Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Reagan, Ronald: Gubernatorial Papers, 1966-74: Press Unit

Folder Title: [Welfare] – Management Study – Alameda County Welfare Department, 11/11/1971 (1 of 4)

Box: P39

Management Study

Alameda County Welfare Department

A Contract Consulting Service of:

California Taxpayers' Association

718 Eleventh and L Building
Sacramento, California 95814

ALAMEDA COUNTY WELFARE

TASK FORCE

MANAGEMENT STUDY

ALAMEDA COUNTY WELFARE DEPARTMENT

OAKLAND, CALIFORNIA

FOR

BOARD OF SUPERVISORS
COUNTY OF ALAMEDA

Honorable Robert E. Hannon
Supervisor, District 2
Chairman

Honorable John D. Murphy
Supervisor, District 1

Honorable Fred F. Cooper
Supervisor, District 3

Honorable Joesph P. Bort
Supervisor, District 4

Honorable Emanuel P. Razeto
Supervisor, District 5

Mr. Earl R. Strathman
County Administrator

ALAMEDA COUNTY WELFARE TASK FORCE STUDY COMMITTEE

Mr. Leon K. Rimov, Albany - Chairman

Member	Representing
Rev. T. J. Alam	City of Fremont
Mrs. Arnold V. Baranco	City of Oakland
Mrs. Beatrice Bedoya	At Large
Mr. Edward J. Collins	Labor
Mr. Enrico Del'Osso	Welfare Commission
Mr. John P. Engstrom	City of Emeryville
Mrs. Burrell H. Grigsby	City of Newark
Mr. Richard S. Haas	City of Berkeley
Mr. Charles M. Heath	Council of Social Planning
Mrs. Charles Henderson	State Legislative Delegation
Mr. George H. Horton	City of Oakland
Mr. Charles C. Kehrlein	Metropolitan Oakland Conference
Mr. Laurence D. Kelly	City of Piedmont
Mr. Burton W. Lewis	At Large
Mr. Robert J. Minton	City of Alameda
Mr. Tom Neveau	City of Hayward
Mr. George Oren	City of San Leandro
Mrs. Frances Rousseau	City of Union City
Mr. Joseph E. Schwab	City of Pleasanton
Mrs. Carl Schweickert	City of Livermore

TASK FORCE STAFF

Arlen K. Bean
Richard P. Simpson
California Taxpayers' Association

TASK FORCE SUBCOMMITTEES

Administration Subcommittee

Mr. John P. Engstrom, Mr. Charles C. Kehrlein, Mr. Burton W. Lewis, Mr. Tom Neveau, Mr. George Oren.
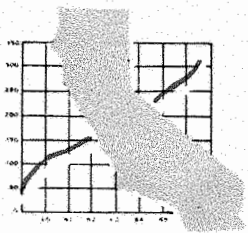
Eligibility Subcommittee

Rev. T. J. Alam, Mr. Enrico Del'Osso, Mrs. Burrell H. Grigsby, Mr. Laurence D. Kelly, Mrs. Frances Rousseau.

Program Subcommittee

Mr. Edward J. Collins, Mr. Richard S. Haas, Mr. Charles M. Heath, Mr. George H. Horton, Mr. Leon K. Rimov.

Social Services Subcommittee

Mrs. Arnold V. Baranco, Mrs. Beatrice Bedoya, Mrs. Charles Henderson, Mr. Robert J. Minton, Mrs. Carl Schweickert, Mr. Joseph E. Schwab.

August 31, 1971

Alameda County Welfare Task Force
Oakland, California

Attention: Leon K. Rimov, Chairman

> Subject: Management Study,
> Alameda County Welfare
> Department

Ladies and Gentlemen:

In accordance with a resolution of the Alameda County Board of Supervisors
dated October 27, 1970, and a subsequent agreement between the county and
California Taxpayers' Association dated December 8, 1970, submitted herewith
is a report of findings and recommendations relative to management practices
and other matters in the Alameda County Welfare Department.

As directed and reviewed by you in your several months of study, the report
which follows is in response to the charges to the Task Force by the Board of
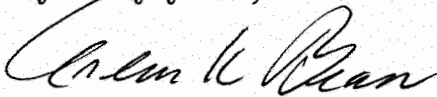Supervisors in their October 27 resolution.

It has been a pleasure to serve the Task Force. The people of Alameda County
owe you a debt of gratitude for the many long hours you devoted to review of
these problems. You have been an active, interested study group, reflecting
a wide spectrum of political and social viewpoints, but with one common con-
cern: the quality of management in the Alameda County Welfare Department.

We would also like to report to the Task Force and the Board of Supervisors
that we, as study staff, enjoyed a spirit of cooperation from Alameda County
Welfare Department staff at all levels that is without parallel in our ex-
perience with studies such as this. While conclusions or judgments in this
report are the exclusive responsibility of the Task Force and staff, it should
be obvious that an effort of this magnitude could not have been accomplished
without substantial assistance from within the Department. The Board of Super-
visors should also know that the staff of the County Administrator, County
Auditor, District Attorney, and Probation Department were also quite helpful
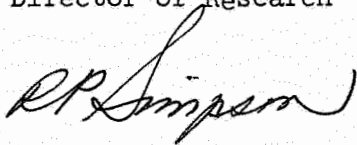in various ways during this study.

Specific mention should be made of the invaluable contributions of Miss Linda
Furst, a former eligibility supervisor with the Department, who was of particu-
lar assistance in providing informational material on eligibility, absent
parent, and fraud processes in the Department.

As the size of this document suggests, its very production has been no small
endeavor. At one time or another, this work involved most of the clerical
and publications staff at Cal-Tax offices in Sacramento. Mrs. Joan Strande
transcribed all working drafts and most of the final draft of this report,
and was assisted in final stages by Mrs. Lee Applegate and Miss Jane Snodgrass.
Reproduction and assembly was very capably handled under the direction of
Carl Hirai, who was assisted by Mrs. Adeline Nicholas and Miss Ruth Okawa.

Very truly yours,

ARLEN K. BEAN
Director of Research

RICHARD P. SIMPSON
Regional Director Local Affairs

AKB:RPS:la

TABLE OF CONTENTS

APPENDICES

INTRODUCTION

One of the most vexatious ironies that emerges from the American public welfare experience of the 1960's is that almost every major change that was launched to make the system more effective and efficient or cause it to wither away only ended p costing more money. The hope of counseling people out of poverty in 1962, as modified by the separation of eligibility and social service functions in 1967, has been replaced in 1971 with the prospect of federalization of welfare under The Family Assistance Plan. It remains to be seen whether FAP will be any more successful in an incidental reduction of administrative costs, eligibility complexities, mismanagement, fraud, and other factors that go to make up the "welfare problem." We say "incidental" here because FAP is not seriously promoted as a device to reduce administrative costs. In light of the failure of previous major policy changes, it is well that our current national economic problems now give us an added year to review FAP and project some of its effects in the important area of program management.

Welfare is not self-liquidating. We do not see how it can ever be. Its liquidation depends upon important events outside the welfare system in the economy and the employment market. Public welfare is likely to be with us for some time to come, and - unfortunately - will probably grow (in spite of the current drop, or stabilization, of caseloads). Thus, if it is important now to consider internal organization and management of welfare, it will be even more important in the future.

It is part of the liturgy leading to almost every major change in welfare policy to speak of the absurdity and complexity of the welfare system and to "view with alarm" its tragic effects upon recipients, workers, and taxpayers, and to call for radical "reform." It now seems to us, after the fairly rare experience of almost a year "inside" a major urban welfare department that the semantically inflated language of welfare reform is hardly relevant to the real world of welfare management.

The focus of reform must be upon improving the integrity of the situation in which the client and the system come together. "Reform" must be capable of translation so that it makes sense to an AFDC recipient and a 22-year old eligibility technician in the confines of a welfare department interview room or in a home call. In welfare management terms, this is the terrible, simple, final test of all welfare legislation and regulation and all of the organizational support systems -- from the welfare director on down.

The new focus of "reform" is now upon shifting the jurisdiction for operation of the welfare program. What this means presently is transferring a management mess from one level of government to another. With all that is said critically about welfare management in this report, we must nevertheless acknowledge that the real welfare expertise -- at least in

California -- is at the county level. In light of the internal disruptions that can occur from mere regulation change, it is mind-boggling to consider the almost inevitable consequences of transferring welfare from the professionals in our cities, counties, and states to relative amateurs at the federal level. It may be well for Californians - particularly in light of our national share of income tax dollars exported for federal programs -- to look very closely at the federal proposal in its implications for administrative costs.

Shipping welfare off to Washington is not, in itself, a panacea to management problems. By the same token, there is no reason to believe that the federal government could not improve welfare management processes -- it sometimes takes a major shakeup to achieve the flexibility needed for change. (It really would not require a federalization of welfare to facilitate -- federally -- improvements in welfare management). There is also no reason to assume that management processes cannot be improved at the county level, within existing law and regulation, and that has been our perspective in this study of Alameda County Welfare. Whoever handles welfare, it must be understood that there can be no escape, finally, from the responsibility for effective management. Once this is understood and acted upon, we think it is possible to be hopeful not only about welfare's manageability, but perhaps even about its neutralization as a devisive force in American society and as a favored weapon of political demagoguery.

This Task Force was commissioned with the charge to answer eight questions. As important as the questions may be, it was not possible for the Task Force to organize its inquiry in a manner that would lead to a direct response to them. Yet, we think generalized answers to them did evolve from the examination we made of the management and administrative processes by which the welfare programs are delivered and controlled. All of the questions were studied in the context of how they interfered with some of the administrative processes we found essential in controlling the grants.

The critical point in question one,* for example, does not turn on a problem of conformity so much as it does on a need for more clarification of existing regulations. Our discussion of policy and procedure manuals in Chapter I of the report, and our chapter on fraud control, discuss some of the implications of this finding. It is our opinion that the regulations which come from the state are loosely written, ambiguous and without a great deal of local interpretation, are not suitable for use by the line organization.

The regulations appear to us to be poorly researched and often contradictory to other regulations still in effect or to other judicial decisions. The regulations come to the county in an unmanageable, overwhelming number and many of them are rescinded or modified almost as soon as they are received. Many are of an emergency nature and should have been put into effect months before. It took almost three months to clarify one important regulation dealing with the way stepfather income was to be counted. We were told that over twenty requests were submitted to the state for clari-

---

*See Page vii for list of questions.

fication which finally resulted in a basically different regulation being
prepared than what was originally issued.

In our discussion of assistance planning on Page 53, we discuss
the state's response in the development of one regulatory budget procedure
which we consider absolutely essential to the proper control of grants.
Since that piece of the report was written, the state has announced a pilot
project in Stanislaus County of assistance planning. That is the latest of
about five other similar pilot projects which have been running for a number
of years. There is still not an approved budget procedure after 13 years.

The Task Force contends that reliable grant administration is
impossible without strong, thorough,eligibility investigations.Yet, the state
has accused the county of overinvestigating (see Page 21). In our chapter
on fraud control we cite the pertinent regulation covering investigation. We
challenge anyone to give a precise interpretation to that investigative
policy and to say what can or cannot be done under it, or to say when a
county is or is not in conformity with its intent. An entire study could be
devoted to this one question. We believe the selective examples we have dis-
cussed related to investigations and screeners are highly representative of
the overall problem we find with existing regulations. The ones we mention
in the study are only those which had a direct bearing on one of the critical
administrative processes that relate to management.

As a summary answer to questions one and two, we believe it is
impossible to assess whether counties are in conformance with state regula-
tions because the regulations themselves are so indefinite that they cannot
be precisely interpreted. In reviewing some of the work which a special
Task Force at the state level has done on the same question, we felt they
reached the same conclusion. That is one of the main reasons we find for so
many administrative matters having to be resolved by the courts. That is
a tragic waste of our judicial system.

The best management is the one that can interpret and adapt to
regulations with a minimal amount of organizational upheaval and, at the same
time, assure that the proper amount of aid goes to those who properly de-
serve it and to no others. That is no mean task. To do that a county might
have to break strict conformity with the ill-defined philosophical intent of
some state regulations but that is not the same as being out of conformity,
except as a court may rule.

That is why we recommended, for instance, that the county adopt
a form of assistance planning in defiance to what the state has said about
not approving assistance planning. To the extent that state regulations
interfere with having strong fiscal controls, it is our opinion that the best
management may be one which is not in strict conformance with the state. The
Task Force is quite satisfied by now that the critical aspects of good administra-
tive practice cannot be developed by regulations regardless of how detailed
they become or how many of them are published. Regardless of how much improve-
ment is made in the preparation of state regulations, they can never be con-
sidered a substitute for inadequate management. If the improvements discussed
in this study are made, it will be because of management -- not state or
federal regulations.

Question three in the charge asked whether social workers were representing the county or serving the clients through extra legal means. To answer this, one has to first ask whether there are any social services which can be performed under the broad amorphous social services mandate, which are illegal. Our answer is that the present definition of social services is so general and vague that almost any conceivable service can be provided. One may disapprove of some of them, but that does not make them illegal.

Except for about three specific services relating to WIN referrals, child protection, and money management cases, the whole state and federal social service mandate cannot be specifically interpreted. All we can read into it is a philosophical wish to provide any service that may assist in the psychological or material well-being of the recipient. In short, social service programs are what counties choose to make them. Again, many services may be irrelevant, but it would be hard to find any which are illegal.

The piece of research the Task Force subcontracted on social services to the Scientific Analysis Corporation fell far short of our expectations. We honestly admit that the design of the research project the staff accepted was weak and superficial and did not lead to findings which would give clear directions in formulating a social service program appropriate for this county. In framing the recommendations we did make about social services we drew as heavily upon one pilot experiment in the Family Services Division as we did the work of Scientific Analysis Corporation because it was conceptually a much better project than ours.

Our general conclusion we reached is that social services can and must be specified and quantified as a preliminary step to managing them and making intelligent determinations on the range of services which should be provided within a welfare agency. We believe the department's own research will lead eventually to a more limited group of services than is now being provided.

The important issue involved in question three does not relate so much to the legality of the social services performed as it does to the benefit they have to the recipients. The only significant finding in the Scientific Analysis Corporation study was that the perception of social services between the client and the agency are as different now, after separation, as they were before. In light of the understanding we have now of social services, we realize that was to be expected and we should have accepted it as an assumption instead of a fundamental premise for further research. In any case, the knowledge that clients perceive social services differently than social workers is not useful in determining the set of social services which should be provided in this department, which is the real problem to be confronted.

As admirable and idealistic as present social service concepts and goals are, the Task Force challenges the assumptions about the value of traditional casework as a way of alleviating poverty. We do so because we find so little evidence of its effectiveness or success.

A new strategy for social services must come from a realistic and studied appraisal of community needs. County departments must also make an honest reassessment of the service needs which can be met within a welfare department, recognizing the organizational limitations they have and the real qualifications of the social service practitioners. The department's office for resource development is not admirably equipped to do this now and the basic organization structure of the department as yet fails to reflect the administrative adjustments that should have been made as a consequence of separating social services from Income Maintenance some time ago. Social services are now in a position for the first time to be evaluated independently from Income Maintenance.

So far as question three may have applied to eligibility workers, we find again that the major problems do not involve workers acting illegally but acting without proper training, inadequate supervision, poor or confused investigative requirements, and without explicit performance standards on home calls, renewals or field work, which are the substantive parts of the eligibility job.

We have suggested that it will be far more productive for Management to attack these problems than it will questions of legality in eligibility.

Administrative regulations are terribly vague and in a department this large it should be assumed that there will be tendencies to apply all shades of interpretation to regulations which are not clear and specific. This is a reality of welfare and it is Management's job to insure that its interpretation is the one applied by the only means it can. That is to say, by supervision, its reporting systems, validation process, performance standards and its training programs. These are the aspects of Management we have addressed ourselves to in this study.

Our response to question four is that with possibly three or four exceptions, every one of the 66 recommendations in the study can be adopted without federal or state approval. Most of the recommendations go to the Income Maintenance side of welfare and each will directly or indirectly help reduce costs because it will improve the reliability and the effectiveness of the administrative process by which all money grants are controlled. We believe our recommendations will help to reduce the number of overpayments, underpayments, and incorrect eligibility determinations which were the kind of mistakes which lead to the creation of this study in the first place. In addition, we believe it will lead to better accountability at all levels of the organization. The measures of Management performance in a welfare department are quite evident, we think, and we have tried to suggest what several of them are.

Cost reductions inside welfare departments can almost be guaranteed when the ratio of denials to applications is as high as possible, when renewals are done promptly, when there is considerable field contact between the client and the agency, when the maximum number of home calls are made, and when thoroughly documented eligibility investigations are done. These are the only effective means available to a county in controlling caseload growth and the federal and state governments have very little to do with any of it.

It is the Task Force's finding that the incidence of both legal abuses and fraud, which were the subject of questions five and six, are again the direct consequence of how well the administrative functions mentioned above are performed. By our definition, a legal abuse is an incorrect eligibility determination. A fraudulent act is an incorrect eligibility determination deliberately caused by the recipient. The Task Force is persuaded that it is futile and wasteful to try to do much about either type of mistake after they occur as far as the financial recovery is concerned. The only hope of minimizing the incidence of legal abuses or fraud is again by doing good intake and ongoing eligibility work at all times.

Question seven -- The logic behind our recommendations on organization was to first, create a structure that would fully and completely separate social services from what is now, without any question, the principal concern of welfare departments -- Income Maintenance. Secondly, we have tried to propose an organization plan that causes Management Services to be pulled up out of the line organization and places them as close to the Director as possible. We have created a new Department of Management and specified a much stronger planning capability as one of its principal functions. We proposed this new department hoping it will work to increase the reach and broaden the scope and power of Management generally. To implement the plan and create some of the staffing changes and additions which are called for will require a great measure of cooperation and understanding among the Board of Supervisors, the County Administrator and the Civil Service Commission. As long and as heavy as it is, this study is still a very general report. We have identified many problems, but to implement any of the recommendations, much further analysis must be done.

We hope that readers of the study can find their own answers to question eight through a reading of the report because it is one question that we avoided. We have written the study with a concern mainly as to what must be done to create a responsible, effective Management in the welfare department. We did not try to fix responsibility between different levels of government except as they interfered with the management recommendations that were the focus of our study.

If there is one message from this Task Force to take to the federal government, however, it is to simplify the eligibility process. The whole idea of making individualized grant determinations is the central administrative eligibility problem in local welfare departments today. In spite of the

enormous administrative costs associated with personally tailored grants, they are still terribly inequitable and unfair to the recipients they are supposed to help the most. Moreover, they have made efficient administration an absolute impossibility. The best any welfare department can do is make the best of what is really an intolerable grant concept. The notion that individualized grants are necessary in order to meet unique needs of individual recipients is probably the classic and most tragic example of where a high sounding philosophical piece of social service planning went wrong.

This year's welfare reform legislation in California implies the adoption of flat grants which have always been mentioned in conjunction with grant simplification proposals. The Task Force agrees it is an improvement to eliminate the maximum participation base in the computation of grants, but welfare departments will still have to contend with all the special need categories and the personalized grant that has always been so subjective and the main source of eligibility problems. As we read this year's reform legislation we can only conclude that our description of the eligibility process in Appendix A would have to be expanded if it took into account all the effects of SB 796.

The adoption of a single adult category, which was included in some of the early legislation, would have been of great value, but that was eliminated. It is not surprising, however, to see the eligibility process remain basically unchanged because the states are really quite powerless to do very much about the basic restructuring of welfare that will make bona fide grant simplification possible.

That comment brings us directly to the colossal impasse that has prevented meaningful welfare reform for the last thirty years and libraries are full of treatises about intergovernmental cooperation in the field of welfare. As it drafts these concluding pages to the report, the Task Force staff takes some small satisfaction in the knowledge that they only made this one reference to governmental buck passing.

In addition to these introductory comments, the list of recommendations which follows is partially intended to serve as a summary of this report.

---

* These are the nine points which comprised the charge from the Board of Supervisors to the Task Force:

    1. Are there any areas where county procedures manuals are not in conformity with state-federal laws and regulations?

    2. What state regulations can be changed (coordinate with current study at state level)?

3. Are social workers representing the county and the law or -- as charged -- attempting to serve clients through extra-legal means? If the latter is true, what actions are required to correct the situation?

4. In general, where are there any options available to the county to reduce costs that are not prohibited by state or federal law and regulations?

5. What recommendations should be made to eliminate "legal abuses"?

6. What actions, if any, can be taken to reduce incidence of fraud?

7. What organization changes should be made to make operation more efficient?

8. Where does responsibility lie: To what degree? (a) Federal, (b) State, (c) County Administration?

9. In the public's interest, the Task Force may investigate any areas of welfare administration not covered in the above eight (8) points.

LIST OF RECOMMENDATIONS

Section IV
Social Services

    a. The elimination of duplication and the improved coordination in the provision of social services by public and private agencies in Alameda County;

    b. The development of a department-wide system of accounting for client requests and social work responses;

    c. The development of flexibility in deploying service staff where needed, as the need is reflected by information from the line;

    d. The classification of service skills by units for faster, more effective utilization of staff;

    e. The completion of an initial services assessment within five days of application for aid;

    f. The development of a continuous flow of information about community social service needs and resources;

Section VI
Fraud Control

Section VII
Securing Support from Absent Parents

1) Cost-benefit ratios of the new procedure;

2) Comparison of Alameda County performance in absent parent contributions with that of other counties in this area;

3) Recommendations for change or improvement in these procedures.

Section VIII
The Planning Process

Recommendation	Subject	Page
61	The Alameda County Welfare Department should separate services and income maintenance functions through the Assistant Director level with the Chief Assistant Director assuming responsibility for program liaison;	242-43

The number of Division Chiefs should be reduced from nine to six, and the revised Division Chief structure should reflect a revised division of labor between income maintenance and services;

Income maintenance functions should be consolidated within the larger office facilities with social services provided primarily from smaller satellite offices;

A fourth position at the Assistant Director level should be added for the purposes of directing and coordinating department-wide management and quality control functions.

Section X
WIN

62	It is recommended to the Alameda County Board of Supervisors that the functions and duties of the Employment Rehabilitation Section -- WIN Coordination, ETS, and General Assistance Employment Review -- be decentralized to social service staff at branch office locations, and that the existing ERS unit be eliminated.	272
63	It is recommended to the Alameda County Board of Supervisors that the Systems and Procedures Unit of the Alameda County Welfare Department review, determine, and recommend the central clerical, accounting, and statistical controls that would have to be retained for WIN, ETS, and General Assistance employment functions and that such controls and minimum essential clerical staff be assigned to the Fiscal Section.	272
64	It is recommended to the Alameda County Board of Supervisors that funds for educational training services be reduced from $100,000 to $25,000. This is based on expenditure activity in the current year, which will probably not exceed $15,000 of the $100,000 budgeted. The Board could,	273-74

of course, leave the ETS budget at its current
level, but this would not in itself create demand
for services or alter the expenditure pattern.
$25,000 should be more than adequate for 1971-72.

SECTION I

ADMINISTRATION OF ELIGIBILITY
AND
INCOME MAINTENANCE

THE ADMINISTRATION OF ELIGIBILITY AND INCOME MAINTENANCE

INTRODUCTION

A great amount of the staff's effort in preparing this report was
focused on the department's administration of eligibility and Income
Maintenance. With the separation of services, Income Maintenance has become
the important side of social welfare today. In comparison to social services
the other major departmental program, eligibility and grant administration is
larger, more costly, complex, and far more vulnerable to any sort of admini-
strative weakness. The vast network of systems and other support functions
within the agency relate almost entirely to the administration and control of
recipient grants.

From the standpoint of doing administrative analysis the one helpful
aspect of studying eligibility and grant administration is in fact that
there are some rather clear and objective criteria by which management
performance can be assessed. They must exist in any program with fiscal
dimensions. As simple as some of them seem now, the staff frankly admits
that a perspective on what these criteria should be was reached at a rather
late stage in our study. We are inclined to see eligibility and Income
Maintenance as a process, with many specialized functions. Controls, checks
and information flow from each one of them and together comprise an

administrative process.

Regardless of circumstances that may interfere with it, the administrative process of any welfare department centers finally on certain definite criteria such as the status of keeping renewals current, the promptness of action on applications, the status of overpayments, the number of administrative errors, the ratio of applications to denials, and the frequency of client contact.

This large section of the report is largely a discussion of how we believe the department can improve its accomplishment in these important areas.

This review of the eligibility process was written from the point of view that these are the critical and identifiable parts of the managerial responsibility. Such things as the incidence of fraud, ineligible cases and overpayments, etc. which attract so much attention are only the tag end expressions of how well these other internal sub-functions of the eligibility process are controlled.

We also present this section believing that even without sweeping reforms in welfare at the State or Federal level much can be done in local departments to check growth, improve efficiency and add a measure of administrative control that is not present now. To the best of its ability the staff has attempted to present problems and issues in the department that are immediate, fiscally important, and yield in some degree to effective administrative action now.

A serious reader of the report and the Committee may notice the

absence of any sociological, or philosophical discussion or even the general-
ized indictment of the welfare system that typically uses up the first 40
pages in this type of study. As staff we felt that the composition of the
Committee was too diverse to try synthesizing a philosophy of welfare
acceptable to the whole Task Force. We simply accepted the fact that the
present system is archaic, is based on unobtainable goals, and administratively
speaking there is almost a nightmarish quality about it. How long the welfare
system continues in its present form will prove to be a great test of both
our political and economic institutions.

There is also an absence of statistics dealing with sheer growth
in recipient caseloads or welfare budgets except as we considered it necessary
to illustrate or back up relevant specifics.

This kind of data and the meaning of it is well understood by the
Board of Supervisors, the County Administrative Officer, the Task Force,
and, we believe, the public at large. The staff believes it is enough to
know that by the way we counted about one in every six persons or 170,000
people in Alameda County connected by one aid program or another to the
Welfare Department. About one-half of this is represented in the caseloads
related to the AFDC program. In our discussion of eligibility and grant
maintenance we have given special attention to AFDC because it is the largest
aid program, the most complex and contradictory, and the most difficult to
administer. It also receives the most public attention.

Any management study is based on observations of an agency's
operation over a fairly short period. As it happened, this study started
as the department was in the final stages of completing the separation
of grant and Income Maintenance from its social service caseloads.

-3-

This was a federally mandated requirement that had commenced almost exactly
a year earlier. In evaluating the critical aspects of this report it must
be said that implementing the separation plan placed great strain on every
administrative mechanism within the organization. It involved mass hirings,
the training of a whole new class of employees, and forced new patterns of
supervision to be developed, to mention a few. It was a time of immense
administrative change from which the organization has still not recovered.
The structural changes we suggest in the administrative section of the report
are an effort to reason out a pattern of organization that better accommodates
both the intent and effects of separation.

In selecting the particular issues and administrative problems
that we brought into the final report we were constantly mindful of the fact
that we were reviewing an organization that was still in an unsettled
condition. As the professionals serving the Committee and doing the analytical
work behind this study we have tried to focus on problems that are inherent
to the organization and have been present for a long time.

The most conspicuous and fundamental reality of public welfare
departments today is that they are administering programs undergoing constant
change. Considering the vast reforms that are so desperately needed in all
of the public welfare programs we believe that continued change will remain
as the basic fact of life in welfare departments for years to come and local
departments must be built to accommodate change as efficiently and economically
as possible. Regardless of how difficult it is to deal with, this report is
written from the premise that change and its accompanying upheavals cannot
absolve management of poor performance providing it has the proper resources
at its disposal.

The central theme of this study which runs throughout the entire report is that unless this department develops a far better planning component, a different organization structure, sets clearer goals, and enforces more explicit performance standards in both its social service and Income Maintenance programs, change of any kind cannot be accommodated efficiently and will always do great and unnecessary violence to the organization. We believe we can also demonstrate that these internal weaknesses have enormous fiscal consequences.

As tedious and difficult as it is to read Appendix A, entitled The Intake Process, it should be studied as a preface to the study. It is the staff's attempt to describe as simply as possible the staggering complexity and the subjective nature of the process by which a recipient's grant is determined.

We do not present the recommendations in this section thinking they will make the welfare system more rational. They do not, but we believe they will help secure more control, accountability, and reliability within the present mindless system and that, we regard, is the ultimate responsibility of a local welfare director today. The recommendations we distilled from our efforts over the past six months are not dramatic but good management usually is not. It is a process of applying firm, steady pressure in making the organization yield to clearly set management goals in those areas where management has latitude for direct action. This management has difficulty in doing that.

CASE TRANSFERS

Several of the following recommendations in this section were framed around the assumption that the reliability of the Income Maintenance

function is almost directly proportional to the frequency of contact between the agency and the recipient. Ideally, it would be a personal encounter between the eligibility worker and the client in a situation where an address can be checked, children seen and identified, etc. More typically contact is represented through office visits, telephone calls, or something sent through the mail. We also find some places in the organization where contact can be broken through procedural failures. One of these is through the procedures by which cases are transferred between workers or between one division and another.

To appreciate the significance and use of the case transfer procedure one must first understand that recipients move frequently. Each time they do the case transfer process is used. Likewise, each time a worker is transferred or quits, contact with 120 - 200 people is temporarily broken. It is also important to accept the fact that, as a system, welfare does not involve people so much as it does an immense flow of paper representing people. This is not necessarily bad providing the paper flows properly and it has certain vital stuff written on it.

In any event hundreds of cases are transferred daily and it is all handled through a seemingly minor and obscure set of administrative procedures which do not work very well. The following is a brief description of some of the things which can occur in the course of case transfer.

> When a recipient moves, often his case is transferred
> to another office serving the district he lives in. The
> case might sit on a transfer desk for awhile; with neither
> offices taking responsibility. A case might be transferred
> when it moves from intake to district; again it might reside
> on a transfer desk unassigned due to staff being unavailable.
> There is a problem regarding the assumption of responsibility
> while the case is unassigned. Usually the recipient will be
> calling his previous worker who informs him that the case is

no longer there. If the recipient calls central indexing, they will inform him that his case is still out to the previous worker who will deny having the case. Even after the case is assigned to a new eligibility worker the recipient may still not be able to determine to whom he may report changes. The eligibility worker upon the receipt of a new case should immediately notify the recipient by letter that he is the new worker as well as changing the worker number on the interpreted 0-20 which will then clear index's record of the old worker number. As this is not done uniformly, the recipient usually does not meet his eligibility worker until a renewal is taken. As so many renewals are delinquent any information received by the eligibility worker frequently affects prior eligibility. Some instances are even more drastic, with the eligibility worker discovering the eligible children absent from the home for months or an adult with earnings that would have created ineligibility.

Whenever a client can show that he was unable to contact the department in regard to his case it severely jeopardizes the department's ability to collect overpayments, prosecute for fraud, or readjust administrative errors. Naturally, few clients can be expected to take initiative in following their case through the agency to report additional income or any other change, particularly if they think the change will adversely affect their grant. It is incumbent upon the department, therefore, to install a procedure that minimizes the possibility of this happening. 1. THE PROCEDURE WE RECOMMEND BELOW IS A ROUGH OUTLINE OF SOME OF THE STEPS WHICH WOULD BE INVOLVED IN AN IMPROVED CASE TRANSFER PROCEDURE.

1. When a case is to be transferred, as it is leaving

   the unit, the unit clerk would notify the recipient

   by form letter saying:

   a. your case is now assigned to _____ office. If

      you have changes to report please contact them

      providing telephone number and new address;

   b. your case is now assigned to a district unit. You

will be immediately notified to whom you

will report.

2. When a case is received at any transfer desk the client should be immediately informed to whom the case will be assigned. The agency does have form letters available, but use of them is erratic. The control clerk, as soon as she sends out the letter, can also immediately update her index cards.

3. If the case cannot be assigned immediately because of lack of staff positions, each office must appoint a responsible person to work on these cases. What is important is that the recipient has a name to call, probably that of a control clerk who will transfer calls to the worker on call. The recipient again should receive a letter, this time stating that the case is unassigned but to report to _____.

4. When a case is received by a unit, the letter informing the recipient of his new worker is in transit. It is now mandatory that the eligibility worker immediately convert the case to his number, by updating either of the two basic control documents.

If a case is not accepted into the receiving unit and has to be returned to the sending unit the recipient must be notified also. This situation occurs frequently and the fact that it does is only indicative of an even larger problem. After a case makes its way through the sluggish transfer procedure the chances are very high that it will be sent back

through the same procedure again. When a case arrives into the new unit it is "read in" or checked to see if it is delinquent or if there are errors in it which the new unit cannot correct. Procedure allows for any case with more than two errors to be returned to the unit of origin. The former eligibility supervisor who consulted with us on this section of the report estimated that in her unit as many as 60-75% of the cases could have been transferred back to the sending unit.

We find no easy answer to this problem except for management to insist on having transfer cases reviewed more closely by the transferring unit. Under present conditions that may require special case readers but the basic problem is only a reflection of the fact that the cases are in generally a very poor condition. It is one quick, qualitative test, we think, of the whole eligibility process. It is an example, again, of how dependent one process is upon another. Even if the present transfer procedure was more responsive it could be broken down by having to accommodate the movement of cases twice.

The recommendation related to case documentation is directed at a closely associated problem. It involves not only transfer cases but every instance where a case is read for any purpose. It was what we alluded to above when we said that since the system runs by paper it is highly important to have certain things on the paper.

CASE DOCUMENTATION AND STANDARDIZATION

Since the opportunity to see clients is so infrequent it is very important for the organization to insure that something useful occurs in the course of a client contact. Seeing the ramifications which result from the tremendous movement of cases between worker, units, and divisions the

Task Force is compelled to be sharply critical of the department's success in developing standardized case formats and documenting and verifying essential case information. Except for the form requirement there is not enough uniformity in the case records to make one entirely sure that two cases originate in the same agency. The implications of this are most serious to every facet of eligibility, including validations, supervisory review, and above all, worker efficiency. We come to think of the cases and the way they are set up and documented as the heart of the whole eligibility process. The Committee can only comment that the condition of the cases is about the best reason we found for keeping cases confidential.

Until cases are standardized to a much greater extent it is difficult to understand how workers can be trained effectively. Standardizing the contents and enforcing uniform documentation would do as much to improve worker output, minimize errors, and facilitate meaningful supervisory review as any recommendation in the study. The ability to progressively build a case by adding successive pieces of absolute documentation and explanatory material should be one of the prime tests of an eligibility worker's performance. There is not the remotest possibility of applying this measure of performance until management insists on an agency-wide case format and standardized documentation and teaches the worker how to do it.

We treat the problems of forms next but the important thing in building a case is not the form but the documentation and verification that is accepted in filling out the form. It is to the department's credit that they have recently taken steps to require uniform recordation of initial eligibility and renewal contacts. This helps with format but the documentation is still soft.

In the two pieces of recordation the department has tried to standardize they have gone over to forms completely. The advantages of narrative records over forms is a technical and arguable subject but there is no narrative left in the department's case records now. We would have liked to see enough narrative to at least provide a concise, simple explanation of why the case is eligible and some of the unusual characteristics of the case, if any. We think it would be far easier for a person looking at the case for the first time to get an understanding of it if some narrative was present.

Case documentation did deteriorate during the course of separation last year but in looking at some older cases before separation we cannot say that this has not been a problem which has not been with the agency for a long time. If documentation has not been stressed over the last year it is quite understandable why workers are unclear now on how to verify their cases and there is no special instruction or worker manual to compensate for the lack of training on this important phase of eligibility. Good working procedural manuals are also needed but we treat this subject separately. From our questionnaire of eligibility workers we noted that documentation was mentioned about as frequently as any training problem.* Even the documentation of income is not a uniformly entrenched procedure and there is not a standardized form to record and verify income and this is the most sensitive and changeable part of any caseload. Perhaps 20 to 25% of the AFDC case-load has earned income which directly affect the grants. Good control in some cases cannot occur without well verified income records.

----

*See Appendix D.

The Task Force cannot recommend the minute contents of a case file but we are pretty confident about the essential points that must be covered in documenting and constructing cases. 2. OUR RECOMMENDATION IS, THEREFORE, THAT AT LEAST THE FOLLOWING POINTS BE DESIGNATED BY MANAGEMENT AS COMMON CASE ELEMENTS AND POLICY BE SET WHICH WILL INSURE DEPARTMENTWIDE UNIFORMITY IN CASE DOCUMENTATION AND FORMAT.

1. Further implementation of summary documents as set forth by the department.

   (a) Vital statistics, i.e., birth certificates, marriage license, etc.;

   (b) Income verification: standardized income instruction as to "Date of contact, place of contact," as specified in Appendix A, p. 16;

   (c) Information obtained;

   (d) Verification seen;

   (e) Action to be taken;

   (f) Persons involved;

   (g) Explanations given and understood.

2. Narrative statement at time of intake outlining the reason for application for and granting of financial assistance.

3. Renewal summary: renewal outline in addition to the completed re-certification form. Form 201.

FORMS

It is common in studies like this to look at forms closely. We did not. We present the few summary comments we make on forms more as

-12-

passing observations than as studied recommendations. We make one exception.

3. WE ARE RECOMMENDING THE DEPARTMENT DISALLOW THE USE OR EVEN THE PRINTING OF ANY FORM USED IN ELIGIBILITY THAT IS NOT APPROVED BY THE ASSISTANT DIRECTOR FOR INCOME MAINTENANCE FOR USE THROUGHOUT THE AGENCY. It is one way of interrupting the present tendency we find to have forms created from within divisions which no one else understands or uses. As we have tried to imply in our discussion of case transfers there is no such thing as a division case. Yet, we found a number of forms that were created solely around the special needs or interests of one division chief. Most management information forms are also individually developed by division personnel. The recommendation would apply to management information forms as well. Our other reason for this recommendation is that it may eliminate one problem in getting standardization in case formats.

To complete an initial intake application in AFDC as many as 10 to 15 forms may be required or as many as 20 in a complex case. It is ironic with all this paper that the verification of data is not absolutely tied down. It only illustrates, we think, that proper training and instruction has not been given in the use of the forms.

As an experiment, one of the Committee staff tried to complete the basic 201 Form which is the recipient's affirmation or reaffirmation of eligibility. It is the single most important form used. We could not complete the form without assistance. It is true that the client usually has help from the intake worker but our experience with the form does suggest something about how difficult the specialized terminology is. We are sure the average recipient could not complete the form without assistance. At an early juncture of the study the staff spent some time in trying to revise

the 201 Form. (We think we made a more acceptable form out of it, but since then the State has changed the form so it has not been submitted). The following are a few observations we made on the forms from the sample of cases we reviewed for the purpose of looking at documentation and standard-ization. The listing is made without any consideration of costs in relation to benefits.

1. It would help Spanish speaking recipients if they could be given forms in their native language.

2. All forms that must be completed in duplicate or triplicate should be carbonized.

3. Form ABCDM 200, Application for Public Social Services should be reduced in size and content, and possibly be recorded on stiffer, more formalized paper. (State form).

4. Form CA 201 should be revised, or Form CA 201 should be combined with CA 283 and CA 284, or Forms CA 283 and CA 284 should e combined (Verification of Real and Personal Property). The verification on the 201 may well duplicate verification on the 283 and 284. (State form).

5. Form CA 243 should be used for determining incapacity, be updated or eliminated. In its present form, doctors will not use it and the county has to use its own forms to verify this type of deprivation. (State form).

6. The county, pending the revision of the CA 243, should revise the present statement of employability to

make it more appropriate for AFDC

7. The county should review the validity and necessity

   of Form 3-44, Applicant's Statement. It is ignored

   by applicants and is a duplication of the CA 201

   and Notice of Action letters.

8. The county should revise the Vital Statistics Form O-122

   so that it is appropriate for recording identification.

9. The county should devise a form for earned income so

   that verification of earned income can be easily recorded

   and retained in the case.

10. The AFDC worksheet, CA 243 should be revised, so that

    there is more room for explanation and verification.

    (State form).

HOME CALLS

After initial eligibility is established and a case is moved into
a continuing caseload the main concern is keeping abreast of any changes
that would alter the amount of the grant. In AFDC this can be many things
such as a minor reaching age, dropping out of school, or some member leaving
the family to live elsewhere. In income cases the biggest variable would
probably be some change in income. One does not need to know anything more
about the continuing eligibility function to understand the importance of
seeing the family as often as possible in a situation where all the original
eligibility factors can be reconfirmed by direct observation.

Our review of overpayments shows that the overwhelming majority of
overpayments resulted from some change in the recipient's condition that was
not reported until it was discovered through some sort of agency contact.

Present law requires eligibility to be reaffirmed only twice a year in AFDC-FG cases without income and once every quarter in AFDC-U cases. As we have already said, the recertification of eligibility can be taken over the phone, by an office visit, or by a home call. Now, clearly, there is a great difference in the type of recertification depending on the type of contact made. The eligibility technicians answering our questionnaire estimated that only about 30% of their renewals were made with the benefit of a home call. We have no other agency data to confirm this estimate although it does seem slightly lower with some unit reports which we found in one division.

The department does not have any firm standards on home calls so it is not surprising to find the divisions without this data in their production records. Our view of eligibility is that it is just as vital to management to know how renewals are being done as it is to know how many are being done. One reason for dropping caseload size is to permit more home calls. All we said about reducing caseloads without first setting an agency standard on renewals would apply to home calls as well.

4. THE TASK FORCE FEELS SO STRONGLY ABOUT THE IMPORTANCE OF HOME CALLS THAT IT IS RECOMMENDING EVERY RECERTIFICATION OF ELIGIBILITY BE MADE WITH THE BENEFIT OF A HOME CALL. To install and enforce this requirement it will first be necessary to establish a uniform reporting system used by all divisions for all aid categories which will account for the worker's time between the field and the office. This department simply cannot control eligibility without this type of management data.

5. IN THE FAMILY SERVICES DIVISION THERE IS A PRODUCTION REPORT WHICH WE RECOMMEND BE ADOPTED DEPARTMENTWIDE IMMEDIATELY. There may be some minor things wrong with it but the urgency we feel in getting started

with something of this nature overshadows any technical considerations.

The Task Force feels very frustrated in trying to make these categorical type recommendations speaking without the benefit of more comprehensive data but we feel that there is great urgency in getting the department to move in setting basic, quality control standards. We are satisfied that the workers will respond to them and we have seen it demonstrated in the time we have been in the department.

Since February the Family Services Division in the Broadway office has attempted to impose two standards for continuing eligibility workers that are absolutely fundamental to further improvement. The first is that each worker spend at least one day per week in the field. The second is that each worker complete 20 renewals per month. The production reports from this division are built around these two standards. As limited as the experience is the Task Force believes that it reveals enough to start making some assumptions about what management should and can expect from the continuing eligibility worker. We show some summary data below for one of the sections in this division for the months of February and March. The totals shown on these two exhibits represent the production of 36 workers for two months. Each unit would be responsible for 720 cases and the total section for 4,320 cases. This is about 15% of the total AFDC caseload so we feel it is somewhat representative.

SECTION PRODUCTION REPORT
Family Services Division
February, 1971

UNIT NO.	WORKER NUMBER	FIELD		OFFICE		CODE	OTHER (Specify)		NO. SUC. FIELD CASES	REASSESSMENTS DUE PRIOR TO CURRENT MONTH	OR RENEWALS DUE CURRENT MONTH COMP.		UPDATING	INCOME CASES
		DAYS	HRS.	DAYS	HRS.		DAYS	HRS.						
EXI5		8	6½	84			27	1	58	478	41	96		
EXI6		13		81	6½	2	25	1	73	448	69	158		
EX26		7	5½	95	2½		16	7	48	342	154	107		
EX27		9	3½	94	½		16	3½	75	302	79	156		
EX28		13	5½	101	6		24	3½	90	254	69	75		
EX28		12	2	94	3½		13	2	75	487	46	58		
TOTAL		65	½	551	4		123	3	419	2311	458	650		
						March, 1971								
EX150		11	5	116	5		9	5	72	445	53	112	91	
EX160		11	2½	106	4		20	1	82	425	62	97	28	
EX260		10	2-3/4	119	7¼		7	5	64	375	156	97	40	
EX270		12	5½	110	3		14	6½	100	234	103	103	19	
EX280		14	6½	107	5½		15	3	107	240	58	114	3	
EX280		12	6	113	5½		11	3½	103	496	63	73	2	
TOTAL		73	5-3/4	675	¼		79	1½	528	2215	495	596	183	

Remarks: (Explanation of unusual circumstances).

The reports show that workers, for the short time they are spending in the field, make a high percentage of successful client contacts averaging about six to seven successful field calls for each day in the field. The ratio between days in the field and renewals completed is even higher averaging around nine renewals for each day in the field. Time spent in the field, however, is very low averaging less than two days per worker per month. This shows, we think, that regardless of what the continuing eligibility functions are supposed to be it is being administered in a very remote manner. If this eligibility section is typical of the amount of time the eligibility workers are spending in the field, it tends to bear out the workers' estimate that only 20 to 30% of the renewals are taken with home calls. If the workers were able to spend just three more days in the field it would be possible to make every renewal with the benefit of a home call and stay current with their caseloads. One can see just from this much data the logic of requiring five days in the field which the division chief is suggesting as his standard. These two divisions are also rapidly approaching a point where they are almost meeting the 20 renewal per month standard. We were able to watch the Family Services Division very closely for five months to see what the outcome was of the division chief's attempt to get 20 renewals per month from his eligibility workers. It is a remarkable little story of administration in action. We cannot do it for this report but somebody should write it up as a case study for a textbook in public administration. It was the best example of management in action we witnessed in the course of our seven months in the department. It demonstrates many things -- the necessity of explicitly stating what it is you expect from an employee, the power of a determined division chief who knows what it is he wants to do, the importance

of a quiet, soft spoken but incredibly good section leader working with some production reports that clearly fix accountability for individual performance. In March, the first month the production standard was announced, only 30% of the workers were making it. During the month this report was being written over 70% of the workers were making their 20 renewals per month. We could not go behind the renewals to compare the quality of them from one period to the other but we can almost guarantee that the quality is as good or better as a consequence of doing more renewals.

By dividing six into the unit totals one can also see the differences in the production of the individual workers. This is more visable, however, by the individual unit reports which show production from each worker.

UNIT PRODUCTION REPORT
March, 1971

WORKER NUMBER	FIELD DAYS	FIELD HRS.	OFFICE DAYS	OFFICE HRS.	OTHER (Specify) DAYS	OTHER (Specify) HRS.	NO. SUC. FIELD CALLS	REASSESSMENTS DUE PRIOR TO CURRENT MONTH	OR RENEWALS DUE CURRENT MONTH	COMP.
XXXXX	1	3	21	3	--	1½	8	40	13	4
XXXXX	2	5	20	½	--	2	25	18	16	24
XXXXX	5	-	18	-	--	-	51	12	23	17
XXXXX	3	3½	19	4	--	-	20	58	20	35
XXXXX	2	-	19	3½	1	4	9	50	10	5
XXXXX	1	1½	20	2	1	4	12	50	17	21
TOTAL	15	5½	118	5½	3	4	125	228	99	106

Remarks: (Explanation of unusual circumstances).

There are significant differences in worker output and it is very obvious where most supervisor effort should be spent. If one worker can do 35 renewals per month why is someone else only able to do four or five? We are quite sure that in this division someone will ask why and there will probably be a difference in production next month. We have talked mainly about these reports being used to control production, but they also indicate much about the qualitative aspects of eligibility work. You can almost be assured that more days in the field will result in better eligibility work generally than eligibility work done at a desk. This type of report permits management to audit quickly and effectively all the way through the division down to the unit worker. In addition, this type of data provides some fair and objective criteria for evaluating worker performance. This information is also used now as the basis of worker performance evaluation. Performance evaluation based in anything else is a meaningless, wasted exercise.

The reporting system we have just described has been used in the department at an earlier time. We saw almost identical reports used as late as 1966 and they were used throughout the department. The Task Force has reviewed enough cases from that era to satisfy itself that the significance of the recommendations we have made around the case transfer system, case documentation, and the need for more home calls are well understood by the department or anyone acquainted with what goes on in managing eligibility. These basic eligibility controls have all deteriorated in recent years.

INITIAL ELIGIBILITY INVESTIGATION

As one step in the eligibility process, initial investigations are certainly one of the most important. It is important because it sets the trend for the relationship between the client and the agency for years

to come. If the recipient is convinced initially that the agency investigates and verifies his statements and seems firm on the client's carrying out his reporting responsibilities it is likely that he will cooperate from then on. Likewise, if the client senses that the agency's investigations are little more than cursory formalities he will be more tempted to withhold information or be indifferent to his own reporting responsibilities.

The eligibility investigations being conducted five or six years ago were something quite different from what they are today. We would describe eligibility investigations before 1966 as having these six characteristics:

1. Confirmation of the client's statements by much
    better verification and documentation.

2. All the children were seen and absolute identity
    obtained.

3. Clients were seen on unscheduled calls.

4. There was an emphasis upon completing face sheets
    and the recording of eligibility data.

5. Nearly all recertifications of eligibility were
    done through home calls.

6. There was narrative dictation in the cases which
    described the essential points of deprivation.

6. THE TASK FORCE CAN ONLY RECOMMEND THAT THE SAME TYPE OF
ELIGIBILITY INVESTIGATION BE REINSTATED.

We believe that the department will admit that there has been a gradual erosion in the quality of eligibility investigations since 1966. In making this allegation the Task Force is reminded that department

management has been pressured to relax its investigations by the State

Department of Social Welfare. The following is an excerpt from a State

audit made of the department in late 1965 and released in 1966. It is as

good an example as we found of how the State registers its influence on

county welfare directors.

> "Practices and attitudes inherited from the past
> still dominate the Alameda County Welfare Department.
> Their continuation makes this agency slow to change
> from one that just dispenses a dole to one that
> provides rehabilitative, protective, and preventive
> social services. Neither has the welfare department
> assumed an active role in fighting the lack of job
> opportunity, educational gaps and housing deficiencies
> which plague its clientele--the 20% of the county's
> population who are poverty stricken.
>
> Most staff work hard and conscientiously, doing
> what they have been taught to do. In the public
> assistance programs, this is mainly determination of
> eligibility, characterized by over-investigation
> that leaves little time for social services that will
> help people overcome handicapping personal and family
> problems. Many workers and supervisors want to provide
> services but cannot do so effectively because of lack
> of skills or because paperwork takes so much time."...

Add to this the fact that there are many vocal people in the

department who share the same opinion about the incompatibility of

tough investigation with social work objectives and it is fairly easy to

understand how basic changes can occur in management's philosophy. Good

investigation work would have suffered enough just from the disruptive

effects of things like separation and the constant flow of ill-defined

regulating changes which come down from the State.

After we developed some appreciation for how difficult it is to

do good eligibility investigations we really wonder how it was ever possible

to do too many of them.

We doubt if the State would make the same kind of statement today because we believe there is a growing recognition that it is this kind of thinking which has brought the whole State to the edge of a welfare crisis. Dispensing the "dole" as the State fellow put it, is a $130 million affair in this county and trying to dispense it by slighting fundamental, common sense fiscal controls has been a fundamental mistake of judgment. Furthermore, it has hurt the recipient as much as it has hurt the agency or any part of the taxpaying public who pays for it all in the first place.

For every overpayment which occurs there is just as much chance for an underpayment because both mistakes are caused for precisely the same reasons. The Task Force finds no reassurance in the fact that some of the costly effects of sloppy eligibility administration may be cancelled out by some kind of mythical wash in accounting between two different types of fiscal errors. If tight investigations are necessary to make this corrupting, ill-conceived system work according to the rules there can be no administrative compromise about having them.

In writing this report the Task Force has never lost sight of the fact that we are examining the welfare system built and designed around social work concepts such as that expressed in the excerpt above. From all the welfare system reveals about itself, the observations mentioned in that statement are nothing more than sentimental fictions which have diverted policy-makers from making realistic assessments of what the welfare system is really capable of doing for economically deprived people. The overriding tragedy is that the real losers are the same people these social service auditors have implied they are trying to help through their mawkish philosophy and untested assumptions. The fiscal paperwork which was one of their

principle concerns in 1966 has been handled in another way for the past 18 months but we challenge anyone to demonstrate that social services are more viable, meaningful, or beneficial than they were in 1966. We find few tangible references in the real world of welfare for such words as "rehabilitative, protective, and preventative social services." The ones that can be found relate more to children than the adults where most of the attention is focused now. To even intimate that local welfare departments are capable of doing something positive in the area of housing only suggests again the total misconception the State planners have about what really goes on inside a welfare department.

The events that follow since 1966 only indicate to the Task Force that eligibility, like any other part of welfare administration, is what management chooses to make it. It can be tough-minded or it can be loose. If management takes a hard line on eligibility investigation, certain kinds of administrative controls are going to be present somewhere. If management takes a softer attitude there is less reason to have them or spend money on making them work. The decision to have easy or tough investigations would not be the sort of thing you would find written down. There is a tacit side to management as surely as there is a formal and visible expression of management influence but the effects of these quiet, unspoken decisions leave tracks in the organization which are deep and wide. Anyone can trace them eventually.

Our sense of the times is that another philosophy about welfare has emerged from the State. The point of this digression is only to say that if the reason for ending strict investigations occurred because of what the State's philosophy was in 1966 there is less reason for local

-25-

departments to be concerned in 1971. It distressed the staff of the Task Force to describe control reports and functions, and talk about the significance of investigations as if it had to convince someone why they are important. <u>Management does know what will follow as a consequence of more home calls, tighter investigation, better documentation and from every other recommendation made in this section.</u> <u>If these parts of the eligibility process are in order management can</u> <u>practically guarantee a drop in caseloads, more consistency in denial rates, fewer overpayments and underpayments, and lower administrative costs.</u> <u>Furthermore, all this can happen without any change in law or regulation at any other level of government.</u>

Since the Task Force has been working on this project we believe we do detect a change in management's outlook on eligibility investigations. But, if the policy of the county is to carry out a stricter eligibility process the Board of Supervisors must understand that this department has lost a lot of ground in six years. The administrative mechanisms which control eligibility have been weakened, the personnel are new, poorly trained, and line supervision is not seasoned. Even the older staff is disillusioned and confused because they know that one era in welfare has ended and leadership has not clearly been shown how the department will enter and adapt to the next.

Because of this management is finding it very difficult to make the organization respond to a tougher line on eligibility and in implementing policy directives which will accomplish that objective. We noted, for example, that when management issued a directive to eligibility units to consider income earned by the applicants in the month of their application that it was not carried out uniformly. The treatment of earned income is a very basic eligibility factor and there cannot be too much confusion about how it is

done, but it is the type of order that is very difficult to implement because it reflects a change in management orientation which is not fully understood throughout the organization and there is not a flow of information which allows management to monitor how its decisions are being carried out at the line level.

Management also issued a directive to get absolute identification verified on recipients before recertifying renewals. At least one division was doing this. Most were not. We uncovered this in the course of trying to make some correlations between renewals and time spent in the field. The offices which had fewer renewals completed were trying to follow the directive and their renewals took more time. Those which reported more completed renewals were processing them before complete identification was obtained. This is the type of situation which explains why there are relatively few statistical comparisons in the report.

The thoroughness of eligibility investigations will be reflected somewhere in intake statistics, but the reports through which management gets its information about the intake side of eligibility vary just as much as the reports which cover ongoing caseloads. There are no standardized formats. While top management can, of course, get any information collected in the divisions it is our judgment that without a great deal of reworking the divisional reports are of little value in their original form. The reports may be comparable on one or even several points but the department does not have a reporting system that allows general comparisons or trends to be drawn. Reports cannot vary too much in content because there are only so many factors which can be reported, but to make valid interpretations possible, counts have to be based on the same procedures and uniform

interpretation of regulations and directives. As we have said, there are good examples of statistical and production reporting in some of the agency divisions but it is not coming to management in a systematic, organized way. Management must decide on what types of reports they need from their divisions and be very uncompromising in their demands about getting them.

POLICY AND PROCEDURE MANUALS

Management would be much more successful in carrying out its policy and administrative objectives if it could translate them into simplified procedures manuals. More work has to be done in this area if the department is to expect uniform interpretation of eligibility law and regulation. State regulations come to the department as very broadly phrased directives. Few of them are capable of being applied by the worker unless they are simplified and reduced to step-by-step procedures.

The intent of either a State or departmental directive is usually implemented through one of literally hundreds of clerical or eligibility procedures. The staff's mental image of the welfare system is nothing but a vast network of interlocking procedures. The procedures are usually identified with some kind of digit and dash number sequence like 3-1 or 0-20 which designate the two types of budget systems or abbreviations like TIC (Transfer Into County). Most of them remain incomprehensible to us and we are certain that most cause considerable confusion to the clerical and eligibility workers for a long time. With good justification this whole study could have concentrated on a set of informational problems which we can only cover in the most superficial way.

The administrative errors which we refer to so often throughout this report represent, in nearly every instance, a mistake of procedure.

-28-

Management, as well as the clerical and eligibility workers, discuss eligibility problems largely in terms of examples of what happens when a procedure goes wrong. The Task Force staff is reduced to the same method in providing background to the few general recommendations which we developed for better clarification and communication of procedures in the organization.

The first example is related to the procedure covering the issuance of duplicate checks. It is a very common procedure used hundreds of times each month. Until recently the department had some latitude in the time it took to issue duplicate checks. There was usually a delay sufficient to allow the worker to confirm the notice of loss, and put a hold on the issued check before fiscal was advised to issue a duplicate warrant. As the time taken to do this varied considerably the Legal Aid Society secured a court order requiring the county to issue the duplicate warrant within five working days. The five days was not sufficient time in some cases for the department to confirm the losses in the usual manner so they received permission from the court to issue the duplicate checks only after written notice was obtained from the recipient attesting to the fact that his check had been lost.

This was the only element of control left in the procedure and instructions were issued to the eligibility workers accordingly as to the importance of this step of the procedure being followed. It was called the revised 12-3 procedure. It was soon discovered the notice to issue duplicate checks was being sent to fiscal without first securing the applicant's confirmation of loss in a high percentage of the cases. More review also disclosed that the 12-3 procedure was actually being used by many of the eligibility workers to trace lost checks. Tracing lost checks

is done by an entirely different procedure. In one instance a worker had

tried to trace a lost check with the 12-3 procedure five times on the same

case. Here is an example where a well defined procedural instruction was

not being adhered to and where it had become confused with an entirely

unrelated procedure.

This previous example involves one minor but important fiscal

procedure but even broader policy directives seem to get misinterpreted in

this agency. As our case in point we select a situation where 90 food stamp

only cases were found in social service caseloads. The department has a

very explicit policy on services to food stamp cases. The policy is that

food stamp only cases are not entitled to receive social services, but even

that simple directive was not being followed.

No series of specific recommendations the Task Force can make is

going to solve this kind of problem. The roots of it reach into every facet

of the organization -- training, supervisory review of caseloads, and

management monitoring capability, to mention some.

The Task Force, however, does see one broad area related to policy

and procedural clarification which we believe can be strengthened to

considerable advantage. It is based on a general finding that eligibility

workers and clerical staff simply do not have well interpreted, clearly

defined procedural guidelines which describe and give step-by-step

instructions on how to handle their routine tasks and make the judgments

which are expected of them.

There is far too much reliance in this organization on verbal

communication of important procedural and policy statements. The problem

-30-

is compounded by the fact that similar tasks are performed in many different ways between divisions and even units within divisions. 7. IT IS DIFFICULT TO PREPARE THE PROCEDURAL AND POLICY MANUALS WHICH WE RECOMMEND WITHOUT FIRST STANDARDIZING MANY COMMON WORK TASKS TO A MUCH GREATER EXTENT THAN THEY ARE AT PRESENT. It is very difficult to develop a direction on something when the procedure by which it is carried out is not uniform.

A policy may be very specific from the viewpoint of the systems and procedure analyst who prepares it initially, but there is a weakness in the organization on following-up to make certain that the intent of the procedure is understood by the person using it. The specific problems we have just cited can be traced to this conclusion.

We are also of the opinion that most communiques are not in a form that allows them to be referred to easily. Most of the department communiques come down as loose material. It was the staff's impression that only the very exceptional worker would probably organize the communiques in a manner that would permit them to be used as continual reference pieces. We also thought that much of the material which would be essential to workers had only been sent to supervisors. As one example of this we can cite the use of the department's Resource Manual prepared by the Community Resource Coordinator. In terms of time and money this is one of the department's most expensive communications. It is proposed for the line social worker to assist him in making referrals. Yet, in our sample of social workers we did not find one instance where the social worker said they had a personal copy of the resource directory. Few of them were even aware of the directory being available in their units.

Very often a regulation goes through a whole series of inter-
pretative changes before the law and intent is clarified. Without well

organized and current directives and information on procedural changes it

is easy to understand how workers can be inadvertently applying superceded

rules in their daily eligibility decisions.

Distribution of material should also be more sharply directed than

it is. Intake and ongoing functions are different jobs and there is a

tendency to send directives that apply only to one or the other to both

types of worker. Workers complained about this to us and knowing that they

get a lot of matter which is extraneous to their individual jobs tend to

disregard all of it.

The Task Force has no basis at all for suggesting what the

distribution of materials should be. Workers need certain things; others

should be available to only unit supervisors; and another part of it should

be kept by the section heads or division chiefs. On the whole we liked the

procedural instructions we saw prepared by the systems and procedure staff.

The main problem is more related to follow-up, standardization, instruction,

and getting more interpretative materials to the right place on more problem

areas of eligibility than it is with the qualitative aspects of the materials

prepared.

8. WITHIN THE LIMITATIONS OF THIS STUDY ALL WE CAN DO IS IDENTIFY

SEVERAL BROAD GROUPINGS OF GUIDELINE INFORMATION WHICH WE RECOMMEND THE

DEPARTMENT DEVELOP FOR THE ELIGIBILITY AND CLERICAL PERSONNEL. The groupings

overlap and run into each other but they all go to distinct areas which we

think can be improved in the department's informational system. All of them

emphasize eligibility but there is an identical need present for the clerical

staff. In most respects the comments we have made about the flow of information would also apply to clerical personnel. The type of procedural manuals we visualize would cover the following subjects:

1. A handbook on the role and duties of eligibility workers, the social worker, and the clerical worker;

2. A handbook outlining all the necessary procedure needed to determine eligibility and reaffirm continuing eligibility and which can be updated regularly for changes in agency policy. Uniform methods should be stated for taking and completing an intake interview;

3. A handbook regarding the eligibility qualifications of all aid categories;

4. Guidelines to all workers informing them of all necessary steps needed to verify income, how income should be recorded and exemptions to be allowed. All forms used in recording income should be definitely standardized;

5. Guidelines regarding the reasonable and maximum cost of child care, transportation, and automobiles and more precise instructions on documenting the allowances;

6. A handbook on all common budget procedures, including

withholding tax tables, earned income exemption

tables, and special need allowance tables.

Special mention should be given to two of these areas -- car

allowances and child care. Allowances made for these needs vary widely and

are the two most subjective areas we find in determining grant amounts.

9. THE TASK FORCE RECOMMENDS THAT A STUDY BE MADE TO DEVELOP MINIMUM AND

MAXIMUM GUIDELINES FOR CHILD CARE AND TRANSPORTATION ALLOWANCES THAT ARE

BETTER THAN THOSE IN USE IN THE DEPARTMENT. We are sure, however, that a

study of the problem and the range in allowances can produce some averages

and allowances that are far more equitable and consistent than letting workers

make personal judgments on individual cases. This would be one of the other

research projects the Task Force would suggest for early attention by an

Assistant Director for Management proposed in Recommendation 48, p. 200.

SCREENERS

One bi-product we would expect to come from developing better

procedures manuals is that it will force the development of more standard-

izing procedures and approaches to common eligibility functions. It is

impossible to develop step-by-step procedures until the department decides

that the same job should be done the same way. In this sense the preparation

of a procedures manual will be a constructive discipline to the entire

organization.

One job we are sure will be isolated as a special function is the

screening process at the point of eligibility intake. Screeners have been

used in the organization before separation and removed for the reasons we

explained in our discussion of separation in the chapter on the Planning

Process.

10. THE TASK FORCE RECOMMENDS THAT THE POSITION OF SCREENERS BE REESTABLISHED. Screeners were removed on a set of unfounded assumptions by the State which was never anything more than idealized speculation. There was no more reason to think that screeners will be used to arbitrarily dis-qualify eligible applicants than a regular eligibility worker would. The Task Force believes that a sound case can be made for screeners in light of all subsequent events since separation.

Some offices, in fact, have the facsimile of screeners now. They are called informational workers but they function essentially as screeners. Finding positions like this only illustrates again, the differences between divisions and the various ways in which the eligibility process is procedu-ralized.

The Task Force bases its recommendation on screeners on three points. First, as we see the intake process we feel a great deal of time is wasted by eligibility workers in interviewing ineligible applicants. Basic eligibility can be determined almost instantly in some cases. An applicant under 65 years of age cannot qualify for OAS or a couple without children cannot possibly qualify for AFDC. A properly trained screener can make these denials quickly before sending an applicant to a regular eligibility worker. The difference in quick denials is recognized in weighting work-loads now.

We sat in on enough intake interviews to know that once that an applicant gets to an eligibility worker it is very difficult to avoid going through a point-by-point search to assist in making the applicant eligible.

-35-

There is no reason to do this when a determination can be made on one basic qualifying factor of eligibility.

Many applicants come to the department asking only about one specific aid program like food stamps or medical service. In these cases the applicant should be sent directly to a food stamp unit or a Medi-Cal unit. There is no reason to present these applicants to a regular intake worker who will have to review eligibility for aid programs which the applicant may not even be asking about. Any applicant who feels he wants to persist with an application may do so. The time saved by the eligibility worker can be used then to get on with her home calls and budgets.

Secondly, we believe that having screeners will encourage offices to set up regular interviews on fixed schedules. Some offices see applicants by appointment now. Others see applicants when they arrive. It seems to us that workers would have a much better chance of organizing both their office time and field work if intake interviews were scheduled by appointment.

Thirdly, and probably most important, we believe that screeners are the key to the department getting control once again of its application logs which are presently in very bad shape. These application logs are the only source of the statistics on applications taken, applications accepted, denials, and cases pending. They are basic to every decision management makes.

These statistics are now scattered throughout every worker in each intake unit and the Fiscal Division has been notably unsuccessful in collecting this data from the division. The statistics have been delayed as long as two months in some of the divisions. The large number of pending cases shown in the official reports of the department may be more a result of faulty statistical reporting than a delay in making an eligibility

determination. Problems with the application logs also account for the inconsistency in statistics we find between reports. It is impossible for anyone to know for sure.

By having screeners management could centralize control over the application logs as well as some other important intake data. The Fiscal Division has been allowed some new positions this year to audit and collect intake statistics. There is probably reason to do this but even that job will be much easier if there are one or two people in each division to remind workers to clear their applications by the end of each month. These new positions in Fiscal Division were approved because of the difficulty the department has in auditing and getting reliable statistics out of the divisions. Rather than try to accommodate to an eligibility function that is fundamentally wrong we believe it would have been better to reorganize the intake function around the screeners.

In looking at the problem relating to collecting statistics staff also observed another area of inconsistency in counting intake workloads which would distort intake data. It relates to the weighting or credit given to restoration cases and cases transferred into the county from other departments. In some offices "transfer-in" cases are weighted at 1.; in others they are credited at 4.6. Restoration cases, in some offices, are given new application numbers which make them appear as new cases. In other offices the old application number is used. This does not affect workload but it certainly causes inconsistency in the statistics.

The department could also build a good referral service around the screeners. We notice that food referrals are one of the most frequent and successful kinds of social service given. There cannot be too many places in the community meeting this need. It seemed to us that screeners would be a likely place to handle some common types of referrals without having to involve social workers at all.

CASELOAD CLASSIFICATION

In 1962 it was demonstrated that the AFDC caseload could be reduced 30% without changing one State regulation or law or changing eligibility standards in the slightest. The reduction was effected solely by adminis-trative action and in the way the caseload was conceptualized and managed. Certainly the problems were different then in the sense that the total AFDC caseloads were smaller and were all concentrated in one location but the composition of the caseload is not essentially different than it was in 1962. The principal elements of the classification scheme we pose here is based, to a large extent, on a rationale for classification that has already been proven. We do acknowledge, however, that the addition of food stamps and medical programs since 1962 also make it more difficult to remove marginally attached recipients altogether from the aid programs.

To understand the necessity for some kind of classification system in AFDC one must first have some appreciation for the diversity of recipients in that aid program. To mention a few there are recipients who have income (approximately 25 to 30%) and those who do not. Some of these have variable income and for others it is more or less fixed. Some heads of eligible house-holds have absent parents contributing to support of the families, most do not. The size of the cash grants vary from $10.00 to $400. In some families there

is an excellent employment potential, for others it is absolutely nil. Heads of households in 40% of the cases have only one dependent child. When the AFDC caseload is looked at as a single, generalized grouping it is no wonder that groups like this retreat, frustrated and feeling that nothing can be done. Indeed, that was the first reaction of the staff during this study.

As our understanding of welfare deepened, however, we have come to the conclusion that there is some part of the caseload which will yield to systematic analysis and the application of some original management thinking. We are certain, however, that little can be done in reducing the size of the AFDC caseload as long as management approaches it as if it were a homogeneous group of recipients, as they do now. This conception of AFDC makes about as much sense to the Task Force as trying to make a systematic study of all sea life without the benefit of working with a classification system recognizing their different Orders and Species and Families of fish.

The only distinctive group of recipients now identified within AFDC are the unemployed. As a working constructive grouping, however, it is not, by itself, a useful categorization. Unless other factors are related to the knowledge that the person is eligible by virtue of being unemployed it is a useless piece of information. The possibilities for employment and independence are so completely different between an unemployed mother 45 years old with a sixth grade education and seven children and a 20-year-old, unemployed mother with one child and a high school education that they cannot be compared. Yet, these cases are managed as if they were identical situations.

We prepared this section, writing from the viewpoint that there are a large number of AFDC recipients that can benefit from special eligibility

considerations and social services and there are other groupings which cannot. To focus its resources properly, efficiently and with any expectation of productive results it is imperative that the department begin to identify and concentrate its attention on specific groupings of the total caseload.

Both our sections on WIN and Social Services are basically concerned with classification concepts. There can and should be many different types of classification schemes developed within the total welfare system depending on management's objectives. Any classification scheme has this end result: it forces management to declare what it is they are trying to do.

This classification scheme is somewhat hypothetical, but let us say that it has as its main objective the reduction of caseload in AFDC by 2,000 cases. It is obvious that some cases are more tenuously tied to the welfare system than others. Management must first make some assumption about which cases these are likely to be.

We suggest it may be the recipient receiving the smallest grants -- say in the $10 to $30 category. They would be people who are almost making it on their own but not quite well enough to break the tie with welfare. There would be income of some kind in these cases. A fixed type of income may be support payments from an absent father. In instances where the income was earned the cases should be examined considering the age of the children and the child-care plan available for them. A mother with a three-months old baby has a different prospect for self-support than someone with a child in

school or one that has a good child-care plan already worked out.

In any event, the caseload should be searched for the cases having these characteristics:

Single mothers with small grants under $30 and with:

1. income from an absent father or other

    income of some type;

2. under 35 years old with employment

    histories interrupted by pregnancy

    or divorce, or who are already working;

3. one child in case;

4. good child-care plans or where good child-

    care plans can be developed.

You now have a special group of recipients isolated. Look at the ones first with absent parent support. If you can manage to get only $10 to $30 more out of the absent parent could they be terminated? If so, it should be quite evident where the D.A.'s staff should be spending their time. Instead of chasing someone for $200, concentrate on just trying to get $20 or $30 out of someone else which would remove the family from welfare entirely. The other reason is because it is easier to do. But, this is the kind of intra-agency coordination simply not present in the county now. These important agencies, like the D.A. and Probation, on the periphery of welfare are not tied together with the welfare deparment under working management concepts like this.

Next, move on to the cases with earned income asking the question: what can be done to get the $10 to $30 needed to make up the difference between the recipient's own income and the small grant received? Recognize

that all that has to be done is to make the opportunity for the recipient to work 15 to 20 hours more each month. Concentrate on the precise factors that interfere with that objective.

In the group of recipients we have selected through this classification scheme the chances are good that the problems will be with the child-care plans of the recipient because that is basic to anybody. If the recipient does not have a good child-care plan concentrate on getting one worked out. If it is not a child problem look for whatever it may be. If clothes are needed or some esthetic dental work, provide it in these cases instead of somewhere else because you have already decided that these are the recipients you are going to move out.

All we have tried to do is provide the barest outline of one way of thinking about caseload management. It is too general to submit as a specific recommendation because we are basically talking about a way of thinking and conceptualizing a problem.

Besides the reduction in grant payments, the other payoff, from removing these small grant cases from the rolls, is in administrative salary savings. Savings in grants by removing 120 cases receiving $20 each month would total about $29,000 annually. The administrative staff, to service the cases, might be 20-25% of the grant amount. The combined savings would more than pay for what the cost of setting up the classification scheme would be.

One reason we cannot be more specific in suggesting a classification system for AFDC is because of the limited amount of information

about the characteristics of the caseloads. The data needed to construct
the classification scheme we describe is not available. About the only
management information supplied routinely from the computer are some
statistics on family size, ethnic composition of recipients, and the
average dollar amount of grants. These are statistics needed for getting
grant reimbursement from the State but they are not very useful for manage-
ment purposes. When grants vary from $10 to $400, knowing the size of the
average grant is not a very helpful piece of information.

THE BUDGETING PROCESS

Customers must possess an almost religious-like faith in the
longer-term potential of their computers to make them tolerate the
problems which they seem to create. There are many reasons for it, but
the potential of this computer installation has never been realized.

The focus of the Task Force review was upon the use of the computer
in assisting with the automation of the budget process for the department's
60,000 aid cases. To be sure, the computer does many other things for the

department and some of them quite well, such as writing the warrants and handling the central index, but we see the case budgeting application as the primary work savings application for the welfare department. The capacity and type of data processing installation needed to handle index and warrant writing would be quite a different thing if the main objective were not to computerize case budgets.

After 10 years of massive effort the department has been unable to automate the budgeting of more than 10 to 15,000 of its 60,000 aid cases, and is losing ground daily. Nearly all of the computer budgeted cases are within the OAS program which is probably the most stable of the three major aid categories. But, even the OAS application has been so badly patched and modified since it was written seven or eight years ago that it cannot be salvaged. A new program must be rewritten if the OAS caseload is to remain on the computer.

Fifty to 80% of the AFDC budgets may have been done on the computer at an earlier time. Computer budgeted cases have been steadily removed until only about 10% are on the computer today. It appears to the Task Force that in respect to the major objective of automating the case budgeting process the department is at a point where they could stop computerized budgeting without any great loss.

Another new generation of computers is on order and must be installed before another push can be made on the case budgeting application. But even with larger capacity equipment the Task Force believes that there are reasons to reassess the objective of automating the budgeting of the grant cases. As theoretically ideal as computer budgeting is, as a data processing application, the Task Force questions whether it can be done until the welfare programs

-44-

themselves are simplified and stabilized by changes in federal legislation. This is not a problem peculiar to Alameda County. The State's review of computer budgeting in welfare two years ago indicated counties had some reservations about the feasibility of computer budgeting. Only two centers with comparable computer installations reported they did the case budgeting by computer.

One of the most monstrous inconsistencies we find in welfare is that millions and millions of dollars are spent in developing hardware and clerical procedure systems around welfare regulations which are not stable enough to be controlled regardless of how sophisticated, powerful, or fast the machines are.

We estimate, conservatively, that 70 to 80% of the department's system staff, as well as the staff from the central data processing center assigned to the department, is consumed with modifying programs to accommodate regulation changes. The reason we find for the deterioration of the computer budgeting program is this, and it is very important in understanding the specific recommendations we make. The logic built in both the AFDC and OAS budgeting applications 10 years ago was based on the regulations and require-ments in the welfare programs as they existed in 1960. Future modification of some of the original computer logic is possible but much of it is irreversible. The programs are being asked now to perform functions which were simply not planned for when the computer programs were written. For an analogy, it is about like trying to make a formula race car out of a chassis you had originally intended to use as a dump truck.

Each new change in welfare regulations causes more machine budget cases to be dropped becaus⁻ the programs will not accommodate them. One of

-45-

the important policy decisions facing the department right now is whether the confusion resulting from having two budgeting systems working simultaneously justifies the small advantage of having a few of the budgets prepared on the computer. 11. THE TASK FORCE THINKS THAT IT DOES NOT AND RECOMMENDS THAT THE MACHINE PREPARED BUDGETS BE DROPPED AND THE COUNTY REVERT BACK TO A MANUAL SYSTEM FOR ALL CASES.

The confusion and problems resulting from having to teach the eligibility staff the intricacies of a manual budget system and a computer budgeting system is enormous. We will describe the differences between the manual and computer budgeting system to give some indication of what would be lost by our recommendation.

In the automated budgeting system the machine stores in magnetic files all details of the case necessary to compute the grant amount. When a change in the grant becomes necessary by virtue of a regulation change, a change in the income of the recipient, etc. the computer is procedurally notified of the one change involved and it re-computes a whole new budget. The warrant amount is changed around the action and the computer continues to pay the new amount to the recipient until it is notified of another change by the eligibility worker. The great value of the computer system, of course, is in handling grant changes that affect all cases caused by some of the general court orders on new regulations that apply to all recipients uniformly. To do all this there is a very complex set of procedures which have to be followed exactly by the worker.

In the manual system the worker computes the revised budget by desk adding machine and then sends the new amount of the warrant to the computer pay tape. All the computer does then is prepare the actual

warrant sent to the recipient.

At this time the worker decides whether to let the case remain on the computer system or to remove it and handle it on the manual budgeting system. The decision is based on the stability of the case and the number of changes the worker believes will occur in the case.

As automated as it sounds there are some important limitations in what the computer system can do. It cannot initiate aid, add a child, determine and show non-federal eligible people, cancel and rewrite warrants to a lesser amount, pay vendor checks, adjust overpayments according to regulations, ("it will adjust but not for the right months," or issue emergency warrants).

The computer, then, is only able to perform a limited number of budget tasks on a small percentage of cases. It is only the manual system that can handle all budget actions on all the cases. The volume of transfers between the two budget systems is great. This frequently causes a delay in the processing of a budget action which results in many warrants being held and is a common cause of budgetary errors as well.

The new computer may add speed and storage capacity to the present installation but it is not going to change the inherent problem of trying to automate the budgetary process of a welfare program subject to constant change. The Task Force does not say, categorically, that computerized case budgeting cannot be done but we see very little from the past 10 year's experience to make us optimistic. As laudable and objective as machine budgeting may be, the cold truth is that it has probably caused as many problems as it has solved. 12. WE RECOMMEND THE COUNTY REASSESS ITS AUTO-MATED BUDGETING APPLICATIONS IN THE LIGHT OF EXPERIENCE AS TO WHETHER IT IS A REALISTIC DATA PROCESSING APPLICATION.

The Task Force believes that proper recognition has not been given to the fact that the basic budgeting programs may have relatively short, usable life spans. The expensive implication of this statement is that much more time and money will have to be spent on the development of new systems prior to the time current operating programs expire. As we have said, systems people in both the department and central data processing are totally preoccupied in adapting existing programs to current changes in law and regulations. From a systems standpoint the present budgeting applications were worn out five years ago. Work has started on re-programming the OAS budgeting system. That may be a sensible priority or it may not when one considers the real payoff with the computer is in AFDC. It is also more probable that the adult categories are the programs most likely to be transferred to the State or federal government from all the indications we see in pending federal legislation. The more likely reason for re-programming OAS first is that it is about the only program the department can approach given the size of the present staff and the legitimate preoccupation they have for keeping the existing programs running. The year or so it would take now to prepare a new budgeting program for AFDC practically makes the application obsolete before it is started or measurably reduces its useful life.

There are about 38 new data processing applications in some stage of development now, 13 of which relate to the improvement of fiscal and statistical controls. Most of them have been pending for well over a year. It is a large backlog of work which cannot and should not be implemented without a much clearer definition of what the department's basic objectives are for its computers.

Basic to most of these 38 applications is whether or not to use the computer on case budgeting. Uncertainty about the outcome of this year's Federal and State legislation has paralyzed decision-making for some time. Some things may happen this year in legislation that will help the department make a decision but the Task Force is inclined to doubt it. The only definite thing we see on the horizon are stiffer requirements in regards to data processing development costs which the State and Federal government will participate in underwriting. It is becoming more necessary than ever before for local welfare departments to set its goals around the reality that the welfare programs are not likely to stabilize very soon.

If it is impossible to get effective use of computers in certain applications because of constant changes in the welfare programs themselves it is time the department recognize this and act accordingly in limiting their data processing applications to the ones which are actually possible. The Task Force believes it is more desirable to use the computer on applications which are common to all grant cases than it is on applications where experience has proven it is almost impossible to achieve success.

13. IF THE COUNTY DECIDES TO MAKE ANOTHER ATTEMPT AT COMPUTER BUDGETING THE TASK FORCE RECOMMENDS THAT THERE BE AN AUGMENTATION OF SYSTEMS AND PROGRAMMING STAFF TO WORK EXCLUSIVELY ON THE PLANNING AND DEVELOPMENT OF NEW APPLICATIONS INDEPENDENT FROM ANY RESPONSIBILITY FOR THE DAY-TO-DAY MAINTENANCE OF EXISTING APPLICATIONS. We cannot suggest the size of the staff needed but we are confident from our review that more advance systems work is needed if the department is ever going to get full value from the million dollars it is spending on data processing. Systems planning and development work must precede by several months, the time when existing

applications wear out. To make timely and well-coordinated transitions from an existing application to a new one is difficult when original systems development and ongoing maintenance work is managed as if they were the same responsibility.

14. THE TASK FORCE RECOMMENDS THAT FOR EACH APPLICATION SET UP AS A DATA PROCESSING OBJECTIVE A TIME TABLE AND A SPECIFIC BUDGET ALLOCATION BE GIVEN TO IT. The budget should set forth the number of man-hours required from systems people and programmers in both the Central Data Processing Center and the department. There is a mixture of responsibility for systems design and programming between the Welfare Department and Central Data Processing that makes it very difficult to fix accountability for anything at present. Progress points should be specified on each new proposal and reviewed critically by the Director of Fiscal Services from the Welfare Department, the County Administrator, and the Chief of Central Data Processing.

The Task Force's initial excursion into the Budget Process, which we titled this piece of the report, was prompted by seeing the problems created for the eligibility worker by having to learn and deal with two different budget systems. We prepared a lot of procedural detail on how the manual and computer budget systems worked and related to each other. Like so many other parts of this study we soon realized we were not confronting a problem of systems and machines so much as we were a management problem. It, again, relates to plans, administrative objectives, and time tables far more than it relates to systems or hardware. The essential question is whether computerized budgets are possible and whether they are worth the time and effort it will take to get them.

It is tragic to see the department patching and limping along trying to salvage a data processing application conceived for another era of welfare. If the department's expectations for its data processing installation were clear at one time they are not any longer. Management must restate its goals for this installation and then pay far more attention to watching and coordinating the people and resources it uses in translating these goals into practical applications.

To go any further with this discussion of data processing the Task Force would be taken into a quagmire of technical considerations. All we have done is look at one primary objective set for the computer and find that it has not been accomplished. All the rest is explanation. The Task Force feels that should be given to those officials in the county to whom the department is accountable. We agree, however, that there are many technical aspects to the problem the department faces in getting the install-ation to service them more effectively.

We have discussed computerized budgeting with people who have written case budgeting programs. In reviewing our material they suggest to us that the statements we make about the difficulty of modifying computer programs around welfare change may not be true at all. The point raised relates to the kind of systems logic employed in writing the programs. It seems there are two types of systems logic. One is "segmented" in which parts of the program are separated into connected but isolated pieces which permits one piece of the program to be revised or updated around specific welfare changes without disturbing other parts of the overall program. The other type called "free flow" is what they suspect has been used in preparing the case budgeting application in this installation. In free flow programming

all the computer routines are joined together in a manner which limits the amount of alteration which can be done. One sounds a lot better than the other but the Task Force does not know if it has significance here or not.

Another problem the department points out to us is the difficulty of holding systems people and programmers assigned to a project until it is finished. There may be good reasons to contract for software services rather than keeping in-house programmers if this is a major problem.

Another question to be considered is the advantage in having the welfare department's data processing needs serviced through central data processing. There is nothing intrinsically good about centralization of equipment. Again, the test is, does it work. With 60,000 cases does the department have a data processing requirement which might be better met by having an independent satellite installation of its own. The department's needs are much different now than what they were when the separate installation the department once had was merged into central data processing.

Knowing what it does about the allocation of data processing costs in welfare the Task Force is inclined to suspect that the reasons for removing the welfare department's installation had as much to do with cost sharing considerations with the State as it did with the efficiency which came with a larger, centralized operation.

These are very substantive policy matters which the Task Force believes the Board of Supervisors must evaluate through very close study if the full potential of this installation is to be realized. The Task Force does not know what the capability the county may have in the administrative office and central data processing for studying these questions but unless it has them this is definitely an area where some competent outside assistance should be obtained.

ASSISTANCE PLANNING

In only one sentence of the report so far have we alluded to the importance of the client's responsibility in reporting, on his own initiative, changes in his circumstances which would affect his grant. That was in reference to what we said about the initial eligibility investigations setting the stage for the long-term relationship between the client and the welfare department.

Even when renewals are done on time and made with home calls and strong verification, much can occur in the life of a recipient between one renewal and the next which needs to be reported to the agency. Regardless of how big brotherish it becomes, the administrative network in welfare can never be made good enough to work successfully without an element of strongly enforced cooperation from the client. The opportunity is just too great for the agency to miss a telephone call, to lose a case file at an inopportune time, and to otherwise get all changes when they occur.

What is needed we believe is a method of enforcing systematic, mandatory reporting to the agency on the part of the recipient. The Task Force is convinced that the only successful way of enforcing client reporting

is by making client reporting a condition of receiving their welfare payments

from one month to the next. It is no more unreasonable to expect clients to

furnish information which affects their grants to the agency than it is for

the Internal Revenue Service to expect every citizen to file an income tax

return regardless of whether they have income or not.

The clients are clearly obligated to report changes now but, as we

have tried to illustrate throughout this chapter, there are many places in the

administrative system which can interfere with the flow of information between

the agency and the recipient.

The Board of Supervisors were approaching one part of this problem

in their recent ordinance pressing the department to adopt procedures for

collecting information on earned income from the recipients. That, however,

is only one type of information which can affect the grant. As we view the

total problem, the ordinance affects, at best, 25 to 30% of the cases mainly

in AFDC. The grants can be influenced just as much by dozens of other factors

such as children leaving the family unit, dropping out of school, or losing a

job for which a special transportation allowance was given. It is in the

clients' interest as well to have a well understood procedural provision for

reporting promptly changes which would alter their grants before they are

discovered by the agency in the course of doing a routine renewal six months

or a year later.

It goes by different names, but as an administrative concept for

controlling grants assistance planning is not anything original or radical.

We also disagree with the State in their saying that as a budget method it

is both "expensive and administratively complicated." In terms of the costly

mistakes it causes nothing could be more expensive than the present budget

system. Three or four counties, in fact, have successfully tied grant payments to client reporting for several years. We talked to some of them and are satisfied it works. The concept of assistance planning was considered in this department five years ago and in a loose, ill-defined way provision has been made for assistance planning in State regulations since 1958. Seeing the significance of better client reporting as we do and the important administrative implications budget planning has for management, it is staggering to realize that it has not been pushed and implemented in every welfare department.

Like any administrative change there are some technical problems associated with a conversion to a different payment method such as how you treat earned income initially, the designation of the reporting period, short months, payment dates, etc. As much as anything the ball-up has centered on trying to deliver the client's check exactly on the first and 15th of each month and in trying to make the budget process conform to some nonsensical notion of the State about "statewideness." The State's concern about statewideness seems particularly ludicrous to the Task Force knowing that there is practically nothing uniform now in the way counties handle client budgets. As constructive administrative guidelines, words like "statewideness" mean absolutely nothing. Yet, they persist as if they were real concepts and prevent the counties from taking decisive action on important changes which are vital to controlling the grants they are charged with administering. It is but one example of the vicious deadlock between the counties and the State which paralyze decisive action on improving money payment controls. Combine this kind of influence with the normal tendency for inertia there is in any' large organization and you have the nightmarish aspect of administration we

-55-

spoke about in our opening statement.

Seeing the significance of having a better method of forcing client reporting, we wrote to the State in regard to their approving some form of assistance planning if we recommended it in this study. We print the reply in its entirely.

May 4, 1971

Miss Linda Furst
405 Davis Street
San Francisco, California 94111

Dear Miss Furst:

In response to your request for explanatory material on the AFDC "Budget Planning and Subsequent Payment" method, I am enclosing an old handbook section and the training outline used with counties when the method was first established.

It is our understanding that you are participating in a management study of Alameda County which was commissioned by the Board of Supervisors, and that one of the recommendations under consideration is concerned with the choice of AFDC budget methods. As I mentioned when we talked on the phone the other day, the State Department of Social Welfare is developing a welfare reform proposal which when implemented, would require all counties to use a simplified, uniform method of preparing budgets in AFDC cases. The proposal under consideration would be comparable to the "Budget Planning and Subsequent Payment" method.

Since the change in budget methods is both expensive and administratively complicated, we would not encourage or approve county action to change case budget methods until development of the proposal is further along. As soon as they are ready for release, details will be distributed to the counties.

If we can be of further assistance, please let me know.

Sincerely yours,

Arlo W. Dehnert, Chief
AFDC Bureau

Attached were 24 pages of procedural discussion, regulation, examples, flow

charts and lastly "suggested questions for stimulating discussion." To say

what: that after 13 years the State has still not presented counties with

a definitive regulation on something that is vital to controlling grants

and telling us that until they do they will not approve a procedure which

may show the way.

What is also interesting is that the outline of the plan which

the State implies it is developing is, in fact, coming from one of the

counties which recognizes it has to do assistance planning. There is still

no assurance yet of what may come from the State. We tried to get some

detailed information from the State Department of Social Welfare about their

plan but they claimed it was not at a stage where it could be released.

From what little we saw of the State's proposal we felt that the approach

which has been considered by Alameda County would be better anyway. 15. OUR

UNCERTAINTY ABOUT THE ADOPTION OF A STATEWIDE PLAN COMPELS THE TASK FORCE TO

RECOMMEND THE COUNTY ADOPT A FORM OF ASSISTANCE PLANNING THAT IS COMPATIBLE

WITH THEIR DATA PROCESSING EQUIPMENT AND PRESENT BUDGET PROCEDURE REGARDLESS

OF STATE APPROVAL. We cannot imagine the present State administration

obstinately refusing to accept an approach to budget planning that deals

effectively with the essential problem involved.

The proposal made on assistance planning to management by some of the staff worked this way. We describe the procedure of assistance planning as if it were a monthly payment cycle when there are actually two, but the sense of it is the same. A client would be required to report any change that affected his grant to the eligibility worker by the 25th day of each month. Checks for the subsequent month would be held on any client pending receipt of the required information.

It is recognized that not all clients would report on time so an additional five days would be allowed to receive late reports and rework the clients' budget around the reports and notify fiscal of any change in the warrants. An additional 10 days are needed after the worker finishes her computations for data processing to prepare and mail the warrants.

In order to make the reporting period of the client correspond cleanly to a calendar month, which is all he understands, the 25th does not allow sufficient time to process the information and prepare the warrants by the first of the month. This has been one of the main problems the State has dealt with for 10 years. There is only one solution and it is to send the check to the client on the 10th of the month instead of the first.

To install assistance planning one has to recognize also that because of the desperate financial condition of the clients delaying the date of their warrants for even 10 days presents an unacceptable hardship. To meet this problem a supplement equal to about one-third of the previous month's grant will have to be given to the client in the month preceding the date the procedure is started otherwise the client would have to live through one 40 day month and most of them cannot do it. This will be approximately $38 per recipient. This slide-in payment is another thing that has bothered

both the State and the counties because it appears to be a grant increase.
It is not a supplement but an advance which will be recovered from the
recipient if possible on the month aid is terminated. Working out a method
which will guarantee recovery of the advance is also an acknowledged problem.
It is the feeling of the Task Force that it is worth $38 per recipient to
get the reporting system started for what it will do to assure better grant
administration in general.

For one thing, we believe the department's success in collecting
overpayments would be infinitely improved. In cases where the client will-
fully reports false information there is, from his own reports, firm docu-
mentation of what he represented his status to be. There is nothing like
this now. If a renewal is not made on time or the client can allege he was
unable to contact his eligibility worker for any reason the chances of
collecting an overpayment are practically lost.

It is also acknowledged that certain estimates and averages have
to be made about the client's income in initiating assistance planning. We
feel confident, however, that just as many estimates are being made about
income in the present budgeting procedure. As many as three or four adjusting
or supplementary warrants have to be written on each case when aid is first
initiated before the grant is worked out correctly. Supplementary or adjusting
warrants are written on nearly one-third of the AFDC cases. The State's
sluggish attitude on approving modifications of the present budgeting system
suggests to us that they think there is something worth preserving in the
present methods they are forcing counties to use. In truth, no system could
be more vulnerable to mistake on behalf of both clients and welfare
administration.

SECTION II

MEDICAL ELIGIBILITY

MEDICAL ELIGIBILITY

The fiscal and administrative problems we are addressing in this section are directed to a relatively small and even declining number of persons who find their way into the welfare system through the route of the county hospitals. Between Fairmont and Highland Hospitals it amounts to 250 to 275 persons per month. This is approximately 20 to 25% of the total hospital admissions. The two units of eligibility social workers are supervised from the East Oakland division. Their primary assignment is to sort out from the total hospital admission lot those patients with possible linkage to Medi-Cal in order for the county to participate in the State's sharing of the patient's medical cost. Unless the patient's Medi-Cal eligibility is certified the county has no recourse but to bear the full cost of the medical care. Technically, at least, the certification for Medi-Cal eligibility must be established and a billing submitted to Blue Cross, the State's fiscal intermediary, within 60 days. An exception is made for the 60 day requirement for those persons who qualify for ATD. This is in recognition of the delay involved in securing the medical examinations required which are the essential qualifying factors for eligibility in the ATD program.

In the largest sense, Medi-Cal certifications are just one other facet of eligibility administration, but important phases of it are conducted in conjunction with the county hospitals. A recent study of Alameda County institutions dealt with this problem in some depth. The essential recommendation of that report was to reassign responsibilities for determining medical eligibility back to the hospitals.

The reasoning for that recommendation was based on the fact that time studies of hospital eligibility personnel indicate that the number of admissions to the hospital with which the Welfare Department is involved has dropped from about 80% of the hospital admissions to about 20% and seems to be declining further.

We concur in the recommendation, and agree that there are clear advantages in having admissions, eligibility determination and collections integrated within a single agency. On the surface that may appear to be a rather neat and final solution to a county administrative problem. As staff we were sorely tempted to side-step the issue saying it was under study elsewhere and that it was a matter to be resolved finally by the hospital staff. We did not, however, because we cannot visualize the creation of any procedure for handling the certification of Medi-Cal eligibles which can completely bypass the Welfare Department. Furthermore, we think that trans- ferring responsibility for categorically linked medical cases to the hospital intake staff will only compound the problem for the Welfare Department.

We say this because we think that in cases where eligibility is not readily apparent to the hospital there will be a tendency to send all questionable cases back to the Welfare Department for a final deter- mination. If this occurs there will be more reason than ever for Welfare to set up a dependable way of certifying the medical eligibility.

What is at stake in this issue is between $500,000 and $600,000 worth of hospital services rendered to recipients which cannot be billed by Central Collections pending the department either certifying or denying

the patient's eligibility for Medi-Cal. Without going into the intricacies of the "standard" and "option" methods of financing county medical costs, suffice it to say that any proper Medi-Cal charge not billed in time risks becoming a county cost liability.

In referring to this figure it is important to point out that how much of it represents legitimate charges to Medi-Cal is rather uncertain. It is the practice of the auditor's office to set up costs for all patient care as a receivable until he is notified that a case cannot be billed as a Medi-Cal charge. Strictly speaking, the $500,000 to $600,000 are charges for hospital services which have not been cleared. State Department of Health Care Services reports that Alameda's utilization of the Medi-Cal Fund in relation to eligibles is comparatively good when viewed in the perspective of counties of comparable size. Still, it is a matter of concern to the Task Force that such a large amount of billing for hospital care is in doubt. If the State's fiscal intermediary upholds the 60 day certification requirement many of the legitimate billings to Medi-Cal are in jeopardy because most of the uncleared charges are considerably older than 60 days.

The 60 day certification requirement is, of course, a critical administrative factor but it does not seem to us unreasonable. In fact, the eligibility process in all aid programs except ATD must be completed within 30 days. As we have said before, the number of pending cases in a welfare department is one test of how well the eligibility process is working. The large number of pending cases in this particular area is only consistent with the general situation we find in the overall department.

This group of cases, originating through the hospital, take on special significance only because of the direct and immediate financial losses that occur when they are not processed within the required period.

The following point is an important one in understanding this problem. When
certification of eligibility in a regular cash aid case is delayed beyond the
normal 30 day period it is, generally speaking, of greater consequence to the
applicant than it is the agency. If an application cannot be processed or is
delayed because of the eligibility worker's failure to make the required home
call or verify some point of eligibility it is the applicant who suffers
because his cash aid won't begin until the eligibility is completed. Obviously,
it is to the recipient's advantage to cooperate to the fullest extent possible
and make himself available to the worker in order to complete his eligibility
so that his grant payments can begin. In a manner of speaking, it is incumbent
on the applicant to chase the department. If contact is lost with the depart-
ment before an application is finalized the department can, with good reason,
just deny the application on the grounds that the client failed to return.

The important difference with the applicants who enter the welfare
system through the hospitals is that a liability, and probably a fairly
large one, has been incurred before the applicant leaves the hospital and
before the eligibility process and required paperwork has been completed.
It is of no personal interest to the patient, particularly those entitled to
medical services only, whether the certification process is ever finished.
In their minds county hospital services are free anyway and they have no
concern whatsoever with all the paper and procedure that determines whether
they are covered as a county indigent at full county expense or as a Medi-
Cal patient with State reimbursement of the hospital cost.

This subtle difference is the crucial reason why it is necessary
to complete the eligibility determination as quickly as possible. After
the patients leave the hospital many recuperate at some place other than