April 8, 1971

Mr. Robert Rosenberg
Consultant to Assembly on
Committee on Welfare
State Capitol
Room 2188
Sacramento, California 95814

Dear Mr. Rosenberg:

In keeping with our telephone conversation of April 7, 1971, regarding AB 539 and AB 540, I am sending you the following information:

1. An estimate of the cost of AB 539 as developed by our Research and Statistics Division. There would be no increase in administrative cost under this bill.

2. A copy of Circular Letter 2295 which deals with the charge for licensing by county welfare departments. This divides the service charges which can be claimed at 75% from Federal Funding from the "policing" function which is charged to the State.

   All figures are not in from nine counties. The average charge for the "policing" function during the last two quarters of 1970 was $23.91. Since Los Angeles is one of the counties missing, this figure may not be too reliable but it is obvious that the average cost is much below the $65.00 maximum allowed. In 1969, the average cost was $54.11. The change in charging came during that year.

3. A statement regarding the history and use of Section 11-403 of the Welfare and Institutions Code.

4. The number of children in Boarding Home Institutions for whom Federal funds are claimed for maintenance.

I hope this material does supply you with the answers you are seeking. If you have need for further information, please do not hesitate to get in touch with the Department.

Sincerely yours,

Frank M. Howard, Assistant Chief
Adoptions and Foster Care Bureau

Enclosures

FMH:ces

special messenger
5-4-71 @ 2:30 p.m.

May 3, 1971

Honorable Harvey Johnson
State Capitol
Room 4116
Sacramento, California 95814

Dear Assemblyman Johnson:

ASSEMBLY BILL 667

This is to notify you that the State Department of Social Welfare cannot support your Assembly Bill 667. This bill would include a child who lives with relatives in the definition of foster care.

Section 406 of the Social Security Act defines a dependent child as one who is deprived of parental support or care and who lives with relatives. Aid is granted to these children and needy caretaker relatives through the Aid to Families with Dependent Children Program. Adopting the definition proposed in this bill would remove these children from the federally sanctioned Aid to Families with Dependent Children and require that they be cared for solely at state and county expense. In addition to the undesirable fiscal impact, this action could raise a question of conformity with federal law.

In view of California's critical financial situation and rising welfare costs in particular, we cannot endorse this measure.

If you wish to discuss this matter further, please contact Philip Manriquez, Legislative Coordinator, ca 445-8956.

Sincerely,

orig signed by R.B.C.
but cc's mailed w/o stamp

ROBERT B. CARLESON
Director of Social Welfare

cc: Assemblyman William T. Bagley, Chairman
Assembly Welfare Committee
Room 2188
State Capitol

Human Relations Agency

bcc: Ron Zumbrun 17-19
Director's File
Reading File
Legislative File

August 6, 1971

mailed 8-24-71
@ 8:00

Honorable Joe A. Gonsalves
Room 4016
State Capitol
Sacramento, California 95814

Dear Assemblyman Gonsalves:

ASSEMBLY BILL 1215

This is to inform you that this department must disagree with the proposal in Assembly Bill 1215 which requires that certain tax refunds be considered as an inconsequential resource to recipients of public assistance.

The most serious problem we see in this proposal is basically an administrative one. We know from prior experience with the Senior Citizens Property Tax Assistance Law that if the recipient is eligible for a refund, the federal agency requires that he apply. This means, then, that even though the refund to which an individual may be entitled is small, he will have to apply for it, and when it is received it will, in most instances, have to be deducted from his public assistance grant. Although this bill provides that such refunds to renters are to be considered an inconsequential resource, to exclude such refund payments as income at the time received would probably raise a federal conformity issue. The refund payments would duplicate in part allowances which had been included for rent in the recipient's public assistance need determination. In commenting on a tax refund proposal in 1966 where the refund would duplicate in whole or in part allowances which had been included in the recipient's grant, the Department of Health, Education and Welfare (DHEW) indicated that such refunds would have to be considered as income at the time received. Thus, at least to the extent the refund duplicated what the individual had received for rent, it would have to be deducted.

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

ROBERT B. CARLESON
Director of Social Welfare

By: John A. Svahn
Deputy Director, Administration

cc: Human Relations Agency
Committee Chairman

bcc: R. Zumbrun
Director's File
Reading File
Legislative File

April 12, 1971

Honorable Leo J. Ryan
Room 6001, State Capitol
Sacramento, California 95814

Dear Assemblyman Ryan:

This letter is to notify you that the ~~State Department~~ of Social Welfare cannot support your Assembly Bills 539 and 540.

AB 539 would increase the maximum amount of foster care payments for which state financial sharing is available. In view of the state's serious fiscal situation, we cannot support this assumption of increased costs.

AB 540 would require the state to pay the full cost of inspection activities by the county in licensing homes for children and the aged. Again, in view of our fiscal crisis, we cannot support a measure which would potentially increase state costs. Also, we believe it is desirable to retain the statutory maximum on inspection costs because it encourages the counties to maintain adequate control of such costs.

If you wish to discuss either of these bills, please call my Legislative Coordinator, Philip J. Manriquez, at 5-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

cc: Assemblyman William T. Bagley, Chairman
Assembly Welfare Committee

STATE OF CALIFORNIA - HUMAN RELATIONS AGENCY
DEPARTMENT OF SOCIAL WELFARE
744 P STREET
SACRAMENTO 95814

RONALD REAGAN, Governor

AB 1440

May 24, 1971

Honorable Frank Murphy, Jr.
Room 2167, State Capitol
Sacramento, California 95814

Dear Assemblyman Murphy:

ASSEMBLY BILL 1440

This is to advise you that the State Department of Social Welfare must oppose your Assembly Bill 1440 which creates an Office of Services for the Blind in the Human Relations Agency and transfers all functions of the Department of Rehabilitation and the Department of Social Welfare relating to rehabilitation, social services, and public assistance for the blind to the new office. Further, it creates a new seven member (four of whom are blind) Blind Services Appeals Board which has the power to hear and decide all appeals pursuant to a fair hearing appeals procedure.

We object to the transfer of the Aid to the Blind program administration to a separate organizational entity because it fragments the administration of the adult categorical aid programs. The concept is in direct conflict with the simplification of adult aid categories through a system of flat grants. As we attempt to simplify the very complex welfare system, we find proposals such as AB 1440 take us in the opposite direction from the one that should be taken.

Such a change forces additional administrative complexity and cost by requiring that county welfare departments and the Federal Department of Health, Education and Welfare work with an additional state department for the administration of categorical aid and services programs. The separation of fair hearings for the blind from all others works against our efforts to consolidate the administrative procedures and management of fiscal affairs for overall efficiency and economy.

The seven member Blind Services Appeals Board is a basic cost of AB 1440. Costs of per diem and travel for this board will be added costs of State Government. In addition, it can be expected that a board secretary and stenographer would be retained. Estimated total cost related to the board is $36,000 per year.

Implementation of the provisions of this bill would necessitate a duplicate system for advancing federal and state funds to county welfare departments and for county reporting of Aid to the Blind payments. Fiscal aspects of the Aid to the Blind programs are now handled with other assistance categories at a minimal expense. Separate handling of Aid to the Blind payments could cause significant increases in staff working with the Federal Government and counties to develop procedures, prepare claims, audit records, etc.

County administrative costs related to the Aid to the Blind program are identified within the total county administrative costs on the basis of an annual time study. This activity must be centralized (SDSW is still computing county costs chargeable to Medi-Cal).

To some extent, supportive services such as budget analysis, personnel analysis, business services, and accounting can be drawn from the parent agency, but normally a higher level of pay is required in the new agency because of less supervision. Because of the smallness of the Aid to the Blind program, many functions performed on a part-time basis in SDSW will be performed by higher paid full-time staff in the new agency. Costs of clerical support and normal operating expenses, including the cost of separate building space and equipment must be added. We conservatively estimate increased personnel services costs and related expenses to be $103,000 per year.

Certain miscellaneous functions are not transferrable from the State Department of Social Welfare to the proposed agency since they are part of the functions of other adult programs or administrative operations. Examples of such functions are: manuals, procedures, public hearing material, and forms. Estimated total annual cost is $25,000.

In summary, we would expect additional costs of $164,000 (State and Federal) to result from the transfer of SDSW functions to the new agency. Start-up problems and overlapping activities will cause additional expenditures which cannot be quantified but should be considered.

Finally, the bill establishes an advocacy role for the new agency which is inappropriate in government. The structure of a Blind Services Appeals Board to decide all fair hearings for blind applicants and recipients isolated from the procedures for other public assistance applicants and recipients contributes to the establishment of that role.

Representatives of the Department of Social Welfare will be present at the Assembly Ways and Means Committee hearing on Wednesday, May 26, in order to present the Department's position and answer questions.

Sincerely,

ROBERT B. CARLESON
Director of Social Welfare

cc: Mr. James M. Hall, Secretary
Human Relations Agency

Assembly Ways and Means Committee Members

March 9, 1971

file in AB 2087

Honorable William T. Bagley
State Capitol, Room 4016
Sacramento, California 95814

Attention Mr. Robert R. Rosenberg

Dear Assemblyman Bagley:

This is in answer to your questions concerning the ATD grant. Reference is made by number to each of the item given in your letter.

1. The statutory maximum grant for ATD was computed on a statewide average basis for all ATD recipients beginning January 1960. At that time, the legal ceiling was set at $98; this was increased to $100 beginning January 1962. Prior to January 1, 1960, the maximum was placed upon an individual recipient's grant; the maximum ATD grant was $105 for the period October 1958 through December 1959, and $105 from the beginning of the program in October 1957 through September 1958.

   The cost-of-living provision under Section 13071 went into effect with the increase effective December 1966. The ATD statutory maximum grants beginning January 1960 to date, with the reason for change, are given below:

AID TO THE DISABLED

Statutory Maximum Grants

Reason for change	Effective date	Amount of increase	Statutory maximum grant1/
Cost-of-living increase	December 1970	$6.00	$128.00
Cost-of-living increase	December 1969	5.50	122.00
Cost-of-living increase	December 1968	5.00	116.50
Cost-of-living increase	December 1967	3.00	111.50
Cost-of-living increase	December 1966	2.00	108.50
Federal pass-on	January 1966	3.50	106.50
Cost-of-living increase	December 1965	2.00	103.00
Cost-of-living increase	December 1964	1.00	101.00
Legislative change	January 1962	2.00	100.00
Legislative change	January 1960	--	98.00

Note: Chapter 183 of the Statutes of 1968 raised the maximum ATD average grant by $2.25 for fiscal year ending June 30, 1968, and by $4.75 for fiscal year ending June 30, 1969. These increases were granted to meet an immediate emergency, and terminated June 30, 1969. The $2.25 and $4.75 are in addition to the statutory maximums in effect during the given time periods.

1/ Based on statewide average for all ATD recipients for a fiscal year.

2. Three closed-end appropriations will be involved in ATD expenditures during 1970-71 as follows:

   a. Out-of-home care rate costs

   Effective July 1, 1969, Chapter 660 of the Statutes of 1969 (SB 999) removed the cost of out-of-home care rate from the adult aid grants and set it up as a separate appropriation. During 1969-70, this appropriation was not closed-end in the sense that caseload growth would be accommodated, but for 1970-71, a money limit was imposed and out-of-home care rate cost became a closed-end appropriation. During 1969-70, the ATD average grant, including out-of-home care rate costs, was $124.63. When the out-of-home care rate costs were removed per provisions of SB 999, the average ATD grant was $110.84, a difference of $13.79. The ATD statutory maximum is measured against the ATD average grant excluding the out-of-home care rate costs.

   Although rate costs of out-of-home cases are removed from the computation of the ATD average grant for purposes of comparing it with the statutory ceiling, the personal and incidental costs of the out-of-home care cases remain in the grant. During 1969-70, rate costs were $162 for Group I and $187 for Group II cases; personal and incidental allowances were $53 for Group I and $39 for Group II cases. Available outside income of recipients is first applied to rate costs, then to personal and incidental needs in rate instances where income is that large.

   b. Attendant care-homemaker services costs

   Effective July 1, 1969, SB 999 also provided for a separate appropriation for attendant care-homemaker services costs. This appropriation was closed-end from the beginning. Attendant care costs are paid through a recipient's grant, and included in the computation of the ATD statutory maximum.

   c. Housing and utility allowances of ATD recipients residing with parents

   Effective December 1970, Chapters 1424 and 1426, Statutes of 1970 (SB 1325), appropriated a closed-end amount related to responsible relative housing in ATD. This item, too, is involved in the cash grant, and affects the ATD statutory maximum.

3. You are correct in the assumption that the ATD average grant ceiling is maintained on an annual, rather than a monthly basis. However, the law lends itself to two interpretations as to what the statutory maximum would be for a given fiscal year. The legal ceiling can be (1) the legal maximum in effect at the end of the fiscal year; or (2) the weighted legal maximum in effect during a given fiscal year. The difference arises because as of December of each year, under the provisions of Section 13701, a cost-of-living adjustment goes into effect. For instance, for 1969-70, the statutory maximum was $116.50 for the period July-November 1969, and $122 for the period December 1969-June 1970. If the

legal maximum is that as of the end of fiscal year 1969-70, the statutory ceiling for ATD would have been $122. However, if the weighted maximum were to prevail, the 1969-70 maximum would have been $119.83. In terms of total dollars, the difference in the two statutory maximums would have involved $4.5 million for 1969-70.

4. The components of the computed average ATD grant which falls within the requirements of the statutory maximum include all cash grant payments other than out-of-home rate costs (less available outside income). As previously mentioned, the personal and incidental costs of the out-of-home care cases are still included in the computation of the ATD statutory maximum.

5. The statutory maximum ATD average grant in 1969-70 was $119.83 if weighted by the legal ceiling in effect during the fiscal year, and $122 if defined in terms of the statutory maximum in effect at the end of the fiscal year. The actual average grant paid, excluding out-of-home care rate costs, was $110.84.

6. The statutory maximum for 1970-71 is $122 for the period July-November 1970 and $123 for the period December 1970-June 1971. The estimated ATD average grant for 1970-71 is $115.19.

7. If the actual average ATD grant exceeds the statutory maximum, Section 13700 of the Welfare and Institutions Code provides that "... the department shall take immediate steps to reduce or curtail payments for attendant services or other special services arising from their disability to the end that the monthly average per recipient for the full fiscal year does not exceed one hundred dollars ($100)."

I hope this information will be of assistance to you.

Sincerely,

ROBERT B. CARLESSON
Director of Social Welfare

JG/kt:ek

cc: Director's files (22381)
Central Files
R&S Files
P. Manriquez
J. Gee
R. Fugina
R. Bishop
H. Scott
W. Price
A. Moss

May 24, 1971

Assemb. Meade

Honorable Ken Meade
Room 4134
State Capitol
Sacramento, California 95814

Dear Assemblyman Meade:

AB 2093

This is to advise you that the State Department of Social Welfare cannot support your Assembly Bill 2093. This bill shortens the time within which the personal interview with an applicant for public assistance must be conducted from seven days to three days.

Indications are that to meet this new deadline, the counties would be forced to hire additional staff. This could greatly increase county costs while providing only marginal, if any, benefits to recipients. In view of the scarce resources available for public assistance, we cannot advocate a measure which:

1. Mandates an unreasonable, unnecessary deadline on the counties;

2. Increases complexity of an already unbelievably complicated system;

3. Increases costs of public assistance without increasing benefits to recipients or government.

If you wish to discuss this bill and our objections to it, please contact Philip J. Enriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

cc: Committee Chairman
Human Relations Agency

bcc: Ron Zumbrun 17-19
Director's File
Reading File
Legislative File

May 24, 1971

hand carried
5-25-71 @ 8:30

Honorable David A. Roberti
Room 4164
State Capitol
Sacramento, California 95814

Dear Assemblyman Roberti:

ASSEMBLY BILL 2193

This is to advise you that the State Department of Social Welfare cannot support your Assembly Bill 2193. This bill would abolish the County General Relief Program and establish a similar Aid to Indigents Program funded by the state.

We are opposed to this type of "welfare reform" because it:

1. Does not really reform the inequities existing in public assistance, but merely transfers responsibility;

2. Shifts costs to the state without consideration of tax reform, and;

3. Transfers to the state a program which has been traditionally and appropriately administered at the local level.

As you may know, the administration's welfare reform bills, Senate Bills 544, 545, and 546 provide for increased state sharing in public assistance. However, the bills also provide for closing existing loopholes to reduce total welfare expenditures. Without these corresponding cost reductions, we cannot support legislation which does not reform the system, but simply shifts costs from the counties to the state.

If you wish to discuss Assembly Bill 2193 and our objections to it further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson
ROBERT B. CARLESON
Director of Social Welfare

APPROVED BY RC
DATE 5/24/71

cc: Committee Chairman
Human Relations Agency

bcc: Director's File
Reading File
Legislative File ✓

bcc: R. Zumbrun

JUL 2 8 1971

Honorable Mike Cullen
State Assembly
State Capitol
Sacramento, California 95814

Dear Mr. Cullen:

I am writing this letter in order to inform you of the position of the Department of Health Care Services with respect to AB 2347, amended July 20, 1971. Based on the review by this Department, we are still in opposition to the bill as amended.

In addition to our prior opposition, which was based on (1) a possible $10.5 million increase in General Fund appropriations due to loss of Federal matching funds, (2) the adverse effect proposed restrictions would have on availability of beds for intermediate care patients and the transfer of patients to those beds, and (3) the severe conflicts of responsibility created between the Human Relations Agency, the Department of Health Care Services, and the Department of Social Welfare, new opposition must be noted to the most recent amendments which effectively eliminate intermediate care as defined by Federal Regulations and create in its place another nursing home care program. The Human Relations Agency would then be out of compliance with Federal Regulations by not having implemented an Intermediate Care Program, as defined by Federal Regulations.

Should you have any questions concerning our position on this bill, I will be happy to discuss them with you.

Sincerely,

Original Signed By
Morris M. RUBIN, M.D. for:
EARL W. BRIAN, M.D.
Director

bcc: Human Relations Agency
Attention: Clyde Walthall
Legislative Coordinator

JJH:myh

...NTMENT ...ALTH CARE SERVICES		AUTHOR Assemblyman Cullen	BILL NUMBER AB 2347
...CORDED BY		RELATED BILLS	DATE LAST AMENDED

...L SUMMARY

Attempts to incorporate intermediate care as a DHCS program and eliminates certification of facilities for intermediate care, except in facilities licensed by the Department of Social Welfare, and requires the approval of voluntary local health planning agencies prior to licensure or SDSW licensed facility certification.

...LL ANALYSIS

In assigning certain responsibilities to the Department of Health Care Services, it fails to remove from the existing statutes those responsibilities as assigned to the Human Relations Agency in Sections 13921 and 13922 of the Welfare and Institutions Code and is in conflict with Section 14000 (c) of the Welfare and Institutions Code.

Section 1 purports to "... more closely fit the Medical and Social care delivered to meet specific needs of the recipient." (In conflict with Section 13921 of the Welfare and Institutions Code) This section further purports to secure maximum federal participation when, in fact, there is some question as to whether federal and county participation can be obtained.

Section 3 forces the obtaining of approval of voluntary local health planning agencies before licensure or certification as an intermediate care facility. (Taken directly our of AB 2345). The area voluntary health planning agencies' inaction on intermediate care license requests by the private sector (for which the private sector is charged $350 to $2000 for services) have yielded more program problems than solutions. Providers are deterred from entering the program because of fees which are not refundable if the request is denied: This Section would deny existing SDPH licensed facilities the opportunity to being certified to provide intermediate care. Removing these from the IC program could result in diminished cost savings to the State General Fund.

Section 4, Section 5, and Section 9 combine to allow certification of intermediate care in Institutions and Boarding Homes for Aged Persons licensed by the Department of Social Welfare. It makes such licensed facilities subject to the provisions of Section 1402.1 of the Health and Safety Code. The effect is then to allow certification in a facility licensed to provide a lower level of service than intermediate care but then denies a facility licensed at a level of care higher then intermediate to obtain certification. Such a policy appears inconsistent with good delivery practices in the health care field.

(Analysis continued on following page)

FISCAL

It is assumed that the program and administrative cost for the Intermediate Care Program would be almost identical regardless of whether the Department of Social Welfare or Department of Health Care Services is responsible for the program. However, it is very questionable that there would be any Federal sharing if the program is under the control and direction of the Department of Health Care Services. It is estimated that the Intermediate Care Program will cost $18 million in 1971-72. Assembly Bill 2347, as it now reads, places the Federal and county sharing on this program in jeopardy and, thus,

(Fiscal continued on page 2)

POSITION

OPPOSE

Governor's office use

Position noted

Position approved

Position disapproved

DEPARTMENT DIRECTOR	DATE	AGENCY SECRETARY	DATE
...Signed by	8/28/71		

Analysis Continued

Section 5 also attempts to define an intermediate care facility resident. In so doing it is more restrictive than Federal Regulations, Title 45 CFR Section 234.130 which requires a physician's determination of level of care. Section 5 does not make any allowance for medical-social review of the patient as required in Section 234.130 of Federal Regulations and Section 13921 of the Welfare and Institutions Code.

Section 6 incorporates Intermediate Care Facility Services as a "Health care and related remedial or preventive service" in Section 14053 of the Welfare and Institutions Code. This is clearly an out-of-home non-medical facility under existing statutes 13900 et. seq. of the Welfare and Institutions Code.

Section 7 attempts to put the establishment of rules and regulations to qualify for federal financial participation for IC under the Director of Health Care Services. In conflict with Section 13921 of the Welfare and Institutions Code and Federal Regulations Section 234.130.

Section 8 talks about rate setting for IC and makes the Director responsible for IC rate setting. The effect would be a parallel on existing rates developed by the Agency per Section 13922 of the Welfare and Institutions Code.

Section 10 terminates certification of SDPH licensed facilities but is silent regarding certification of SDMH facilities. This could delay the further expansion of the intermediate care program.

Section 11 would require that when establishing rate schedules, the Director use the procedures governing the determination of reasonable costs for skilled nursing home services as defined in AB 2346, the Department is in opposition to AB 2346.

The net effect of the bill would be to confuse the issue of intermediate care and virtually eliminate the program as an on-going entity. The bill includes all of AB 2345 (Department opposed), without eliminating any of the conflicting Welfare and Institutions Code.

Fiscal Continued

represents a possible $10.5 million increase in General Fund appropriations. Requiring all intermediate care beds to be licensed as intermediate care beds will restrict the growth of this program. It is estimated that this restriction would create a loss of anticipated savings of $600,000 in 1971-72.

'71
AB2554

November 15, 1971

Honorable Jerry Lewis
Member of the Assembly
State Capitol, Room 2184
Sacramento, California 95814

Dear Jerry:

This is in response to your letter dated November 3, 1971, and subsequent communications received through your assistant, Scott Johnson, concerning amendments to AB 2554.

The language submitted to Legislative Counsel and quoted in your letter leaves unresolved the main objection I expressed to you during our meeting in your office. That is, in our opinion, AB 2554 may require that the child care services defined in Section 10811 of the Welfare and Institutions Code be administered under the contractual arrangement between this department and the Department of Education.

As you know I fully support the concept of day care services as a means of enriching the lives of children, as well as a means of meeting particular needs of their parents. I also agree with you that better coordination of the programs involved will make day care a more effective service. However, I must reiterate that child care services defined in Welfare and Institutions Code Section 10811 is mandated on counties only for those children whose parents have a specific need. That is, child care must be provided for children whose former, current, or potential recipient parents certify that such service is essential to their seeking, obtaining, or retaining employment or training. Counties must be guaranteed sufficient flexibility to determine how, as individual counties, the service can best be provided. Some undoubtedly will be able to provide the mandated service within the Social Welfare/Education contract; others may want to use different alternatives.

Current language in the bill charges the Department of Social Welfare to maximize federal reimbursement for children's centers. It is our contention that in order to carry out this intent, this department can be required to mandate, by regulation, that all counties provide the services to all current, former, and potential recipients. You indicated that this was not your intention. Moreover, the language submitted to Legislative Counsel does not prohibit the mandate but merely indicates that the mandate be accomplished in a manner that does not increase county costs. What remains is that the department can be forced into mandating the service and the state forced into providing the necessary matching funds. This not only puts the state in a highly vulnerable position but it conflicts with the intent expressed in the Welfare Reform Act which mandated a specific increase in county costs for child care services.

My letter to you dated November 4, 1971, suggested amendments to solve these problems. The amendments would have: (1) made it permissible, rather than mandatory, that the services defined in Welfare and Institutions Code Section 10811 be administered under the Social Welfare/Education contract, and, (2) clarified that "to maximize federal reimbursement" means the responsibility to obtain as many federal dollars as possible for the amount of state dollars California agrees to appropriate. I would ask you to reconsider these amendments. Without them, I feel it my responsibility to recommend against AB 2554.

Sincerely,

ROBERT B. CARLESON
Director of Social Welfare

AB 2755

May 18, 1971

Special messenger
2:45 5-18-71

Honorable William T. Bagley
Room 2188
State Capitol
Sacramento, California 95814

Dear Assemblyman Bagley:

ASSEMBLY BILL 2755

This is to inform you that we do not agree with the proposal contained in your Assembly Bill 2755, relating to public hearings on proposed regulation changes.

The requirement for the Director or a deputy director to preside over all such hearings in effect merely restricts the Director's discretion to conduct hearings as he deems necessary and appropriate. No other purpose is served because all testimony given prior to rejecting or adopting regulations is currently reviewed by the department's executive staff.

Furthermore, we do not think it desirable to require the minimum of ten days between adoption and effective date of emergency regulations. As you know, there are occasions when regulations must be effected immediately in response to court orders or emergency legislation.

If you wish to discuss the matter further please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

cc: Committee Chairman
Human Relations Agency

bcc: R. Zumbrun
Director's File
Reading File
Legislative File ✓

AB 2989

July 20, 1971

Hand delivered
7-20- @ 4:30

Honorable Leo T. McCarthy
Room 4121
State Capitol
Sacramento, California 95814

Dear Assemblyman McCarthy:

ASSEMBLY BILL 2989

This is to inform you that the Department of Social Welfare does not agree with the provisions of Assembly Bill 2989 which concerns aliens receiving public assistance.

Under existing standards applicants for public assistance must, in addition to other qualifying criteria, be residents of the state. Persons not legally entitled to remain in the United States indefinitely do not meet the residency test and thus are ineligible to receive aid. Under the provisions of Assembly Bill 2989, public assistance would be granted to these individuals as long as they are willing to certify that they are able to remain in the country indefinitely or that they are not subject to deportation. Thus, the bill circumvents the residency test and makes benefits available to a segment not currently eligible. Furthermore, the bill does not provide a penalty for falsifying the required certification nor does it authorize the discontinuance of benefits if the certification cannot be verified.

If you have further questions, please contact Philip J. Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original signed by
Philip J. Manriquez

for ROBERT B. CARLESON
Director of Social Welfare

bcc: R. Zumbrun
Director's File
Reading File
Legislative File ✓

cc: Human Relations Agency
Committee Chairman

AJR 15

mailed 4-13-71
@ 9:05

April 12, 1971

Honorable Robert Moretti
Room 3164, State Capitol
Sacramento, California 95814

Dear Assemblyman Moretti:

Your Assembly Joint Resolution No. 15, relating to total assumption of the welfare programs by the federal government, is of concern to the Department of Social Welfare.

We understand that such assumption would relieve the current extreme pressure on the state General Fund and could provide some relief to the property taxpayer. We believe, however, that the impact of a federal takeover on the effectiveness of the welfare programs and the total impact on the taxpayer should also be considered.

We do not believe that shifting responsibility to the federal government will improve the situation of either the welfare recipient or of the taxpayer. In fact, the great rise in welfare costs and the increasing awareness of the ineffectiveness of many welfare programs has occurred during a period of increasing federal control. For these reasons we believe that we must assume greater responsibility and initiative ourselves, and we cannot favor your resolution.

We would be happy to discuss this most important matter with you at any time at your convenience.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

JCE:mrt

bcc: Committee Chairman
Human Relations Agency
A. Zaentz
Leg file

LB 71

March 17, 1969

Honorable Tom Carrell
Member of the Senate
Room 4086, State Capitol
Sacramento, California 95814

Dear Senator:

This is to advise you that the Administration is opposed to the enactment of Senate Bill 71. 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 71.

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 71 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:

Item	All Programs	OAS	ATD	AFDC
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,

John C. Montgomery
Director

bcc: Mr. Robert Walters

bbcc: Director's File
Central Files ✓

VG:sh

ORIGINAL SIGNED:
John C. Montgomery
Date 3/14 - Date Sent
Noted By Locher
By

SB 159

March 8, 1972

Honorable Clark L. Bradley
State Capitol
Room 5095
Sacramento, California 95814

all copies mailed 3-5-71 @ 4:10 p.m.

Dear Senator Bradley:

SENATE BILL 159

This is to notify you that the Department of Social Welfare is opposed to Senate Bill 159, as presently worded, which limits eligibility for Aid to Families with Dependent Children to one year and reduces grants after the first six months.

The department agrees that eligibility for Aid to Families with Dependent Children should be modified to disqualify those persons not truly in need. Although Senate Bill 159 restricts eligibility, the bill does not change those aspects of the law, such as income exemptions, which allow granting of aid to nonneedy persons.

Federal law does not require a certain level of aid payment; however, it does require that aid payments be granted on the basis of need. Limiting payments on the assumption that need will diminish after a six month period will, in our opinion, raise the question of federal conformity.

Sincerely,

PHILIP J. MANRIQUEZ
Assistant to the Director

bcc: R. Carleson
R. Zumbrun
Committee Chairman
Human Relations Agency (2)
Legislative File

ROUGH DRAFT
3-3-71

do in final

Honorable Clark L. Bradley
State Capitol
Room 5095
Sacramento, California 95814

Dear Senator Bradley:

SENATE BILL 159

This is to notify you that the Department of Social Welfare is opposed to Senate Bill 159, as presently worded which limits eligibility for Aid to Families with Dependent Children to one year and reduces grants after the first six months.

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Sincerely,

PHILIP J. MANRIQUEZ
Assistant to the Director

bcc Committee Chairman
Human Relations Agency (2)
Legislative File
Carlson
Zenovich

as changed
APPROVED BY RAJ
DATE 3/5/71

March 17, 1970

Honorable George E. Danielson
California State Senate
State Capitol, Room 4062
Sacramento, California 95814

Dear Senator Danielson:

SENATE BILL 260

This is to inform you of this department's opposition to Senate Bill 260 relative to exempting increases in social security benefits in determining the amount of public assistance received by persons under Old Age Security.

The department is opposed for the following reasons:

1. State legislation is unnecessary to exempt OASDI income increase, as specified by recent federal law changes increasing OASDI in determining the amount of aid received under our public assistance programs.

2. The amount of OASDI increase mandated as exempt income by federal law for January and February varies for each case and therefore an amount, as "the same amount," cannot be applied for increases to non-social security recipients of Old Age Security.

3. The amount of increase mandated by federal law to be exempt for March, April, and May (received by recipients in April, May, and June) is $4. In order to maintain conformity with federal law, the standard of need will have to be raised by this amount and must apply to all recipients of Old Age Security whether they receive social security or not. Although we could, effective April 1, increase need across the board and forego the application of exempt OASDI income of $4 for those cases, this approach is not appropriate in view of the action taken by Congress. Congress, in enacting the exempt income provisions relative to the increased OASDI benefit specifically refused to extend this exemption beyond the June payment because of their declared intent to consider this whole matter in relation to the hearings and decisions relative to President Nixon's Welfare Reform Proposal (HR 14173).

If you desire to discuss this matter in greater detail, Mr. Philip J. Manriquez, Legislative Coordinator for the department, will be available upon your request.

Very truly yours,

Robert Martin
Director

PJM/kmm

SB 739

June 22, 1971

special messenger 6-22 @ 3:30 p.m.

Honorable George R. Moscone
Room 3082
State Capitol
Sacramento, California 95814

Dear Senator Moscone:

SENATE BILL 739

This is to advise you that the Department of Social Welfare must adopt an adverse position toward Senate Bill 739. The disagreeable aspect of the bill is the provision to increase the personal needs grant for persons without income who receive care in long term medical care facilities.

The proposal in effect creates two standards for personal and incidental needs, one to be provided fully by the state and the other to be shared between the state and recipient. The latter case, in our opinion, would create a federal conformity issue because recipients would be required to pay $7.50 of their need with money that, according to existing laws, must be disregarded for purposes of determining public assistance payments.

Of course, we also object to the bill because it would increase General Fund expenditures for public assistance. This aspect is particularly offensive at this time because of the state's fiscal problems.

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

bcc: R. Zumbrun 17-19
Director's File
Reading File
Legislative File ✓

cc: Human Relations Agency
Committee Chairman

JB1082

July 6, 1971

mailed - special messenger 7-6 @ 4:30

Honorable Milton Marks
Room 2070
State Capitol
Sacramento, California 95814

Dear Senator Marks:

SENATE BILL 1082

This is to inform you that the Department of Social Welfare does not agree with the provision of Senate Bill 1082. The bill specifies that to the extent permitted by federal law social security increases are not to be considered income available to recipients of public assistance.

Under separate cover we have informed your administrative assistant, Jim Hecht, why California cannot arbitrarily elect to disregard social security benefits as income for purposes of public assistance. The letter explains the extent to which federal law permits the practice and also indicates that California has exercised all of the federally permissive options for the aged, blind or disabled. Thus, SB 1082 would effect only those beneficiaries of "survivors and disability benefits" who also receive aid under the Aid to Families with Dependent Children.

As you may know, the grant payment structure for the Aid to Families with Dependent Children category, as it exists today, coupled with the federal requirements to disregard income and work related expenses results in serious inequities between those with income and those without resources. Additional exemptions would merely enlarge these inequities. Finally, the maximum grants of recipients under this category were increased by 21.4 percent effective June 1, 1971. Thus, increasing the total benefits available to a segment of this category is unnecessary as well as undesirable at this time.

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

ROBERT B. CARLESON
Director of Social Welfare

cc: Human Relations Agency
Committee Chairman

bcc: R. Zumbrun
Director's File
Reading File
Legislative File ✓

SB1157

July 12, 1971

Honorable Mervyn M. Dymally
Room 2054
State Capitol
Sacramento, California 95814

mailed 7-20-71
9:30 p.m.
special messenger

Dear Senator Dymally:

SENATE BILL 1157

This is to advise you that the State Department of Social Welfare cannot support the provisions of your Senate Bill 1157. This bill would increase the property reserve limitations in the Aid to Families with Dependent Children program and would reduce a stepfather's liability for support of his stepchildren. A third major provision of the bill would greatly increase the amount of Aid to Families with Dependent Children grants.

While there are clearly inequities in the Aid to Families with Dependent Children program, we cannot agree that expanding the program to make more people eligible, and then simply granting all recipients increased benefits, is the desirable solution. As you may know, the administration's welfare reform program would overcome some of the inequities in the Aid to Families with Dependent Children program and would provide for equitable apportionment to ensure proper distribution of available funds to the truly needy.

In view of the need for reform, not liberalization, of the Aid to Families with Dependent Children program, and because of California's serious fiscal situation, we must oppose Senate Bill 1157.

APPROVED BY [signature]

DATE 7/13/71

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

cc: Anthony C. Beilenson,
Committee Chairman

Human Relations Agency

bcc: R. Zumbrun 17-19
Director's File
Reading File
Legislative File

SB1337

June 29, 1971

special messenger
3:00 p.m. 6-29-71
P.A.

Honorable James Q. Wedworth
Room 4090
State Capitol
Sacramento, California 95814

Dear Senator Wedworth:

SENATE BILL 1337

This is to inform you that the Department of Social Welfare is unable to support Senate Bill 1337 which requires the licensing of certain out-of-home care facilities.

It is agreed that facilities providing board and some element of care for persons between the ages of 16 through 64 should be regulated on a statewide basis. The main argument against undertaking this responsibility is that it would cost several hundred thousand dollars.

As you may know, the legislature is currently considering two other bills which relate to the subject covered by your bill. Assembly Bill 344 (Brathwaite) requires licensing and provides for the added costs to be reimbursed through a license fee system. Assembly Bill 2227 (Duffy) requires the State Fire Marshall to establish and enforce statewide minimum fire safety standards applicable to these facilities. Either of these alternatives, to varying degrees, achieves the objective of your bill in a less costly manner.

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed by: Ronald A. Zumbrun
for
ROBERT B. CARLESON
Director of Social Welfare

6-29-71

bcc: R. Zumbrun
Director's File
Reading File
Legislative File ✓

cc: Human Relations Agency
Committee Chairman

SB1442

June 22, 1971

reg mail
6-24-71 @ 4:00 p.m.

Honorable Nicholas C. Petris
Room 3082
State Capitol
Sacramento, California 95814

Dear Senator Petris:

SENATE BILL 1442

This is to advise you that this department cannot support Senate Bill 1442. The bill requires the development of cooperative demonstration projects involving the Departments of Education and Social Welfare.

We agree that the possibility of involving the education system in efforts to combat the problems of poverty and welfare should be explored. However, one cannot ignore the fiscal implications of such an endeavor. This is particularly important during this session as the Legislature strives to resolve the fiscal dilemma confronting California. We are cognizant of the dilemma and our primary objective is to institute reforms which would allow us to control the rapidly increasing costs of welfare. Existing funds could then be redirected to better meet the needs of persons who are totally without resources. In view of our primary objective, we feel obligated to withhold support of any measure that increases General Fund expenditures.

If you wish to discuss the matter further, please contact Philip Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson 6-24

ROBERT B. CARLESON
Director of Social Welfare

BCC: R. Zumbrun 17-19
Director's File
Reading File
Legislative File ✓

cc: Human Relations Agency
Committee Chairman

SB 1509

September 9, 1971

mailed
9-15-71
B 3:45

The Honorable George R. Moscone
Room 3082
State Capitol
Sacramento, California 95814

Dear Senator Moscone:

SENATE BILL 1509

You may recall that the State Department of Social Welfare opposed SB 1509 before the Senate Health and Welfare Committee on July 28, 1971. We have analyzed the amendments to the bill and find no basis for changing our position.

We wish to reiterate that, in our opinion, suggesting the changes contained in your bill is premature. As you know, Congress is still holding hearings on welfare reform as contained in HR-1 and it is reasonable to expect that the existing version will be modified. Thus, it cannot be held that the selections made in SB 1509 of alternatives provided in the present version of HR-1 are in the best interest of the citizens of California.

Moreover, there is a strong possibility that the effective date of federal welfare reform will be delayed one year beyond that originally expected. Thus, the urgency you attribute to the timing of SB 1509 does not exist.

If you wish to discuss the matter further, please contact Philip J. Manriquez, Legislative Coordinator, at 445-8956.

Sincerely,

Original Signed By Robert B. Carleson

ROBERT B. CARLESON
Director of Social Welfare

cc: Human Relations Agency
Committee Chairman

bcc: R. Zumbrun
Director's File
Reading File
Legislative File ✓