No
County

LEGALLY RESPONSIBLE RELATIVE
OUTSIDE HOUSEHOLD

147

<i>Line #</i>	<i>DPA Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Relationship			
		Name			
		Address			
		Name and Address of Employer			
		No of Dependents Declared by Relative			
		No of Dependents Declared for Wathholding Tax			
		Voluntary Contribution			
		Contribution by Court Order			

Case No
County

VERIFICATION OF WORK SHEET #4

D P A RECORD			INVESTIGATION		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

148

WORK SHEET #5

JSGC Form 1249

Case No
County

NON LEGALLY RESPONSIBLE RELATIVE
OUTSIDE HOUSEHOLD

149

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Relationship			
		Name			
		Address			
		Contribution			

VERIFICATION OF WORK SHEET #5

<i>D P A RECORD</i>			<i>INVESTIGATION</i>		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

Relative is best source of Verification

Case No
CountyWORK SHEET #6
REAL PROPERTY

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Resident			
		Non Resident (Check one (X))			
		Location or Address			
		Income			
		Reimbursement Agree ment Recorded (Check X)	*		
		Reimbursement Agree ment Not Recorded (Check X)			

150

VERIFICATION OF WORK SHEET #6

<i>D P A. RECORD</i>			<i>INVESTIGATION</i>		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

Recorder of Deeds is best source of Verification

* Not necessary to be filled in by investigator

WORK SHEET #7A

Case No
County

PERSONAL PROPERTY—A

151

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		<i>Section I</i>			
		Security			
		Value			
		Income Therefrom			
		Assigned to D P A (Check X)	*		
		Not Assigned to D P A (Check X)	*		
		<i>Section II</i>			
		Installment Purchases Items Purchased			
		1			
		2			
		3			
		4			
		Date of Purchase			
		Total Amount of Original Purchase			
		Balance Due Date			
		Rate of Installment Payment			
		Name and Address of Vendor			

* Not necessary to be filled in by investigator

WORK SHEET #7B

Case No
County

PERSONAL PROPERTY

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		<i>Section III</i>			
		Motor Vehicle			
		Make of Car			
		Year Model			
		Date of Purchase			
		Purchase Price			
		Balance Due Date			
		Rate of Installment Payment			
		Name and Address of Finance Company			

Case No
County

ROOMERS AND BOARDERS

<i>Line #</i>	<i>D P A Case Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Name			
		Relationship to Payee			
		Payment Received			
		Name			
		Relationship to Payee			
		Payment Received			
		Name			
		Relationship to Payee			
		Payment Received			

155

VERIFICATION

<i>D P A</i>			<i>INVESTIGATION</i>		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

Roomer or boarder is best source of verification

Case No
County

INSURANCE

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
6		Type of policy			
		Date of issue			
		Age of insured at issue			
		Date of last premium payment			
		Name and address of insurer			
		Assigned to D P A (Check X)	*		
159		Not Assigned to D P A (Check X)	*		
		Not necessary to assign to D P A (Check X)	*		

VERIFICATION

D P A			INVESTIGATION		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

* Not to be filled in by investigator

Case No
CountySTATUS OF FATHER
(For ADC Cases Only)

161

<i>Line #</i>	<i>DPA Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		Name			
		Legitimate Child			
		1 Deceased			
		2 Institutionalized			
		3 Deserted—whereabouts unknown			
		4 Separated			
		5 Divorced			
		6 In home—Incapacitated			
		Illegitimate Child			
		1 Paternity established a Deceased			
		b Institutionalized			
		c Whereabouts unknown			
		2 Paternity not established a Child under 2 yrs of age			
		b Child over 2 yrs of age			

WORK SHEET #16

JSGC Form 1249

Case No
County

RESIDENCE

164

<i>Line #</i>	<i>D P A Record</i>		<i>Investigation</i>	<i>Date of Change</i>	<i>Error</i>
		1 Resident			
		a Yrs in state			
		b Addresses and pe- riod of residence			
		2 Non Resident			
		a Arrival in state			
		b Addresses and pe- riod of residence			
		3 Quasi Settler			

VERIFICATION

<i>D P A</i>			<i>INVESTIGATION</i>		
<i>Line #</i>	<i>Source</i>	<i>Date</i>	<i>Line #</i>	<i>Source</i>	<i>Date</i>

Case No

WORK SHEET #21

JSGC Form 1249

County

ACCIDENT RECORD

<i>Line #</i>	<i>Date</i>	<i>Nature of Accident</i>	<i>COMPENSATION</i>			
			<i>Source</i>	<i>Amount</i>	<i>From</i>	<i>To</i>

169

COMPLAINTS

<i>Line #</i>	<i>Date</i>	<i>Nature of Complaint</i>	<i>Source of Complaint</i>	<i>Action by D P A</i>

INVESTIGATION OF SAMPLE OF PUBLIC ASSISTANCE CASES

TYPES OF PAYMENT ERRORS

Table F 1, below, shows the assistance payment errors by program and by type of error. When several errors occurred in one case, only the net error is shown in Table F-1.

Most errors affecting grants are due to faulty determinations of household expenses, especially fuel costs. In many cases, recipients were either not using the item for which an allowance was being granted or the item was furnished free by friends or neighbors.

In terms of the amounts of overpayments, errors in eligibility and income were most important. For instance, in thirteen aid to dependent children cases, errors as to eligibility resulted in an average overpayment of \$67.31 per case.

The most numerous large errors resulted from faulty reporting of the recipient's income. As regards the nomenclature used in Table F-1, it should be noted that when the recipient's income exceeded his grant, the error is classified as an "eligibility error." When unreported income was not sufficiently large to make the recipient ineligible, the error is classified as "recipient's income."

APPENDIX TABLE F-1

Number of Payment Errors and Average Amounts Involved in Payment Errors, by Program and by Type of Major Error

Program and Type of Error	Underpayments			Overpayments			Total Number of Payment Errors in Sample ¹
	Number of Underpayments in Sample	Range of Underpayments (Dollars)	Average Underpayments (Dollars)	Number of Overpayments in Sample	Range of Overpayments (Dollars)	Average Overpayments (Dollars)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Old Age Assistance</i>							
Arithmetic	1	1 51	1 51	2	1 00— 4 48	2 74	3
Eligibility				7	16 16— 55 00	31 87	7
Recipient's Income				1	12 50	12 50	1
Allowance for Rent	2	2 00—10 00	6 00	7	2 63— 17 30	8 35	9
Allowance for Other Household Expenses	10	1 10— 7 30	3 25	13	1 03— 9 28	2 60	23
Allowance for Food, Clothing and Incidentals	1	6 50	6 50	1	3 00	3 00	2
TOTAL ¹	14	1 10—10 00	3 75	31	1 00— 55 00	10 85	45
<i>Aid to Dependent Children</i>							
Arithmetic	2	2 21— 8 79	5 50				2
Eligibility	1	50 87	50 87	13	9 00—106 13	67 31	14
Recipient's Income	2	2 29—37 24	19 76	14	5 53— 71 73	27 28	16
Allowance for Rent	6	1 68— 8 12	4 42	6	1 00— 13 00	4 29	12
Allowance for Other Household Expenses	6	1 08— 5 24	2 59	10	1 33— 12 42	6 96	16
Allowance for Food, Clothing and Incidentals	7	3 00— 6 86	4 27	5	3 00— 26 50	16 73	12
TOTAL ¹	24	1 08—50 87	7 22	48	1 00—106 13	29 92	72
<i>General Assistance</i>							
Arithmetic	4	1 31— 4 89	2 69	2	5 00— 7 86	6 43	6
Eligibility				8	7 00—116 60	45 45	8
Recipient's Income	2	1 46—12 39	6 92	4	4 35— 35 48	15 44	6
Allowance for Rent	2	3 02— 3 57	3 30	6	4 35— 26 61	11 74	8
Allowance for Other Household Expenses	7	1 00—11 30	3 42	9	1 76— 8 38	3 68	16
Allowance for Food, Clothing and Incidentals	5	2 00—13 79	5 36	4	3 00— 14 65	7 95	9
TOTAL ¹	20	1 00—13 79	4 10	33	1 76—116 60	17 38	53

¹ The samples consisted of 151 Old Age Assistance cases, 149 Aid to Dependent Children cases and 148 General Assistance cases. The percentage of cases which had either underpayments or overpayments totaling one dollar or more was 30% for Old Age Assistance, 48% for Aid to Dependent Children, and 36% for General Assistance.