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AB 6

February 24, 1969

Honorable John L. Burton
Member of the Assembly
Room 5144, State Capitol
Sacramento, California 95814

Dear Assemblyman Burton:

This is to advise you of the official opposition of the administration to the enactment of Assembly Bill No. 6 which would increase the maximum grant for recipients of Old Age Security by \$7.50 per month.

As you know, the administration has taken a very clear position that the social insurance program under the provisions of OASDI should replace the public assistance program. We believe that maximum concern should be expressed for the development of a benefit plan by the Federal Government that would obviate the necessity for the State of California to provide a public assistance supplement for such a large number as we are now doing.

As you know, the Old Age Assistance program in California is comprised of 75% joint recipients--in other words, 75% of the Old Age Assistance recipients in California are in receipt of social insurance under the Federal Social Security Act. None of these people can truly receive the full status measure of independence that is visualized for the old people of the state by the social security program. Since these beneficiaries have to depend on public assistance, they must be treated no differently than those recipients who are 100% public assistance recipients. It is our opinion that to attempt to increase public assistance allowances each time the Federal Government takes steps to make the social security program more adequate is to defeat the very purpose of the social security program.

Assembly Bill No. 6 avoids the inequity question that was contained in your bill, AB 25 of the last session. It does, however, leave us with two fundamental problems: one, the matter of meeting the cost increase. This, of course, is a fiscal question normally handled by the fiscal committees. The other problem AB 6 creates is an inequity question between aid categories. We believe a situation where a recipient of Old Age Security may receive under state law almost as much as a mother with three children should be a matter of serious concern to the Legislature. Further, a married couple both receiving aid could receive under the terms of AB 6, as much as a mother with 10 children.

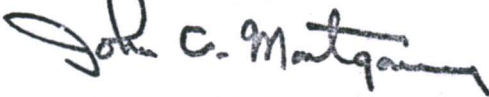
Honorable John L. Burton

-2-

February 24, 1969

I realize that approval of AS 6 is a matter of considerable concern to you but I feel that we must view our public welfare program in California in a balanced manner and that we must keep it within reasonable cost restraints. If and when the present cost restraints can be modified, then I believe we must approach modifications of our public welfare programs with a new set of priorities. I am hopeful that the Legislature, acting through its policy committees, will assist me in establishing these new priorities.

Very truly yours,



John C. Montgomery
Director

bcc: Director's file
General Files
V. Gleason ✓

VEG:mo

AB433

April 18, 1969

Honorable George Zenovich
Member of the Assembly
Room 5016, State Capitol
Sacramento, California 95814

Dear Assemblyman Zenovich:

This is to advise you that the administration is opposed to the enactment of Assembly Bill 433 which would increase the basic grant for Aid to the Blind by \$4 and the maximum grant by an equal amount. This bill would raise the minimum grant for Aid to the Blind from \$143.50 to \$147.50 and raise the maximum grant from \$193.50 to \$197.50.

Cost-of-living increases have been provided for this program on a regular annual basis since the base date of January 1960. These cost-of-living increases have kept grant payments of this program abreast with all cost-of-living advances.

The average monthly income for the Aid to the Blind at the present time is more than \$30 a month higher than other disabled persons receiving aid. To select out the Aid to the Blind for a special grant increase beyond that which is based upon cost-of-living is not justified.

Very truly yours,

John C. Montgomery
Director

bcc: Director's file
General Files
V. Gleason

VEG:mo

ORIGINAL SIGNED:
John C. Montgomery
Date _____ Noted By W
Date Sent 4-18

May 23, 1969

Honorable John L. Burton
Member of the Assembly
Room 5144, State Capitol
Sacramento, California 95814

Dear Assemblyman Burton:

This letter is to officially advise you that the administration is opposed to the enactment of Assembly Bill No. 437 which would transfer the administration of public assistance programs from county to state government.

In our judgment, this proposal is unsound in principle. Moreover, the fiscal impact upon state government makes it financially impractical as well.

On balance, California offers the most outstanding program of public assistance and welfare services of any state in the nation. This program has been developed by a long standing state-county administrative partnership which has seen a continuous program of progressive concern for people.

There are those who will argue that county welfare departments have been ineffectual as community social service agencies. There are those who will argue that county welfare departments have been inconsiderate and inconsistent in their treatment and understanding of the poor. We believe that any fair and impartial review of the programs which now operate in California in comparison to programs operated in other states directly by state government would reveal that California, with its state-county partnership, has produced superior results.

At the present time, we are looking toward the implementation of the Lanterman-Petris-Short Act which has as one of its main purposes the decentralization of the treatment of the mentally impaired. The full implementation of this act and its consequent effect upon the better treatment of the mentally ill and mentally retarded depends upon vital and effective local government agencies. At the same time that we are programming the development of the Lanterman-Petris-Short Act for the mentally impaired, we have in the conceptual stage the Comprehensive Health Act which will make local government more responsible for public health services.

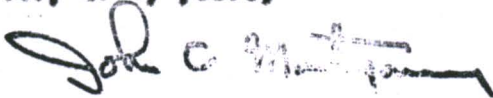
Honorable John L. Burton

-2-

May 23, 1969

At the present moment, the public welfare system in California which depends upon 58 county welfare departments and a force of almost 30,000 employees is the only pervasive organization available in the area of socially provided services. The retention and indeed the strengthening of county welfare departments, is in our judgment, an absolute essential to the implementation of both the Lanterman-Petris-Short program and the Comprehensive Health service. We believe that Assembly Bill No. 437 is a backward step in public welfare and one which will make effective implementation of these two other programs more difficult.

Very truly yours,



John C. Montgomery
Director

bcc: Director's file
General Files
V. Gleason

VEG:mo

File AB 437

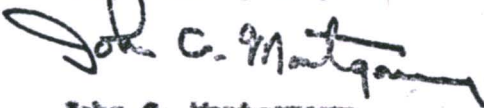
February 11, 1969

The Honorable John L. Burton
Member of the California Assembly
Room 5144, State Capitol
Sacramento, California 95814

Dear Assemblyman Burton:

Enclosed is the tabulation of county expenditures for public welfare,
1967-68, which you recently requested.

Very truly yours,



John C. Montgomery
Director

WLP:dll

cc: F. S. Locker
E. E. Silveria
V. E. Gleason ✓
W. L. Parker
Legislative Files
Central Files

County Expenditures for Public Welfare
Subsistence^{a/} and Administration^{b/}

1967-68

Total	\$230,442,702	Nevada	\$ 249,075
Alameda	\$ 12,530,664	Orange	4,517,532
Alpine	12,318	Placer	761,966
Amador	79,425	Plumas	137,774
Butte	1,341,315	Riverside	4,611,444
Calaveras	112,153	Sacramento	8,753,209
Colusa	112,947	San Benito	142,173
Contra Costa	7,248,742	San Bernardino	7,503,739
Del Norte	171,915	San Diego	9,966,017
El Dorado	465,105	San Francisco	17,501,886
Fresno	6,766,780	San Joaquin	4,244,076
Glenn	135,085	San Luis Obispo	1,242,168
Humboldt	1,465,781	San Mateo	3,615,780
Imperial	1,035,922	Santa Barbara	1,897,988
Inyo	180,717	Santa Clara	10,198,551
Kern	4,221,662	Santa Cruz	1,107,305
Kings	972,444	Shasta	1,047,491
Lake	298,646	Sierra	18,117
Lassen	129,802	Siskiyou	310,352
Los Angeles	93,668,022	Solano	1,444,423
Madera	770,037	Sonoma	2,528,301
Marin	1,771,229	Stanislaus	2,880,698
Mariposa	62,751	Sutter	421,175
Mendocino	661,455	Tehama	309,125
Merced	1,346,555	Trinity	70,229
Modoc	67,209	Tulare	3,444,952
Mono	23,382	Tuolumne	312,778
Monterey	1,617,742	Ventura	1,878,427
Napa	722,253	Yolo	870,773
		Yuba	463,120

^{a/} Subsistence expenditures in all categories of aid including all of General Relief (subsistence portion plus supplementation of adult aids) except miscellaneous expenditures.

^{b/} Administrative expenditures includes administration, services, and training and expense of eligibility determinations for cash grant and medical assistance only, adoptions, boarding home licensing and inspections, child welfare services, and pro rata share of food stamp program.

Source: Administrative Accounting Bureau and Case Costs and Administrative Expenditures of County Welfare Departments, June 30, 1968

March 17, 1969

Honorable Willie L. Brown, Jr.
Assemblyman, Eighteenth District
Room 5123, State Capitol
Sacramento, California 95814

Dear Assemblyman Brown:

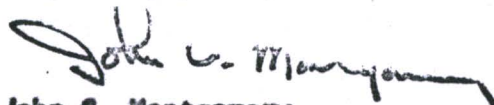
This is to advise you of the administration's opposition to the enactment of Assembly Bill 484.

This bill is identical to Assembly Bill 1344 as it was originally introduced in 1968 by Assemblyman Eugene Chappie.

We are aware that there is considerable support for the opinion that the present statute which denies aid to a fully-employed person even though the income derived from the full-time earnings is less than the standard of assistance, tends to prevent persons from accepting employment. It is our opinion that enactment of AB 484 will result in a substantial increase in caseload and costs and that there will be no significant increase in the number of persons who achieve self-support through the enactment of the bill. The enactment of the Incentive Income exemptions by Congress in 1967 whereby employed people are allowed to retain \$30 plus 1/3 of all income above that has not proved to be of any value in reducing the costs of public welfare. The fact is that it has increased costs considerably and moreover it has increased the differential in income levels between employed recipients and recipients who are not employed.

At this time the federal law does not include the fully employed as eligible and certainly we do not believe that it is sound for the State of California to undertake extension of its program beyond the scope of the federal program.

Very truly yours,



John C. Montgomery
Director

bcc: Director's file
General Files

VEG:mo

March 17, 1969

Honorable Willie Brown, Jr.
Assemblyman, Eighteenth District
Room 5128, State Capitol
Sacramento, California 95814

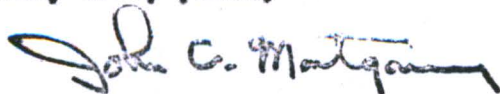
Dear Assemblyman Brown:

This is to advise you of the administration's opposition to the enactment of Assembly Bills 485 and 486 which require the publication of quarterly bulletins for recipients of public assistance.

You will recall the administration opposed the enactment of similar bills introduced by you during the 1967 and 1968 sessions of the Legislature.

We believe the establishment of a regular newsletter would result in mailing of unnecessary information which would not in any way improve the recipients' understanding of their rights or responsibilities under the law. It has been a long established practice to send each recipient an explanation of any change in their grant. Moreover when there are major changes in programs either because of legislative changes or administrative changes in policy, the significance of these changes are included in a stuffer with their public assistance checks.

Very truly yours,



John C. Montgomery
Director

bcc: Director's file
General Files
V. Gleason ✓

VEG:mo

April 18, 1969

Honorable Willie L. Brown, Jr.
Member of the Assembly
Room 5150, State Capitol
Sacramento, California 95814

Dear Assemblyman Brown:

This is to advise you of the administration's opposition to the enactment of Assembly Bill No. 438. This bill purports to increase the allowance for board and room for recipients of Old Age Security. As written, the bill does not direct itself to those sections of the Welfare and Institutions Code that deal specifically with the amount of payment for recipients of Old Age Security and, in its present form, it is subject to conflicting interpretation. Under one interpretation, the effect of the bill would be to reduce the allowances to recipients by approximately \$6,809,000 annually. Another interpretation would result in an increase of a like amount.

The basic principle of the Old Age Security program and the money payment is to provide a standard amount of money that is available for people who can manage their own affairs to decide on the kind of living arrangement they want. We cannot say that a person who chooses to live in a board and room arrangement should be provided with any more or any less money than the person who decides to live in his own home or in an apartment and prepare his own food.

It is important to draw a distinction between persons who require care and supervision that is extended by residential care homes and the board and room situations. For persons who require care and supervision, we have plans to provide for an increase in the allowance as of July 1 of this year. For those persons merely living in board and room managing their own affairs generally, we believe that the cost-of-living increase that was provided in accordance with the cost-of-living escalator provisions of the law, have provided them with the additional sums that are justified.

Very truly yours,

John C. Montgomery
Director

bcc: Director's file
General Files

ORIGINAL SIGNED:
John C. Montgomery
Date _____
Date Sent 4-18

BY W
Noted BY Hean

68
April 29, 1968

Honorable Ken MacDonald
State Capitol
Room 4149
Sacramento, California

Dear Ken:

This letter relates to Assembly Bill No. 629 which you and Senator Logosarsino have coauthored.

The basic purpose of this bill relates to the general subject of state-county sharing of public assistance costs. As would be expected, counties where state hospitals are located have tended to build up a public assistance case-load of persons who came to the county originally for treatment in the state hospital and upon their release have located in that county.

The long term policy of the State Department of Mental Hygiene and the policy of this department with the transfer of the Bureau of Social Work to us, in connection with leave patients, is to place the patients back in their own community whenever this is feasible. There has been, at the same time, a tendency on the part of operators of care facilities for leave patients to develop such facilities in larger numbers in proximity to state hospitals. These facilities are primarily operated by proprietary interests but there are some, particularly for the mentally retarded, that are nonprofit operations.

I am enclosing a table that shows the distribution of hospital leave patients that were recipients of public assistance on a leave status as of June 30, 1968. You can see from this table that the excess of patients from other counties concentrate in those places where hospitals are located or in counties immediately adjacent thereto. It is my opinion that the more appropriate legislative approach for correction would be one which would adjust the county cost sharing to the property tax rate. This, however, is probably not financially feasible at the present time although I think it should be explored.

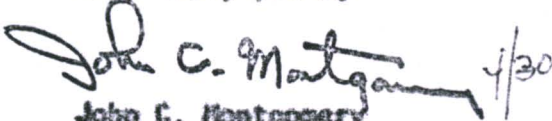
I do have some concerns about the operation of Assembly Bill 629. I believe that it would become quite confusing if we did not have some kind of an amendment which would restrict the effect of this provision to persons who were in a leave status or had been discharged from state hospitals after a certain date. I haven't given much thought to what that date should be but perhaps April 1st of this year would be an appropriate date. I am concerned

April 29, 1969

about patients that have been discharged sometime during the past three years and have on their own located in a county other than the one from which they came to the state hospital. This kind of case could lead to an interminable series of disagreements among counties over a very small sum of money. As I understand it, your primary purpose is to handle the problem of a concentration of leave patients or those persons that are subject to discharge under the Lanterman-Petris-Short program which could become an unusual cost burden to a few counties.

Please be assured of the cooperation of my department in working with you on this matter. I trust that the above thoughts are constructive to your further consideration of AB 629.

Very truly yours,


John C. Montgomery
Director

cc: Honorable Robert Legomarsino

bcc: Mr. Spencer Williams

Dr. James V. Lowry, Director
Department of Mental Hygiene

Ms. Barbara Colais
Department of Mental Hygiene

bbcc: T. R. Middlebrook
Director's File
Central File

Enclosure

VEG:mo:hri

PUBLIC ASSISTANCE RECIPIENTS ON LEAVE
FROM STATE HOSPITALS - JUNE 30, 1968

	County Where Entered Hospital	From Another County	In Another County	Caseload		Equivalent Property Tax Rate for Public Assistance 1968-69
				Advantage	Disadvantage	
Alameda	338	160	371	211	-	\$.62
Alpine	0	0	0	-	-	.38
Amador	1	5	6	1	-	.16
Butte	49	59	56	-	3	.57
Calaveras	3	3	6	3	-	.24
Colusa	3	21	13	-	8	.15
Contra Costa	104	52	150	98	-	.49
Del Norte	1	0	19	19	-	.49
El Dorado	13	13	16	3	-	.28
Fresno	207	58	155	97	-	.81
Glenn	4	13	15	2	-	.14
Humboldt	29	29	50	11	-	.60
Imperial	20	1	38	37	-	.59
Inyo	3	0	4	4	-	.30
Kern	121	75	68	-	7	.45
Kings	14	4	17	13	-	.67
Lake	18	67	11	-	56	.41
Lassen	2	1	18	17	-	.47
Los Angeles	3,308	183	1,019	836	-	.52
Madera	17	12	21	9	-	.63
Marin	24	18	56	38	-	.29
Mariposa	0	2	3	1	-	.33
Mendocino	77	290	45	-	245	.62
Merced	24	17	34	17	-	.59
Modoc	2	0	8	8	-	.22
Mono	0	0	3	3	-	.54
Monterey	41	21	55	34	-	.31
Napa	43	94	51	-	43	.54
Nevada	10	24	15	-	9	.39
Orange	272	155	88	-	67	.16
Placer	71	291	21	-	270	.36
Plumas	0	0	14	14	-	.19
Riverside	182	236	66	-	170	.46
Sacramento	264	132	211	79	-	.75
San Benito	1	0	10	10	-	.22
San Bernardino	418	323	107	-	216	.56
San Diego	456	54	166	112	-	.45
San Francisco	371	243	500	257	-	.68
San Joaquin	259	227	93	-	136	.75
San Luis Obispo	12	41	23	-	18	.51
San Mateo	51	22	106	84	-	.21
Santa Barbara	64	48	53	5	-	.32
Santa Clara	152	111	116	5	-	.48
Santa Cruz	24	15	33	18	-	.43
Shasta	17	10	42	32	-	.45
Sierra	1	2	0	-	2	.23
Siskiyou	6	18	24	6	-	.42
Solano	43	211	57	-	154	.54
Sonoma	115	433	67	-	366	.63
Stanislaus	93	44	57	13	-	.91
Sutter	20	11	15	4	-	.31
Tehama	10	10	12	2	-	.39
Trinity	0	0	7	7	-	.43
Tulare	77	246	62	-	184	.84
Tuolumne	5	2	8	6	-	.49
Ventura	78	238	25	-	213	.22
Yolo	9	15	39	24	-	.42
Yuba	16	9	30	21	-	.59
TOTALS	7,563	4,369*	4,375	-	-	\$.49

XXXXXXXXXXXXXXXXXXXX 744 P Street
XXX 95814

June 16, 1969

Honorable John P. Quimby
Member of the Assembly
State Capitol, Room 5158
Sacramento, California 95814

Dear Assemblyman Quimby:

This is to advise you that the administration does not favor the passage of Assembly Bill Number 889. You will recall that the ~~administration took the same position on a similar bill which you introduced at the 1968 Legislative Session.~~

Assembly Bill Number 889 would prohibit the placing of an income value on the use and occupancy of a home owned by a recipient of Old Age Security. The basic minimum allowance for Old Age Security of \$119.50 includes a basic shelter allowance of \$21 per month. Those recipients whose total monthly cost for shelter, including taxes, upkeep, etc., that is less than \$21 per month, are determined to have an income value equal to the difference between \$21 and their actual shelter cost. Approximately 75,000 recipients own their own homes and of this number, approximately 25,000 have actual shelter costs of less than \$21 per month.

This policy has been in effect for more than 20 years and has been subject to legislative scrutiny and debate frequently during that time. The continuation of the policy has been supported by the Department of Social Welfare on the basis of equity and we do not believe that there is justification for a change in the policy at this time.

We are aware that some representations have been made to the effect that the application of this policy is more costly to county government than the cost savings which result from it. This point is based on the apparent assumption that county governments are only responsible for the expenditure of the county portion of the aid cost. For Old Age Security, the county share amounts to slightly over seven percent.

Honorable John P. Quimby

-2-

June 16, 1969

We know that you agree that the integrity of public welfare administration in California depends upon county government assuming responsibility for state and federal funds as well.

For your information, the estimated cost of enactment of AB 889 is as follows:

Total.....	\$1,200,000
Federal...	590,000
State.....	524,500
County....	85,500

If you have further questions on this, please feel free to bring them to my attention.

Very truly yours,

John C. Montgomery
Director

ORIGINAL SIGNED:

John C. Montgomery

Date

Date Sent

Noted By

By mc
By gleam

6/16

VEG:bb

bcc: Director's File
Central Files

DEPARTMENT OF REHABILITATION

714 P STREET
SACRAMENTO, CALIFORNIA 95814

June 2, 1969

Honorable Eugene A. Chappie
California State Assembly
State Capitol - Room 3173
Sacramento, Calif.

Dear Assemblyman Chappie:

This letter is to inform you that the administration is opposed to Assembly Bill 964. The opposition is based on the following:

1. The disabled of this State make up a large segment of the population and the strong voice of a Department concerned solely with their problems and reporting to the Governor through the Human Relations Secretary is desirable.
2. The Department of Rehabilitation has a close relationship with the Social and Rehabilitation Services section of HEW at the Federal level while the Department of HRD is primarily tied to the Department of Labor.
3. The numerous private organizations for the handicapped, such as Crippled Childrens' Society, Heart Association, Cancer Society, Cerebral Palsy Association, etc., were all heavily involved in the push to establish a Department of Rehabilitation. The Department of Rehabilitation activities are closely involved with these private organizations throughout the State and before any further action is taken on this proposed legislation it would seem wise to consult with this important segment of the private sector.
4. The vocational rehabilitation program is unique among the Department of State government in that it cuts across and is involved with all of the many Departments providing services to people. As of this time, the Department of Rehabilitation is operating programs jointly with the Departments of Social Welfare, Mental Hygiene, Corrections, Youth Authority, Employment (HRD) and Education. These excellent programs have been made possible through the Department's direct relationship with the other major departments through the Human Relations Agency. It is significant to note that all of these cooperative efforts could have been accomplished any time during the past years but it was not until the Department left its subordinate status in the Department of Education to become an independent Department with the Health and Welfare Agency that the programs came into being. In addition to the cooperative programs mentioned above, the Marks bill (SB-338) and the Deukmejian bill (SB-1316) shifting the McAteer Act to the Department of Rehabilitation further emphasize the value of maintaining the

June 2, 1969

Department of Rehabilitation as a separate unit of State government. If these bills pass, the Department will have a stronger relationship with the Departments of Health and Mental Hygiene and their local components.

5. Since the vocational rehabilitation program was changed from a sub-unit of the Department of Education and given departmental status, advances have been made in services to the handicapped. Attached is a chart showing the changes in the number of people rehabilitated following the establishment of rehabilitation as a Department.

Sincerely,



Robert E. Howard
Director of Rehabilitation

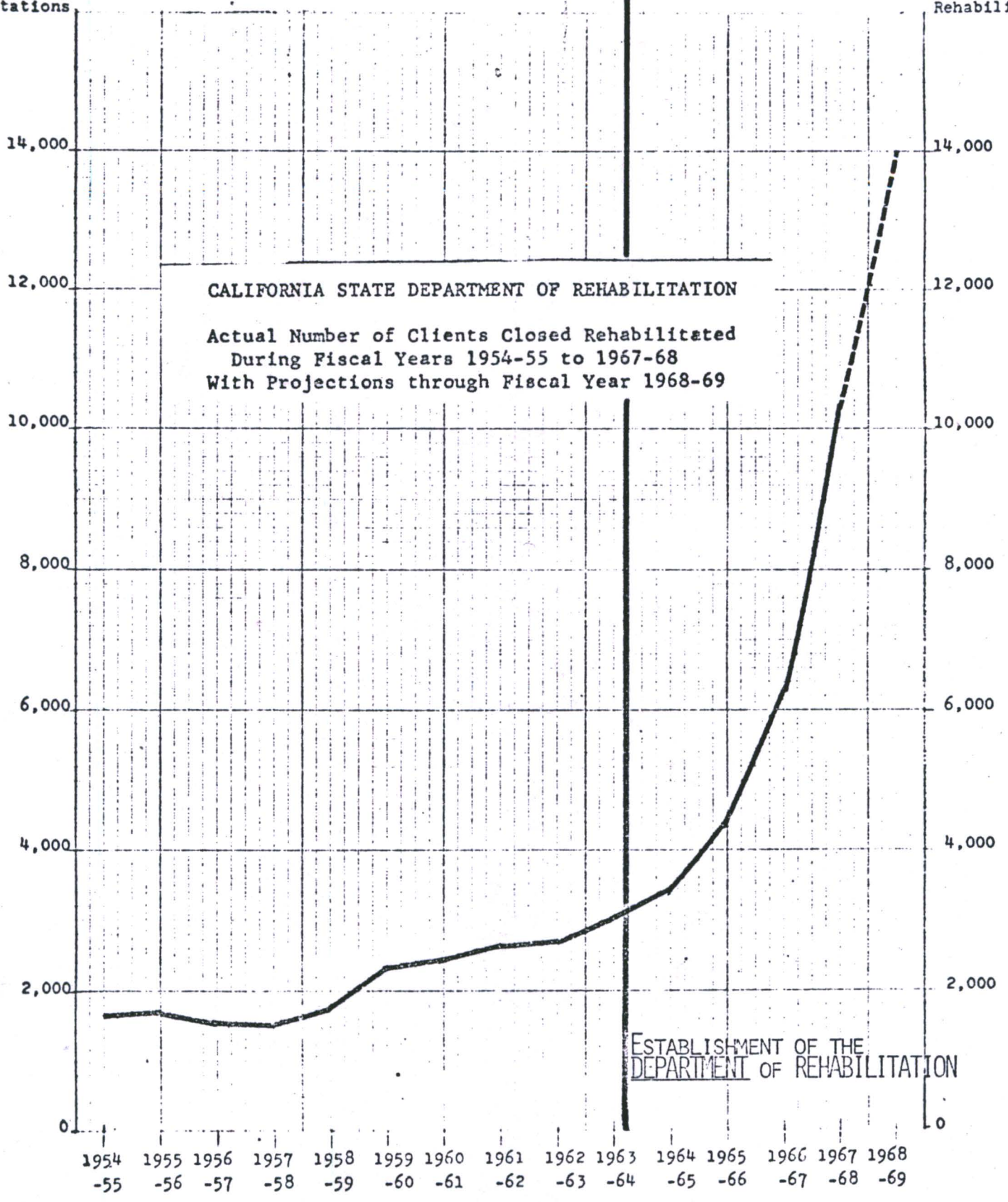
REH:es

Att.

cc: All members of the Assembly
Health and Welfare Committee

Number of
Rehabilitations

Number of
Rehabilitati



--- Projections based on eight months data.

AB1207

XXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

744 P Street
Sacramento 95814

June 16, 1969

Honorable Henry A. Waxman
California State Assembly
State Capitol, Room 2196
Sacramento, California 95814

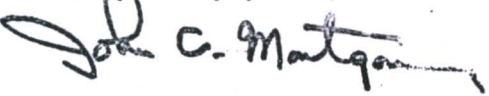
Dear Assemblyman Waxman:

This is to advise you of the administration's opposition to the enactment of Assembly Bill 1207. This bill proposes to liberalize the definition of a needy disabled person to include those temporarily impaired rather than those who are permanently and totally disabled.

The provisions of Title XIV of the Federal Social Security Act which establishes the federal program for the needy disabled specifically require that the person qualifying under that title must be totally and permanently disabled. Accordingly, if Assembly Bill 1207 were enacted into law, the program would have to operate without federal funding.

We estimate that the annual cost to the State General Fund to be in excess of \$32 million. We do not believe that this extension can be appropriately considered by this Legislature in view of the high cost imposed.

Very truly yours,



John C. Montgomery
Director

✓ VEG/kmm

June 16, 1969

Honorable John J. Miller
Member of the Assembly
Room 5126, State Capitol
Sacramento, California 95814

Dear Assemblyman Miller:

This is to inform you that the administration is opposed to the enactment of Assembly Bill 1309 as amended in the Assembly June 6, 1969. The bill proposes the following:

1. Establish a single statewide minimum standard of income maintenance for categorical aid programs.
2. Require the use of an applicant affidavit form to establish initial eligibility and to determine eligibility annually thereafter.
3. Establish a cost benefit analysis program from which the department can report to the Governor and the Legislature on the general efficiency of welfare administration.
4. Require the use of any General Fund reductions in estimated state and county costs of public assistance which accrue from any increases in social security benefits as voted by Congress to bring the income maintenance standard up to the 100% level as set forth in the minimum standard of income maintenance.
5. Provide for cost-of-living escalation of the minimum income maintenance standard in accordance with the formula now in effect with reference to the adult aid categories.

We have interpreted the intent of AB 1309 to be concerned with the standard of assistance relating to AFDC and not to affect the existing adult aid categories. We have made this assumption on the fact that no provision is made to repeal or modify the grant of aid provisions of these adult aid programs. Accordingly, our cost estimates do not include any cost increases that would result from the use of this standard if it were to apply to the adult aid categories.

Honorable John J. Miller

-2-

June 16, 1969

We do not believe that the provisions of the bill that are concerned with the application procedure and the cost benefit analysis are provisions that ought to be written into the law. We are operating under the expectation that this procedure will be put into effect under federal requirements. At the present time, we are engaging in its procedures to validate its use and to assure that the best interests of children in these families are provided the guarantees of their future that is the inherent element of the family welfare program.

The matter of cost benefit analysis of the appropriation that is contained in the bill could best be set forth as a part of the department's budget and any instructions that the Legislature wants to provide could be handled through a legislative resolution. In connection with the appropriation of \$20,000 for the cost benefit analysis, we believe that this constitutes a second appropriation in the bill which is contrary to the provisions of the constitution.

Please be assured of the continued cooperation of the department and its staff in working with you and members of your subcommittee on important public welfare matters.

Very truly yours,

John C. Montgomery
Director

ORIGINAL SIGNED:
John C. Montgomery
Date _____
Date Sent 6-16

By [Signature]
Noted By [Signature]

bcc: Director's file
General Files
V. Gleason

VEG:mo

SB781

May 12, 1969

Honorable Alfred E. Alquist
Member of the Senate
State Capitol, Room 5031
Sacramento, California 95814

Dear Senator Alquist:

This letter relates to SB 781 which proposes to increase the family grant maximum for the Aid to Families with Dependent Children program by 25 percent. In addition, SB 781 would make two other changes. It would require an increase in the housing allowance and would add a cost-of-living escalator clause as of January 1, 1969.

The administration is opposed to the enactment of this bill because we do not believe that an increase in expenditure to taxpayers of more than \$68 million dollars annually can be justified. Under current cost trends, the annual increase in cost for the 1970-1971 fiscal year will be in the neighborhood of \$85 million dollars.

Attached is a copy of our cost analysis of SB 781.

Very truly yours,

John C. Montgomery 5/13

John C. Montgomery
Director

Attachment

bcc: Legislative File
Director's File
Central File

VEG:hrl

XXXXXXXXXXXXXXXXXXXXXXXXX 744 P Street
xxx 95814

17854

June 9, 1969

Honorable William M. Ketchum
Member of the Assembly
State Capitol, Room 4144
Sacramento, California 95814

Dear Bill:

This is in reply to your letter of May 22 concerning rumors of a new approach to a uniform welfare system and the impact of any revision in plans upon Assembly Bill 1351.

Dave Roberts of the Assembly Research Office who has been working with us in connection with a number of considerations of the Assembly Interim Committee study was present at a meeting with federal representatives about the general matter of federal funding on a series of projects that they are interested in financing across the country. I presume that the indications given by the federal representatives that they wanted to deal on a broader base than public assistance has given rise to your concern about a change in approach.

My department has pursued this matter of approved welfare information system for a number of years to unify the various information systems of the various counties. We had expected to move ahead on this in 1967 but the Legislature eliminated the budget item. Currently we are being confronted with a much broader interest not only in terms of the availability of more sophisticated electronic data equipment but also around the concerns relating to the medical care program which deals primarily with public assistance recipients. I suppose it is because of this broader interest that the federal representatives see the necessity of expanding the breadth of their project.

In line with this broader interest and the significance of federal financing it appears we must undertake a review of what we had originally proposed. It has not been our intent to preclude communication with the Legislature. We had assumed that Dave Roberts was assigned to handle this in your behalf. Please be assured of the

Ketchum
M
V. Williams

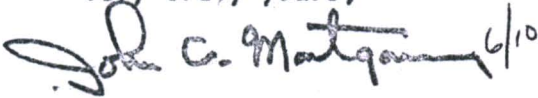
Honorable William M. Ketchum

-2-

June 9, 1969

wholehearted cooperation of my department in connection with any work on this matter. I certainly agree that we must have total participation and assistance from the Legislature if we are to solve this very difficult communication and information problem.

Very truly yours,



John C. Montgomery
Director

JCM:bb

bcc: Director's File
Central Files ✓

STATE CAPITOL
SACRAMENTO, CALIFORNIA 95814
(916) 445-7793

DISTRICT OFFICES ADDRESS
1601 H STREET, SUITE 150-B
P. O. Box 2345
BAKERSFIELD, CALIF. 93301
(805) 323-3148

950 MORRO STREET
SAN LUIS OBISPO, CALIF. 93401
(805) 544-3544

COMMITTEES
AGRICULTURE
FINANCE AND INSURANCE
RULES
JOINT FAIRS ALLOCATION
AND CLASSIFICATION

Assembly California Legislature

WILLIAM M. KETCHUM
ASSEMBLYMAN, TWENTY-NINTH DISTRICT
KERN, SAN LUIS OBISPO AND TULARE COUNTIES

NO. 17854 DATE 5-23-69
FOR REFERENCE TO Gleason
Wadding
10 Silveira
Gleason

May 22, 1969

Mr. John Montgomery, Director
Department of Social Welfare
2415 First Avenue
Sacramento, California 95818

Dear John:

I have heard rumors that your department has developed a "new approach" to a uniform welfare information system. In view of the extensive participation which I have sought from all parties concerned with this issue in the consideration of AB 1351, I would appreciate hearing from you as soon as possible about this new approach. I would not like to think that communications on this matter are entirely one-sided.

Sincerely yours,

Bill
WILLIAM M. KETCHUM

WMK:bp

cc: Spencer Williams
Bernard Donnelly

L
AB1930

September 29, 1969

The Honorable March K. Fong, Chairman
Assembly Subcommittee on Instruction
and Teacher Relations
State Capitol - Room 3112
Sacramento, California 95814

Dear Assemblyman Fong:

You had asked me at the Subcommittee hearing what position the Department had taken with reference to AB 1930 (Sieroty).

The Department did not participate in the decision that lead to the Governor's veto of the bill.

During the session, the Department staff worked with some members of the Assembly staff in discussing certain aspects of the bill, but the subject matter basically was under the jurisdiction of the State Department of Education and it is not customary for this Department to participate in development of material for the Governor's Office on matters that affect another State agency.

Sincerely,

Emanuel H. Newman

Emanuel H. Newman
Deputy Director
Program Services Branch

VEG:db:ags

bcc: Director's Office
F. Calvin Locher
Verne Gleason

✓ 17-10

AB 2298

May 6, 1969

Honorable Tom Horn
Member of the Assembly
State Capitol, Room 6009
Sacramento, California 95814

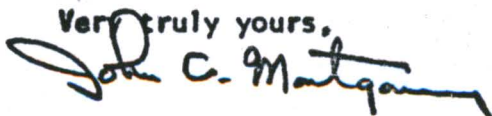
Dear Assemblyman Horn:

This is in response to your request for information on Assembly Bill No. 2298.

We estimate that approximately 12,000 additional recipients would be provided with training if state funds were available to support county training activities as a supplementation to the Work Incentive program operated by the Department of Human Resources Development.

The cost in terms of your bill to the state General Fund would be \$500,000. This is based upon the assumption that federal funds would pay 75 percent of the cost and the state and counties would share 67-1/2 percent and 32-1/2 percent respectively in the balance. Accordingly, the blank on line 22 on page 2 of your bill should be amended to read five hundred thousand dollars (\$500,000). This appropriation would produce about \$3 million in state-county-federal funds for county welfare departments to use in their own rehabilitation and training programs.

Very truly yours,



John C. Montgomery
Director

JCM:bb

bcc: Director's File
Central Files / #17690

UPPING
STATE OF AMERICA BLDG.
CALIF. 92101
SAN DIEGO 714
92104
CALIF. 95814
SAN FRANCISCO 416

ASSEMBLY COMMITTEES
COMMERCE AND PUBLIC UTILITIES
HEALTH AND WELFARE
LOCAL GOVERNMENT

Assembly California Legislature

TOM HOM
ASSEMBLYMAN, SEVENTY-NINTH DISTRICT
SAN DIEGO COUNTY

NO. 17690 DATE 5-2-69
FOR ACTION TO Gleason
cc Locker
James

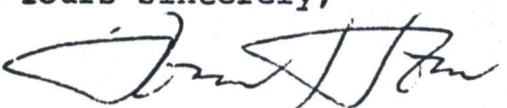
April 30, 1969

Mr. John C. Montgomery, Director
State Department of Social Welfare
2415 First Avenue
Sacramento, California 95818

Dear Mr. Montgomery:

I would greatly appreciate your cooperation in providing me with the cost estimates associated with my Assembly Bill 2298. As you can see from the enclosed bill, the appropriation figures are blank. Your estimates will be of great value in determining the correct amount needed.

As the Legislature appears headed for an early adjournment, I would appreciate receiving this information as soon as possible. Thank you in advance for your cooperation.

Yours sincerely,

TOM HOM

TH:ml

RP

ASSEMBLY BILL

No. 2298

Introduced by Assemblymen Hom, Deddeh, and Brathwaite

April 8, 1969

REFERRED TO COMMITTEE ON HEALTH AND WELFARE

An act to amend Section 11451.5 of the Welfare and Institutions Code, relating to public assistance, making an appropriation therefor and declaring the urgency thereof, to take effect immediately.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11451.5 of the Welfare and Institu-
2 tions Code is amended to read:
3 11451.5. The purpose of this section is to provide the de-
4 partment with the necessary support and authority to imple-
5 ment provisions of the Work Incentive Program as established
6 pursuant to Division 2 (commencing with Section 5000) of
7 the Unemployment Insurance Code or any other rehabilitation
8 or training program operated by a county. The cost of work
9 or training-related expenses shall be paid from special funds
10 appropriated by the Legislature for the purpose. The state
11 shall pay 67½ percent and the county shall pay 32½ percent
12 of the additional aid furnished for such work or training-
13 connected expenses after a deduction therefrom of any funds
14 received from the United States government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2298, as introduced, Hom (H. & W.). Public assistance.

Amends Sec. 11451.5, W. & I.C.

Requires work or training-related expenses of rehabilitation or training program operated by a county to be paid by the state and county. Requires each county welfare department to establish day care services program so that recipients of aid to families with dependent children may participate in such programs operated by the county.

Appropriates an unspecified amount from the General Fund for those purposes.

To take effect immediately, urgency statute.

Vote—¾; Appropriation—Yes; Sen. Fin.—Yes; W. & M.—Yes.

1 The county welfare department in each county of this
2 state shall establish a program of day care services in order to
3 permit mothers of children, qualified for aid under this
4 chapter, to exercise their right to participate in the Work In-
5 centive Program authorized by Division 2 (commencing with
6 Section 5000) of the Unemployment Insurance Code or any
7 other rehabilitation or training program operated by a county.

8 It is the intent of this section to make maximum use of
9 federal funds that are available to provide training or work-
10 related expenses and home care services. Accordingly, each
11 county shall be required to provide or purchase day care serv-
12 ices and to pay for training or work-related expenses under
13 that plan which provides the greatest financial participation
14 by the United States government. No allowance for day care
15 of children shall be included in the grant authorized by
16 Section 11450 of this code.

17 The state shall pay $67\frac{1}{2}$ percent and the county shall pay
18 $32\frac{1}{2}$ percent of the cost of day care services after deducting
19 therefrom the amount of funds received from the United
20 States government.

21 SEC. 2. There is hereby appropriated from the General
22 Fund in the State Treasury the sum of _____ (\$_____)
23 to the State Department of Social Welfare for payments to
24 counties for the state share of the cost of services as required
25 by this act and for the augmentation of the department's
26 support budget to cover additional administrative costs of
27 the department's administration of any other rehabilitation
28 or training program operated by a county.

29 SEC. 3. This act is an urgency statute necessary for the
30 immediate preservation for the public peace, health and
31 safety within the meaning of Article IV of the Constitution
32 and shall go into immediate effect. The facts constituting
33 such necessity are:

34 County welfare departments have recently been mandated
35 to perform social and rehabilitation services and have recently
36 been authorized to conduct education and training programs.
37 In order to implement such services and programs as quickly
38 and efficiently as possible to place the maximum number of
39 welfare recipients in employment, it is necessary that this act
40 go into effect immediately.

ASSEMBLY BILL

No. 2298

Introduced by Assemblymen Hom, Deddeh, and Brathwaite

April 8, 1969

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Appropriates an unspecified amount from the General Fund for those purposes.

To take effect immediately, urgency statute.

Vote—¾; Appropriation—Yes; Sen. Min.—Yes; W. & M.—Yes.

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22 Fund in the State Treasury the sum of _____ (\$_____)
23 to the State Department of Social Welfare for payments to
24 counties for the state share of the cost of services as required
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32 and shall go into immediate effect. The facts constituting
33 such necessity are:

34 County welfare departments have recently been mandated
35 to perform social and rehabilitation services and have recently
36 been authorized to conduct education and training programs.
37 In order to implement such services and programs as quickly
38 and efficiently as possible to place the maximum number of
39 welfare recipients in employment, it is necessary that this act
40 go into effect immediately.

Senate Bill 870
169

December 23, 1969

Honorable Senator George Murphy
United States Senate
Washington, D. C. 20510

Dear Senator Murphy:

This is in reply to your inquiry of December 5, seeking our assistance with Mr. Oscar Hill's letter of November 10, pertaining to Indians and the federal claim award.

As you may know, Public Law 90-507 was intended to reimburse California Indians for lands taken from them. It is expected that this will amount to some \$500 per person - adult and child - registered and entitled to share in the \$29,000,000 claim. I understand that it will take about two years before the funds are actually distributed.

Public Law 90-507 does provide that the funds distributed are not subject to federal income tax. The law does not make any provision for exclusion of these funds from consideration for the purposes of public assistance. In the 1968-69 California Legislature, Senate Bill 870, Chapter 1371, was passed and signed by the Governor. It explicitly excludes the Indian claim award for purposes of public assistance.

Since there appears to be a conflict between Senate Bill 870 and existing federal and state regulations, the SDSW has requested a formal ruling by the Secretary of Health, Education and Welfare. The request was made on October 23, 1969, and we are now waiting his formal ruling. We do not intend to take any action until it is received.

Existing state welfare regulations governing the maximum allowable personal property permit \$1,200 per person in the adult categories and \$600 per family in AFDC. This will create some hardship for Indian families on AFDC. Because the award will be based on each eligible individual claimant, it is conceivable that in an AFDC family consisting of a husband and wife and several children several thousand dollars could be received. We do not expect that the claim award will have any significant effect upon the adult categories of aid, since most Indian adult recipients do not have substantive cash reserves.

file (lost copy) SB 870

December 23, 1969

There has been considerable interest expressed in this matter by numerous individual Indians and their representatives. Again, we expect to formulate our position on this matter following receipt of the decision from the Secretary of Health, Education and Welfare.

Attached for your information is Circular Letter 2353, referred to by Oscar Hill, which I believe is self-explanatory.

Sincerely yours,

Norman D. Clayton, Chief
Family Services Bureau

Attachments - orig.

bcc: Robert Martin
F. C. Locher
Phil Manriquez ✓
E. H. Newman
Mike Suzuki
Norman Clayton
Bert Walters
Director's File - 19362
Central Files
File

BW:NDC:ck

XXXXXXXXXXXXXXXXXXXXXXXXX 744 P Street
XXX 95814

May 26, 1969

Honorable George Moscone
Member of the Senate
Room 3082, State Capitol
Sacramento, California 95814

Dear Senator Moscone:

This is to advise you of the administration's opposition to the enactment of Senate Bill No. 870. In the analysis of this bill, we have taken into account the amendments as proposed for introduction on May 27 in accordance with advice given to us by the Secretary of the Committee.

As amended, this bill would provide that any recipient of Old Age Assistance, Aid to the Disabled or Aid to Needy Families would be permitted to retain income in the following amounts without such income being considered in determining the amount of their need:

- Old Age Assistance and
Aid to the Disabled \$7.50 per month
- Aid to Needy Families \$5.00 per month for
each family member

The enactment of this bill would present several very undesirable consequences:

1. It would provide recipients of aid who have some outside income resources to enjoy a higher standard of living than those recipients who have no such income. It, therefore, would create two classes of recipients -- those with income and those without income.
2. The creation of these two classes of recipients would create a problem upon which a future demand will be based to raise the nonincome recipient to the level of the exempt income recipient to eliminate the inequity of treatment thus created by Senate Bill 870.
3. The first section of the bill is tantamount to an indirect appropriation against State General Funds in the form of a blank check to be executed by the United States Congress. This type of open-end

state law conditioned upon federal enactments would deprive future legislatures and the administration from exercising responsibility at some future date when a different course of action might better serve the general public interest.

A great deal of confusion has been created about the action of Congress and the significance of increases in social security benefits and the impact of such increases upon the public assistance programs in California. Although public assistance is designed solely to meet income deficiencies, many recipients of public assistance who also receive social security benefits have felt that an increase in their income from increased social security benefits should not result in a reduction in their unmet need. Numerous attempts have been made by some members of Congress to require that special increases in social security benefits voted by Congress be ignored in the computation of the unmet need to be covered by a public assistance payment. This argument has never prevailed in Congress. Despite this, there has been a continual argument that Congress intended otherwise. Moreover, the argument that any part of the social security benefit should be exempt denies the fundamental purpose of the Social Security Act. From the passage of the Social Security Act public assistance programs were established as transitory programs to fill in the deficiencies of the social security benefit system until that system matured.

California, unlike most states, has programmed into its Old Age Assistance and Aid to the Disabled programs, provisions which automatically escalate the grant as the cost-of-living index increases. Over a period of time the increases from this automatic cost-of-living escalator have exceeded the increases that have been specifically added to the social security benefits by Congress. It is, therefore, inappropriate, in our judgment, to argue that a recipient of public assistance should receive both the cost-of-living increases provided in our law and special cost-of-living increases in the social security benefits.

In 1965 Congress, in addition to voting a cost-of-living increase for social security beneficiaries, added to the public assistance titles of the Social Security Act a provision that authorized states, if they wished, to exempt up to \$5 a month income. Such exempt income was not restricted to social security benefit income. At the following 1966 Budget Session of the Legislature Governor Brown refused to issue the necessary proclamation to permit the California Legislature to enact legislation exempting the permitted \$5 a month income. To circumvent the Governor the Legislature added a rider to the Budget Act which provided in lieu of the \$5 exempt income provision, a \$4 special need grant increase for each recipient of Old Age Assistance. Under this action each recipient, except those living in nursing homes or hospitals, received a \$4 a month grant increase. This provision made no distinction between income and nonincome cases. This, therefore, generally met the test of equity, but it is important to note that the purpose of the first \$5 of the current maximum of \$7.50 permitted exemption has already been granted in terms of a general overall grant increase.

In 1967 Congress again made a modest increase in the social security benefit program and undertook a new debate about the matter of exemption of this increase from consideration in determining need of public assistance recipients. The House of Representatives refused categorically to include any provision requiring or authorizing exemption of additional income above the \$5 provided by the 1965 congressional action. The issue was then debated by the United States Senate. The Senate Finance Committee added a provision that each state should increase its benefits by an average of \$7.50 per month to be reduced by any cost-of-living increases provided under its public assistance law during the interim. The net effect of this would have been to eliminate the effect of this demand in the State of California because we have cost-of-living provisions. The Conference Committee, in considering the differences between the versions of the two houses, settled on a \$2.50 increase in the permitted exempt income. No increase was made in connection with the needy children.

In summary, we are opposed to the enactment of Senate Bill 870 for the following reasons:

1. It proposes to create a differential in the standard of living between recipients with income and those recipients without.
2. It is an indirect appropriation against State General Funds over which neither the Governor nor the Legislature has any control without further specific legislative action.
3. California's cost-of-living increase provisions provide annual increases to recipients of aid. No showing has been made that any additional increases are justified. Any increase in grant, if justified, should be made on the basis of such a showing.

The following estimate of cost is included for your information.

Increased costs resulting from the \$7.50 per month income exemption in OAS and ATD and the \$5 per month income exemption in AFDC for the full fiscal year 1969-70 (12 months) are given below:

<u>Item</u>	<u>All Programs</u>	<u>OAS</u>	<u>ATD</u>	<u>AFDC</u>
Total.....	\$38,925,300	\$21,953,200	\$7,611,400	\$9,360,700
Federal...	19,103,700	10,910,700	3,639,800	4,553,200
State.....	16,113,800	9,465,000	3,404,200	3,244,600
County....	3,707,800	1,577,500	567,400	1,562,900

In the event you desire to discuss any of the points made in this letter, Verne Gleason, Legislative Coordinator for the Department, will be available upon your call.

Very truly yours,

ORIGINAL SIGNED:
 John C. Montgomery
 Date _____
 Date Sent 5-26
 By W
 Noted By Gleason

John C. Montgomery
 Director

DEPARTMENT OF SOCIAL WELFARE

2415 FIRST AVENUE, P.O. BOX 8074
SACRAMENTO 95818

December 24, 1969

SB 999
169

The Honorable Frank P. Belotti
Member of the Assembly
5156 State Capitol
Sacramento, California 95814

Dear Assemblyman Belotti:

This will acknowledge your letter of December 15, 1969, regarding attendant care policies with particular reference to the problems of Mrs. Muriel Holt. It is true that attendant care payments to close relatives will be discontinued effective July 1, 1970. This comes about not through Senate Bill 847 which you mention in your letter, but under the provisions of Senate Bill 999 which provides for "homemaker services" to take the place of the former attendant care program.

The purpose of this legislation is to provide improved service to recipients by raising the standard of care and eliminating some of the abuses of our former attendant care program. It will be possible under our regulations for the county welfare departments to negotiate under contract attendant care by relatives after July 1, 1970, where it is determined that this would be the most appropriate type of care needed by a recipient.

Mrs. Holt feels that the amount of attendant care being paid her is not enough to support herself. We are very sympathetic with this part of her problem and we are sure that our investigation connected with a pending fair hearing, requested by Mrs. Holt and authorized by her son, will help to focus attention on the validity of Humboldt County's Social Service Department's decision on the amount of attendant care which is being paid her. It is possible to pay an attendant up to \$300.00 per month if a recipient lives under "exceptional social circumstances". The counties providing payments have the power to exercise their administrative and professional judgement on what constitutes "exceptional social circumstances". For the present, we look with optimism toward the possibility of making an adjustment in the amount being paid to Mrs. Holt.

We sincerely hope that this information is sufficient. Please be assured of our continued cooperation and desire to be of service to you.

Sincerely yours,

Leon Lefson, Chief
Field Support Division

bcc: Director's File No. 19438
John Joyce 16-44
P. Manriquez 17-10 ✓

cc: HUM CWD
RF:JA

file

BB 999

November 25, 1969

Honorable Edwin L. Z'berg
State Capitol
Sacramento, California 95814

Dear Assemblyman Z'berg:

This is in reply to your letter requesting information on developments in the Homemaker program since passage of Senate Bill No. 999.

Governor Reagan approved Senate Bill No. 999 on July 31, 1969, and the State Department of Social Welfare regulations implementing the bill were adopted effective November 1, 1969.

Under the regulations, the Department will establish a program of homemaker services in cooperation with the county welfare department in each county of the State. In keeping with the needs of the individual county, homemaker services will be provided through homemakers employed by the county welfare department or through contract with a voluntary nonprofit agency, proprietary agency, other public agency, or with an individual.

As you know, the sum of thirteen million, nine hundred fifty-seven thousand, one hundred dollars (\$13,957,100) may be used by the Department of Social Welfare to cover the cost of the State share of homemaker or attendant care services for which federal grants-in-aid are made to the state. In answer to your question, these funds have been allocated to all counties on the basis of their reported expenditures for attendant care services. There will be no accrual of interest on these funds, since they are not sequestered from the general funds until the monies are expended by the county.

At the present time, the counties are submitting their plans for conversion of attendant care services to a county Homemaker program. The deadlines set by the regulations are: In Aid to the Totally Disabled, all grant allowances for attendant care shall be terminated not later than March 31, 1971, and the county's homemaker service shall be operative not later than April 1, 1971.

In Old Age Security and Aid to the Blind, all grant allowances for attendant care shall be terminated not later than March 31, 1972, and the county's homemaker service shall be operative not later than April 1, 1972.

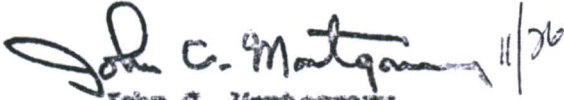
Honorable Edwin L. Z'berg

-2-

November 25, 1969

In planning for the orderly development of the homemaker service on a county-by-county basis, each county is, at present, assessing their present attendant care program and will implement a homemaker service within the limits of the funds appropriated by the Legislature.

Very truly yours,


John C. Montgomery
Director

bcc: F. C. Locher
E. H. Newman
M. Suzuki
P. Manriquez
L. Menard
L. Hood
Director's File
Central Files

LHM:ags
#19206

LEGISLATIVE ADDRESS
STATE CAPITOL
SACRAMENTO 95814
TEL: 445-8368

DISTRICT OFFICE
1501 WEST CAPITOL AVENUE
WEST SACRAMENTO 95691
TEL: 371-8692

Assembly California Legislature

SB 999
COMMITTEES
NATURAL RESOURCES AND
CONSERVATION
PUBLIC EMPLOYMENT AND
RETIREMENT
URBAN AFFAIRS AND HOUSING
JOINT COMMITTEE ON OPEN
SPACE LANDS
MEMBER
CALIFORNIA COMMISSION ON
UNIFORM STATE LAWS

EDWIN L. Z'BERG
MEMBER OF ASSEMBLY, NINTH DISTRICT

NO. 19206 DATE 11-14-69
FOR ACTION TO Measure
re Suzuki
Newman
Marrigue

November 10, 1969

Mr. John C. Montgomery, Director
Department of Social Welfare
2415 First Avenue
Sacramento, California 95818

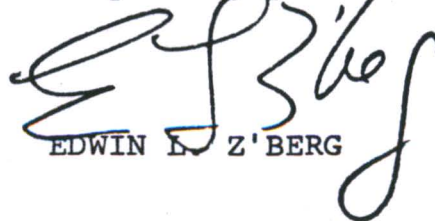
Dear Mr. Montgomery:

I am interested in the follow-up as to what has happened since passage of SB 999 of last year relating to homemaker services. I would like to know whether or not the funds provided for in the bill have as yet been allocated to various county agencies and, if you have the data on that, I would appreciate it very much.

If the funds have not yet been dispersed, has any interest accrued on these monies and what is the plan for dispersment of them. In the event the funds have been transmitted I would very much appreciate a follow-up on what, if anything, you are aware of that the counties have done in setting up arrangements.

Any additional information you can give me as to the program's present or future working would be appreciated very much.

Very truly yours,


EDWIN L. Z'BERG

ELZ/hs

SB 1198
5/11

April 18, 1969

Honorable Howard Way
State Capitol, Room 4062
Sacramento, California 95814

Dear Senator Way:

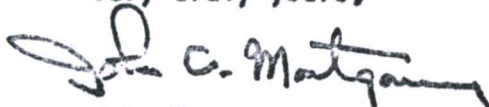
This is in response to your letter of March 17 requesting information as to the changes in county claiming which resulted in the passage of Senate Bill 1198 of the 1968 session.

Some confusion has occurred in connection with the proper interpretation of the passage of this bill. We had conversation with the Federal Government and at one point they indicated that they believed that the provisions of your bill acted to restrict our use of the claiming provisions of Section 1118 of the Social Security Act. We have recently reopened the question with them and they have now advised us that we can continue to claim federal funds for foster care of children in accordance with the provisions of Section 1118 of the Social Security Act and that the passage of your bill, Senate Bill 1198, did not in any way modify it.

Accordingly, we will be advising all counties that they may claim as we had advised them earlier and, in effect, the provisions of your bill will reduce the county share for those children that are federally eligible in the manner that you had anticipated when you introduced it.

I regret that this misunderstanding has resulted in some confusion but I am happy to report that it has now been resolved.

Very truly yours,



John C. Montgomery
Director

JCM:bb

bcc: Verne Gleason
E. E. Silveira
R. C. James
Director's File #17283
Central Files ✓

17854

XXXXXXXXXXXXXXXXXXXXXXXXXXXX 744 P Street
xxx 95814

June 9, 1969

Honorable William M. Ketchum
Member of the Assembly
State Capitol, Room 4144
Sacramento, California 95814

Dear Bill:

This is in reply to your letter of May 22 concerning rumors of a new approach to a uniform welfare system and the impact of any revision in plans upon Assembly Bill 1351.

Dave Roberts of the Assembly Research Office who has been working with us in connection with a number of considerations of the Assembly Interim Committee study was present at a meeting with federal representatives about the general matter of federal funding on a series of projects that they are interested in financing across the country. I presume that the indications given by the federal representatives that they wanted to deal on a broader base than public assistance has given rise to your concern about a change in approach.

My department has pursued this matter of approved welfare information system for a number of years to unify the various information systems of the various counties. We had expected to move ahead on this in 1967 but the Legislature eliminated the budget item. Currently we are being confronted with a much broader interest not only in terms of the availability of more sophisticated electronic data equipment but also around the concerns relating to the medical care program which deals primarily with public assistance recipients. I suppose it is because of this broader interest that the federal representatives see the necessity of expanding the breadth of their project.

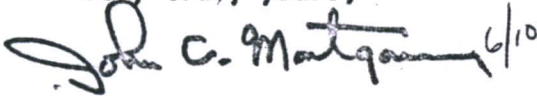
In line with this broader interest and the significance of federal financing it appears we must undertake a review of what we had originally proposed. It has not been our intent to preclude communication with the Legislature. We had assumed that Dave Roberts was assigned to handle this in your behalf. Please be assured of the

Ketchum
M
William

June 9, 1969

wholehearted cooperation of my department in connection with any work on this matter. I certainly agree that we must have total participation and assistance from the Legislature if we are to solve this very difficult communication and information problem.

Very truly yours,



John C. Montgomery
Director

JCM:bb

bcc: Director's File
Central Files ✓

STATE CAPITOL
SACRAMENTO, CALIFORNIA 95814
(915) 445-7795

DISTRICT OFFICES ADDRESS
1601 H STREET, SUITE 150-B
P. O. BOX 2345
BAKERSFIELD, CALIF. 93301
(805) 323-3146

950 MORRO STREET
SAN LUIS OBISPO, CALIF. 93401
(805) 544-3544

COMMITTEES
AGRICULTURE
FINANCE AND INSURANCE
RULES
JOINT FAIRS ALLOCATION
AND CLASSIFICATION

Assembly California Legislature

WILLIAM M. KETCHUM
ASSEMBLYMAN, TWENTY-NINTH DISTRICT
KERN, SAN LUIS OBISPO AND TULARE COUNTIES

NO. 17854 DATE 5-23-69
FOR INFORMATION TO Gleason
10 Silveira
Gleason

May 22, 1969

Mr. John Montgomery, Director
Department of Social Welfare
2415 First Avenue
Sacramento, California 95818

Dear John:

I have heard rumors that your department has developed a "new approach" to a uniform welfare information system. In view of the extensive participation which I have sought from all parties concerned with this issue in the consideration of AB 1351, I would appreciate hearing from you as soon as possible about this new approach. I would not like to think that communications on this matter are entirely one-sided.

Sincerely yours,


WILLIAM M. KETCHUM

WMK:bp

cc: Spencer Williams
Bernard Donnelly

April 28, 1969

Honorable William H. Ketchum
Member of the Assembly
State Capitol, Room 4144
Sacramento, California 95814

Dear Assemblyman Ketchum:

Thank you for your memorandum of April 23, 1969, regarding amendments to AB 1351. We appreciate the opportunity to comment further on this legislation.

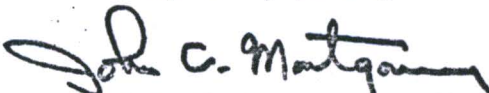
The amendments do not include a modification of Section 11032. We recommend amending Section 11032, beginning at line 38, page 4, to read:

11032. The department shall may let a contract or contracts, as deemed necessary, for assistance in carrying out the provisions of this article. At least one such contract shall be let for assistance in developing the plan to be submitted to the State Electronic Data Processing Policy Committee and to the Intergovernmental Board on Electronic Data Processing.

This change will allow us to use a contract or contracts, as now intended in combination with state staff, but would not raise constitutional issues regarding substitution of state employees.

Otherwise, the amendments proposed appear to accurately reflect the sense of our last meeting. However, I am not at this time able to state the final Administration position on AB 1351.

Very truly yours,



John C. Montgomery
Director

cc: Mr. Bernard Donnelly
Mr. Matthias F. McDonald
Mr. Charles P. Smith
Mr. Harry Harding, Jr.

JCM:bb

bcc: E. E. Silveira
Legislative Coordinator ✓
Harry

DEPARTMENT OF FINANCE
SACRAMENTO



8/11/69

Honorable Alfred E. Alquist
Member of the Senate
State Capitol
Sacramento, California 95814

Dear Senator Alquist:

Subject: SB 52

Although we appreciate your effort to cover our technical problem concerning the omission of Section 15200 of the W & I Code in Item 345 of the Budget Act of 1969, we now see that the amendments of July 30, 1969 have also included the provisions of your SB 781. For this reason we must regretfully oppose your bill, as we did your original SB 781.

Should you wish to discuss this matter, I would be happy to meet with you, or to arrange a meeting between you and Cap Weinberger, Director of Finance.

Sincerely,

/s/ KIRK WEST

Kirk West
Deputy Director of Finance

KW:k

cc: Honorable Frank Lanterman
Verne Gleason, Assistant to the Director
Department of Social Welfare

April 21, 1969

Honorable Richard Dolwig, Chairman
Senate Governmental Efficiency Committee
Room 3056, State Capitol
Sacramento, California 95814

Attention Dave Campbell

Dear Senator Dolwig:

This letter is in response to a request of Mr. Dave Campbell of your committee staff asking for written presentation of the department's position with reference to Senate Bill No. 315 which would transfer the administration of public assistance programs from county to state government.

The department made a verbal presentation to your committee which was an expression of the administration's opposition to Senate Bill No. 315.

In our judgment, this proposal is unsound in principle. Moreover, the fiscal impact upon state government makes it financially impractical as well. Pages 756 and 757 of the Governor's printed budget outlines in detail all expenditures for social welfare programs in the State of California with the exception of county general assistance. When the expenses of general assistance is added to the figures set forth in the budget, the cost of transfer from county to state government would be in the neighborhood of \$350 million annually.

On balance, California offers the most outstanding program of public assistance and welfare services of any state in the nation. This program has been developed by a long standing state-county administrative partnership which has seen a continuous program of progressive concern for people.

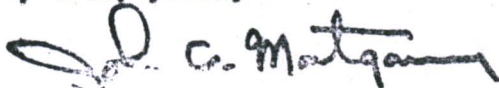
There are those who will argue that county welfare departments have been ineffectual as community social service agencies. There are those who will argue that county welfare departments have been inconsiderate and inconsistent in their treatment and understanding of the poor. We believe that any fair and impartial review of the programs which now operate in California in comparison to programs operated in other states directly by state government would reveal that California, with its state-county partnership, has produced superior results.

April 21, 1969

At the present time, we are looking toward the implementation of the Lanterman-Petris-Short Act which has as one of its main purposes the decentralization of the treatment of the mentally impaired. The full implementation of this act and its consequent effect upon the better treatment of the mentally ill and mentally retarded depends upon vital and effective local government agencies. At the same time that we are programming the development of the Lanterman-Petris-Short Act for the mentally impaired, we have in the conceptual stage the Comprehensive Health Act which will make local government more responsible for public health services.

At the present moment, the public welfare system in California which depends upon 58 county welfare departments and a force of almost 30,000 employees is the only pervasive organization available in the area of socially provided services. The retention and indeed the strengthening of county welfare departments, is in our judgment, an absolute essential to the implementation of both the Lanterman-Petris-Short program and the Comprehensive Health service. We believe that Senate Bill No. 315 is a backward step in public welfare and one which will make effective implementation of these two other programs more difficult.

Very truly yours,



John C. Montgomery
Director

bcc: Director's file
General Files
V. Gleason ✓

VEG:mo

SB 409

April 28, 1969

Honorable Clair W. Burgener
Member of the Senate
State Capitol, Room 5091
Sacramento, California 95814

Dear Senator Burgener:

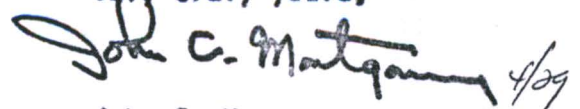
We are pleased to share with you that the department has established the first relinquishment adoption unit under provisions of legislation which was introduced by you through SB 409 in 1968, and that the unit is now in its beginning phase of operation.

Santa Rosa, Sonoma County, was selected as the location of the first unit because of the extent of the need for the service in the county, the interest in the program, and the availability of the necessary supporting services within the county.

The enactment of this legislation makes it possible for the department to provide long needed public adoption services to children for whom adoption is planned, to natural parents, and to those who wish to adopt a child, in counties in which there is no such public service.

Your concern for the children, the natural parents, and for the prospective adoptive parents, which led to your pursuing enactment of the necessary legislation to make a state relinquishment adoption service a reality, is indeed commendable. My personal appreciation to you together with that of the department for your service.

Very truly yours,



John C. Montgomery
Director

VB:bb

bcc:	E. H. Newman	F. C. Locher
	M. Suzuki	V. Boyd
	H. Clauson	Director's File
	K. Kuplan, No. Reg.	Central Files
	A. Ross	

SB1212

XXXXXXXXXXXXXXXXXXXXXXXXX 744 P Street
XXXX 95814

May 26, 1969

Honorable Clair W. Burgener
Member of the Senate
State Capitol, Room 5091
Sacramento, California 95814

Dear Clair:

This relates to Senate Bill No. 1212 which provides that relatives or friends of a mentally retarded person residing in a private institution having six or more patients may qualify for Aid to the Needy Disabled if the friends or relatives contribute the difference between the cost and the maximum amount of aid payable.

We have discussed the administration's objection to this proposition on a number of occasions with you. The effect of the bill is to require the payment of Aid to the Disabled when the relative of a mentally retarded person selects a facility where the cost of care exceeds the maximum amount of aid payable. The net effect is to offer care in such facilities where relatives can afford to contribute and to deny it where relatives do not have the financial ability. This is another example of inequity where persons with income resources are to be provided more favorable treatment than those persons without income. Moreover, the decision as to placement of the mentally retarded individual would be made by the relative and the state would be required to contribute to the cost without authority to make a determination as to whether less costly but appropriate care could otherwise be provided.

We contend that relatives should be required to contribute according to their ability and that all recipients should be equally treated, any relative's contribution should be distributed across the whole caseload so that the full standard of assistance, whatever it is, is available to all recipients in accordance with their needs and not in accordance with the wealth of their families.

We have indicated to you on several occasions that the direct way to achieve the purpose of this bill is by increasing the funds available to the department for the Aid to the Disabled program. This approach would offer care on a basis related to the needs of the disabled person not by chance of the availability of supplemental resources.

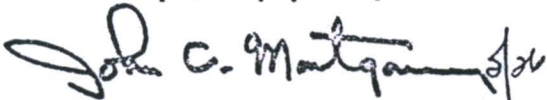
May 26, 1969

I am aware that the diagnostic treatment center program for the mentally retarded, operative in a few locations in this state for a limited number of individuals, provides care in the more expensive treatment facilities. This program is directed solely and exclusively for the mentally retarded and its full development depends upon a larger appropriation of state funds.

The Aid to the Needy Disabled program which we administer is related to all totally and permanently handicapped and is not directed to the mentally retarded per se. We have an obligation to see that all disabled persons are treated as nearly equally as possible. It is improper to select a single kind of disablement for special consideration. This does not mean that special services that are peculiar to the mentally retarded should not be a part of our service program. It means that as we give special attention to the mentally retarded, we have an obligation to also include within our services program special attention to other kinds of disabilities. I am concerned, as I know you are, that we conserve the fiscal resources of the state and at the same time meet the most critical needs of recipients of aid in a balanced and considerate manner.

Please be assured of the department's continued interest in working with you on the resolution of the many public welfare problems.

Very truly yours,



John C. Montgomery
Director

JCM:bb

bcc: Director's File ✓
Central Files

May 14, 1969

Honorable Clair W. Burgener
Member of the Senate
State Capitol, Room 5091
Sacramento, California 95814

Dear Clair:

This refers to Senate Bill No. 1323 which proposes to establish the 'California Intermediate Care Program' to provide payment to providers of recipients of aid to the aged, blind and disabled who reside in "licensed intermediate care facilities."

The purpose of this letter is to advise you that we believe that the present statute as enacted by Assembly Bill 309 (Chapter 1399 Statutes of 1968) contains the legal base for the establishment of an intermediate range of out-of-home care services.

A great deal of confusion has risen about the enactment of Congress and the purpose of the provisions contained in Public Law 90-248 which enabled states to establish a so-called intermediate care program. You will recall that a great deal of concern was being expressed in California and throughout the country by the medical profession that a large number of persons residing in nursing homes were not persons who required care in a medical facility. It was the contention of the American Medical Association and the CNA that the cost of care of such persons was an improper charge against the medical care program and the cost for their care should be borne as a part of the regular public assistance programs. Coincident with this congressional action to remove certain persons from the medical care program and return them to the public assistance program was the action of the Federal Government to require a specific degree of professional nursing care be given before a facility could be certified to care for Medi-Cal patients.

There has been a tendency on the part of the facilities in California that have been disqualified to care for Medi-Cal patients to view the establishment of the intermediate care provisions of the public assistance program as a device whereby they could continue to receive vendor payment in an amount equal to what they had received as payment for Medi-Cal patients. The matter of decertification of facilities caring for Medi-Cal patients and the authorization for intermediate care should be viewed entirely separately. Moreover, it is our contention that an intermediate range of care has always been covered by California public assistance law and the only effect of the addition of the language relating to intermediate care as a part of the public assistance titles of the Social Security Act was to authorize a vendor payment in behalf of the recipient rather than a

May 14, 1969

money payment to the recipient. Under our present law, we make the money payment to the recipients who in turn makes his own arrangement with the operator to pay for his care.

The Legislature in 1968 enacted Assembly Bill 389 which provides the Secretary of Human Relations with the requisite authority to establish a comprehensive plan of in-home and out-of-home care services that will encompass the needs of all of the aged, disabled and blind that require a protective living arrangement or the help of another person if they are to remain in their own home. This act further directs the Secretary to lay out a program for careful development which will avoid some of the problems of the nursing home program where the costs have risen tremendously.

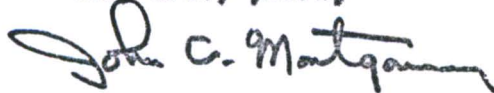
The concern of the Legislature and of the administration in the enactment of AB 389 was the prevention of this costly experience and to provide, through an orderly expansion of facilities and services, a plan whereby patients would be redirected. In other words, a plan must be developed to provide more suitable care for them prior to an improper placement.

The experience with the decertification of nursing homes has been difficult for the patients involved and difficult for the operators who had developed their plan along the income level that was payable prior to decertification. In order to carry this plan out, the Secretary is authorized by AB 389 to establish an interdisciplinary review process that will provide him with the background information in relation to the present out-of-home care cases and the cost implications of alternative means of care.

The circumstances are such that the rapid growth of the aged population in the advanced age group makes this redirection possible in relation to future growth rather than moving patients from nursing homes.

We are working earnestly with Spencer Williams and with the Department of Health Care Services, the Department of Public Health and others to establish a viable plan for the care of all of the aged and disabled who are unable to remain in their own homes. It is our opinion that all of the legal framework necessary to provide for an intermediate range of services as contemplated by Congress with the enactment of enabling legislation for states to establish intermediate care program is now law in California.

Very truly yours,



John C. Montgomery
Director

bcc: Mr. Spencer Williams, Secretary
Human Relations Agency

bbcc: Director's File
Central File

Governor Ronald Reagan
State Capitol

VEG:hri