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ered into the Treasury as miscellaneous receipts.

"(e) (1) The Secretary may bid for and purchase at any foreclosure or other sale, or other sale, or otherwise acquire, property pledged or mortgaged to secure any loan made pursuant to this section; pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized in subsection (d); accept title to any property so purchased or acquired in the name of the United States of America; operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed five years after the acquisition thereof; and sell such property so purchased or acquired, upon such terms and for such consideration as the Secretary shall determine to be reasonable.

"(2) No borrower of funds under this section shall, without the approval of the Secretary, sell or dispose of its property, rights, or franchises, acquired under the provisions of this section, until any loan obtained from the Secretary, including all interest and charges, shall have been repaid.

"(f) The Secretary shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this section.

"(g) The Secretary may extend the time of payment of interest or principal of any loans made pursuant to this section."

By Mr. MONDALE (for himself, Mr. JAVITS, Mr. ABOUREZK, Mr. BAYH, Mr. BIDEN, Mr. BROCK, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CLARK, Mr. COOK, Mr. CRANSTON, Mr. EAGLETON, Mr. FULBRIGHT, Mr. GRAVEL, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUGHES, Mr. HUMPHREY, Mr. KENNEDY, Mr. MATHIAS, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. PACKWOOD, Mr. PASTORE, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STAFFORD, Mr. STEVENSON, Mr. TUNNEY, and Mr. WILLIAMS:

S. 1220. A bill to limit the authority of the Secretary of Health, Education, and Welfare to impose, by regulations, certain additional restrictions upon the availability and use of Federal funds authorized for social services under the public assistance programs established by the Social Security Act. Referred to the Committee on Finance.

Mr. MONDALE. Mr. President, I am introducing legislation to preserve key aspects of the Federal social services program from "impoundment by red-tape." My bill reflects the concerns expressed in a letter 45 Senators joined me in sending to Secretary Weinberger on February 15, a copy of which I ask unanimous consent be printed at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. This legislation is cosponsored by a bipartisan coalition of 42 Senators, and endorsed by 12 of our Governors. The Governors supporting our bill include Governors Carter of Georgia, Anderson of Minnesota, Bumpers of Arkansas, Tribbitt of Delaware,

Andrus of Idaho, Ford of Kentucky, Mandel of Maryland, Curtis of Maine, Exon of Nebraska, Shapp of Pennsylvania, Rampton of Utah, and Lucey of Wisconsin.

I ask unanimous consent that a copy of my bill, with the list of cosponsors, be printed at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONDALE. Mr. President, regulations proposed by the administration and scheduled to go into effect on April 1 would cripple the effectiveness of this program which is designed to assist States in helping families off the welfare rolls and in providing alternatives to institutional care for the aged, blind, and disabled.

Last year the Congress adopted a \$2.5 billion ceiling and other reforms for the social services program—to prevent abuses and to require States to more carefully order their priorities.

But the new regulations go far beyond the mandate of Congress, to crush existing State programs—for day care so that mothers can work, meals and other services for elderly persons living at home, drug and alcoholism treatment and prevention, juvenile delinquency prevention and other services.

They would sharply reduce the Federal contribution for social services—by \$600 million to \$1 billion below the level established by the Congress. In Minnesota alone the new regulations would cut over \$34 million in services for programs affecting 73,000 children and adults.

Gov. Dale Bumpers of Arkansas recently described the impact of these proposals on his State:

To give you an example of the effect it would have on our mental retardation programs, when I was elected we had fewer than 20 community facilities caring for a little less than 400 children.

In the past year and a half . . . we have expanded that to 82 facilities caring for over 2,000 children.

Quite frankly, with the guidelines prohibiting the use of private funds and the further restrictions . . . we will probably wind up closing virtually every one of the new ones we have started in the past year and a half.

Under these proposed regulations, former welfare recipients would be denied eligibility for day care or other services just after those services have permitted them to find employment and leave the welfare rolls. So they would be forced back on welfare. As an HEW memo states:

The regulations will cause many former welfare recipients to quit their jobs . . . [and] create a revolving door effect.

This is precisely the kind of mixed up incentive system which traps people in poverty, and destroys faith in the good intentions of government.

The bill which we are introducing today does not attempt to preserve the old regulations intact. Instead, our bill would preserve the five most essential components of the existing program:

First. The use of privately contributed funds and in-kind contributions to make up the State's matching share.

Second. Existing flexibility for States

to offer services to past welfare recipients for up to 2 years and to potential welfare recipients for up to 5 years.

Third. The authority of States to provide drug and alcohol treatment programs, education and training services and comprehensive services for children, the elderly and the disabled under the social services program.

Fourth. The continued application of day care standards established for the program in 1969.

In addition, our bill would free States from unreasonable requirements for reporting as often as every 3 months on the use of funds.

The social services program is an essential effort to aid families in getting off welfare, and to help older or disabled citizens live useful lives outside of institutions. It is a flexible program, with broad authority resting in the States.

The cuts the administration has proposed will not create savings. The American people will pay more in higher State and local taxes, in increased costs for welfare and crime and in the waste of thousands of human lives.

We are hopeful that Secretary Weinberger will revise his proposal to reflect widespread congressional concern. If he does not, we will move through the legislative process to preserve this program, as Congress intended, within the \$2.5 billion ceiling established by the Congress last fall.

#### EXHIBIT 1

FEBRUARY 14, 1973.

HON. CASPAR WEINBERGER,  
Secretary of Health, Education, and Welfare,  
Washington, D.C.

DEAR MR. SECRETARY: We are extremely concerned about reports that forthcoming social service regulations may make fundamental changes in the operation of federally-assisted programs in the fields of day care, aid to the elderly, mental retardation and juvenile delinquency.

In particular, we would like to register our strong opposition to the reported administrative repeal of existing provisions which permit the use of privately contributed funds—from charitable organizations such as the United Way of America—to make up the required local or state match. This proposed change would seriously undermine the excellent existing private-public partnership approach to human problems. These kinds of cooperative efforts should be encouraged rather than discouraged.

Such an extreme change in the existing social services program is unwarranted. Fears of an uncontrollable budget in this area were resolved by the \$2.5 billion ceiling on Title IV-A which the Congress adopted last year. And less extreme proposals for dealing with isolated examples of abuse have been offered by individuals such as former Secretary Richardson. We are attaching for your information a copy of a letter Secretary Richardson sent to Representative Wilbur Mills last October concerning this issue.

In addition, we would like to express our concern about other parts of the reported new regulations such as those which would repeal the current use of in-kind contributions for the non-federal match, deny day care eligibility to former welfare recipients just after this day care program has permitted them to find employment and leave the welfare rolls; and raise serious questions about whether the Federal Inter-agency Day Care Standards—which establish minimum protection for children in federally assisted day care and which have been in effect for the past 5 years—will continue to apply.

We respectfully request that we be informed in advance about any proposed changes in areas such as these, and that if and when any changes are proposed they be available for public comment and later revision.

With warmest personal regards,  
Sincerely,

Mondale, Javits, Ribicoff, Packwood, Stevenson, Abourezk, Bayh, Beall, Brooke, Burdick, Case, Church, Cranston, Dominick, Eagleton, Fulbright, Gravel, Hart, Hartke, Hatfield, Hathaway, Huddleston, Hughes, Humphrey, Kennedy, Mathias, McGee, McGovern, McIntyre, Metcalf, Moss, Muskie, Nelson, Nunn, Pell, Percy, Randolph, Schweiker, Stafford, Stevens, Taft, Tunney, Williams, Clark, Montoya, and Symington.

EXHIBIT 2

S. 1220

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Sec. 2. (a) The regulations of the Secretary of Health, Education, and Welfare (relating to the administration of titles I, X, XIV, and XVI, and part A of title IV, of the Social Security Act) as in effect on January 1, 1973, shall remain in full force and effect insofar as such regulations relate to—

(1) the use of privately contributed funds and in-kind contributions as part of State expenditures, in determining (for purposes of any such title or part A) the amount of the Federal contribution to which any State is entitled on account of expenditures incurred by the State for social services under a State plan approved under any such title or part A, provided that the Secretary may clarify requirements that such privately contributed funds be expended in accordance with a State plan.

(2) the authority of any State, under any such plan, to define the categories or classes of individuals who are eligible to receive such social services;

(3) the authority of any State, under any such plan, to include, as social services, and alcohol treatment programs, education and training services, and comprehensive service programs for children, the elderly, or the disabled (including such programs for mentally retarded children and adults);

(4) reporting requirements of States, under any such plan, with respect to the provision of social services; or

(5) the standards imposed, under any such plan, with respect to the provision, as social services, of day care services.

(b) No regulation, promulgated by the Secretary of Health, Education, and Welfare after January 1, 1973, shall have any force or effect, and any such regulation shall be invalid, if, and insofar as, such regulation is inconsistent with the provisions of subsection (a).

LIST OF COSPONSORS

Senators Javits, Abourezk, Bayh, Biden, Brock, Brooke, Burdick, Case, Clark, Cook, Cranston, Eagleton, Fulbright, Gravel, Hart, Hartke, Hatfield, Hathaway, Hollings, Huddleston, Hughes, Humphrey, Kennedy, Mathias, McGee, McGovern, McIntyre, Montoya, Moss, Muskie, Nelson, Packwood, Pastore, Pell, Percy, Randolph, Ribicoff, Schweiker, Stafford, Stevenson, Tunney, Williams.

Mr. JAVITS. Mr. President, I am pleased to join with Senator WALTER MONDALE, Democrat, of Minnesota, in S. 1220, a bill to bar restrictions by the Secretary of Health, Education, and Welfare imposed by regulations on the availability and use of Federal funds authorized for social services under the Social Security Act. We are joined by a bipar-

tisan group of 47 Senators including the following members of the minority: Senators BROOKE, CASE, COOK, HATFIELD, MATHIAS, PACKWOOD, PERCY, SCHWEIKER, and STAFFORD.

The bill would safeguard the following elements of the existing approach to social services which are threatened by regulations proposed by the Secretary of Health, Education, and Welfare, which the administration intends to make effective April 1; programs affected include day care, aid to the elderly, programs to deal with mental retardation, alcoholism, juvenile delinquency, and other social services under titles IV-A and XVI of the Social Security Act.

First, giving States existing authority to define eligible recipients including past and potential.

A key aspect of the current program is that States and localities are free to provide child care and family services to former and potential welfare clients. Under present law, as a general matter, services may be provided to persons who have been on welfare during the past 2 years and persons who could be on welfare within the following 5 years.

Under the new proposal, a 5-month limitation would pertain with respect to former recipients and a 3-month limitation for potential recipients. Additionally, eligibility cutoffs would be revised so that in New York City, for example, a family of four earning just above \$5,400 would not be eligible for day care.

The administrator of the Human Resources Administration of New York City, Jule M. Sugarman, has advised me by letter dated March 7, 1973, that if the regulations are implemented, about 50 percent of the current families enrolled in the child care programs would be ineligible; at the present time there are approximately 368 centers in New York City with a capacity for 26,289 children.

These restrictive elements, if implemented, will impact all of the social services programs, not just to day care. Mr. Sugarman's letter notes:

We are already considering whether we should not move our Senior Citizen Center program out of Title XVI coverage to spare the elderly the necessity of documenting their near indigency to gain program eligibility.

Mr. President, it is clear that if implemented these regulations will have an effect exactly the opposite of that intended by the Congress for the social services program under the Social Security Act. For example, in day care, it will mean that once the mother works her way off of welfare, she will become ineligible for child care and thus fall back into the welfare category.

Nothing could be more counterproductive or repugnant to the purposes of the law or inimical to the Administration's own concern with the "working poor" than that.

Second, use of privately contributed funds and in-kind contributions as part of the State's matching share.

Under the proposed regulations, the administration proposes to eliminate private contributions which currently may be counted as a part of the State's or locality's 25-percent matching funds.

This will sound the death-knell for

many programs throughout New York State and the Nation which find sources of life in the contributions of philanthropic organizations, United Fund, and similar sources. I am advised that in New York City alone one such private organization has provided as much as one-half a million dollars to social services.

Moreover, this proposal should be considered inconsistent with the administration's own emphasis on volunteerism and economy in government since the matching requirement acts as an incentive for funding from the private sector and thus achieves a "multiplier effect" in terms of Federal expenditures.

Third, existing standards for day care. The proposed regulations eliminate existing requirements with respect to the quality of child care made available under the Social Security Act.

Under the new regulations, there is every risk that programs would become purely "custodial"—that is, lacking in educational, nutritional, and other components that are so key to human development.

Again, nothing could be more counterproductive in terms of the purposes of the Social Security Act since programs without these essential elements can only act to perpetuate the cycle of poverty for a new generation.

It should be noted also that elimination of standards for day care is inconsistent with the law recently enacted by the Congress. The Economic Opportunity Act Amendments of 1972 specifically provided, in section 19 for the application of the Federal interagency day care requirements to all child care programs funded by the Federal Government and the President signed that law on September 19, 1972.

Fourth, authority to provide drug and alcohol treatment programs, education and training services, and other comprehensive programs for children, the elderly or disabled.

Under the new regulations, programs for the rehabilitation of alcoholics and drug addicts are not even eligible activities. In New York City, this will mean the elimination of Federal funding for programs under which 25,000 addicts—5 to 10 percent of the 300,000 to 500,000 in New York City alone—are now being given treatment.

Moreover, there is no mandate in the proposed regulations for the use of sub-professional personnel in service delivery and training and educational leaves—as under previous law.

Fifth, reasonable reporting requirements.

Under the new regulations, States and cities would be required to determine eligibility of each recipient on a quarterly basis; under present law, eligibility must now be determined only once a year and more often only if the State deems necessary.

I support efforts to assure administrative efficiency in carrying out programs but I believe that the proposed regulations impose an element of red tape that can only serve to make the program almost unworkable.

For these five reasons, we propose this amendment to the Social Security

Act in the belief that the regulations proposed by the Secretary remain contrary to the general purposes of the Social Security Act, which is to get people off the welfare rolls. Limiting eligibility to persons on welfare, cutting off private funds, permitting custodial child care, eliminating drug and alcohol treatment programs, and cutting efforts for paraprofessionals and related services can only serve to increase the welfare rolls.

Mr. President, just last December, despite my efforts to seek relief, the Congress imposed a \$2.5 billion ceiling on social services throughout the Nation and established a formula for distribution which greatly prejudiced industrial States like New York—indeed the very States that have shown the greatest interest and competency in providing social services.

For this fiscal year, that ceiling has meant that approximately \$200 million is available in Federal matching funds for New York State in contrast to the State's original request for and ability to use effectively \$800.0 million.

Mr. President, I hope very much that in light of the substantial bipartisan support for our proposal evidenced by co-sponsorship for this measure, that the Secretary of Health, Education, and Welfare will reconsider these regulations and abandon them. If there are further reforms that need to be made in the law, we will be pleased to work with the executive branch in developing them, but we do not wish to permit these regulations to be implemented without regard to legislative intent or involvement.

I ask unanimous consent that at this time there be printed in the RECORD a copy of the letter from Jule M. Sugarman, administrator of the Human Resources Commission in New York City, to me dated March 7, 1973, and an article and an editorial from the New York Times of March 7, 1973.

There being no objection the material was ordered to be printed in the RECORD as follows:

1,000 PROTEST FEDERAL PLAN TO CUT DAY-CARE SERVICE

About 1,000 demonstrators, many of them mothers who brought their children, yesterday protested proposed Federal regulations that would end day-care and other social services for many present recipients.

Carrying signs and chanting "We want day care," the protesters marched for about three hours outside 26 Federal Plaza, where the Federal Department of Health, Education and Welfare has offices.

Last month the department proposed terminating Federal support for social services to working mothers who earn salaries more than one-third higher than their state's official poverty level.

In New York State, as many as half the 34,000 working mothers now using centers for their children would be above the \$5,400 maximum that would result if the proposals were implemented.

Many mothers said they would have to go on welfare if their day-care services were terminated. Others praised the centers, where children are taken care of while parents work, as "life-savers."

CARING FOR CHILDREN

Working mothers in this and other cities have been expressing concern about the

proposed changes in the Federal guidelines which might render their children ineligible for low-cost day care. Unless states and cities make up for the reduction in Federal support, many mothers whose earnings are above the poverty level but too modest to permit expensive unsubsidized private child care would be forced to withdraw their children from any existing centers. In New York the cut-off point would come at an income of \$5,400.

The controversy once again puts the spotlight on the important social issues raised by the sponsors of last year's child development legislation. The measure, vetoed by the President, recognized that day care is not, as Mr. Nixon seems to believe, a mere hand-out for welfare mothers. It is rather an effective device to allow working mothers of limited means to divide their attention between job and home without neglecting their children.

The ultimate effect of a rigid interpretation of financial need in determining eligibility for free or low-fee child care will be to increase the welfare rolls. It would simply become economically impossible for many women to work and still feel confident that their children are well taken care of at the same time. Such a regressive policy clashes head-on not only with compassionate social doctrine but also with the President's own repeated insistence that people help themselves first in order to be eligible for governmental aid.

But the mistaken view that day care is only for children of poverty is dangerous for another reason. The strength of the best of the existing day care centers is that they attract a mix of children from a relatively wide range of home backgrounds. If integration—socio-economic as well as racial—is truly to remain the country's goal, the time to begin is when the children are still too young to have been inoculated with the virus of society's suspicions and hostilities.

When President Nixon vetoed the Child Development Act, he said he considered the measure a threat to the American family. The present situation, in addition to increasing the welfare rolls, is a threat to American childhood.

THE CITY OF NEW YORK,  
March 7, 1973.

Hon. JACOB K. JAVITS,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR: I appreciate the opportunity afforded to me by your request that I describe the effect that the proposed Title IV-A and XVI HEW Regulations would have on provision of social services to the families and children, disabled, aged and the blind, residing in New York City.

Following are some thoughts on how the proposed changes will affect social programs and the people who benefit from them.

The regulations as proposed, do not provide for recipients of service to be part of advisory committees; although provision is made for a Day Care advisory capacity, it is only on State level. This is contrary to the direction we have taken to enable the citizens of New York City who are users of service, to advise on program content which is most desirable in terms of meeting needs. Placement of advisory function at the State level for Day Care, effectively prevents parental-local participation in shaping programs designed for their children.

By eliminating the provision for fair hearings and substituting a "grievance" provision, the new regulations dilute the concept of accountability of the local and state bureaucratic administrative structure in that they permit for a complaint to be made but do not provide for a method of orderly and objectively responsive resolution. Furthermore, the lack of provision for fair hearings is in violation of the Social Security Act pro-

visions as stated in Title IV-A, Section 402 (a) (4) and Section 406(b).

There is no mandate in the proposed regulations for the use of subprofessional personnel in service delivery. This is contrary to provision of the Social Security Act (as amended), which specifies in Title IV-A, Section 402(a) (5) (B):

"The training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of non-paid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency."

Although this proposed deletion in effect will not change the City's policy in providing entry level opportunities in the service area for people with less than college degrees, it opens up the possibility that the State no longer need go along with the City policy since this is no longer mandated under Federal regulations. Entry level social service jobs have been one of the ways we have provided employment opportunities for current assistance recipients.

There is no mandatory provision for staff development and training and educational leave. The absence of this provision eliminates one of the major programs which had been available to us for the purpose of upgrading skills of our current staff. At a time when maximum staff skills will be needed to produce maximum effectiveness as specified in the proposed regulations, reimbursement for staff development through educational leave is being eliminated.

Mandatory services have been limited to three: Family Planning, Foster Care for Children and Protective Services for Children. This gives the State the option not to approve Preventive Services for Children. This would seriously affect our capacity to exert maximum efforts to forestall and/or prevent placement which is, both socially and fiscally, the most expensive type of care. The failure to mandate services of preventive nature would also appear to be contrary to the intent of the 1967 Amendments which were designed to prevent dependency and promote independence.

The intent of the proposed regulations regarding Day Care seems patently clear: to halt program enrichment and nutrition for those enrolled in group day care programs. Where the current regulations require that services be provided to meet the education, emotional social and physical needs of children and their families, the proposed regulations do not speak to those concerns.

The most telling blow however, is the restrictive provision for eligibility. Under the proposed provisions a New York City family of four earning just about \$5400, would not be eligible for day care at Federal rate of reimbursement. Approximately 50% of current families enrolled in our program would be ineligible and we would be facing the intolerable decision of having to deny day care services to those families or adding the fiscal burden of the non-reimbursable portion of the program to the heavily encumbered resources of the City and the State. And even that intolerable solution is contingent upon the willingness of the State to share the burden with us.

The restrictive eligibility provisions if implemented, will impact all of the social service programs in addition to day care. We are already considering whether we should not move our Senior Citizen Center program out of Title XVI coverage to spare the elderly the necessity of documenting their near indigence to gain program eligibility. At issue is whether the State will participate with us on an equal cost sharing basis to help stave off the humiliation for the elderly and the

destruction of our carefully developed senior citizen program.

Besides being restrictive, the eligibility provisions present an administrative complexity which will need a computer based system to operate. Even though our Medicaid levels are within the 133 1/3 % provision of the State public assistance level, a Medicaid eligibility would not qualify as eligibility for service since the resources permitted have to be at a Public Assistance level. In effect that would mean, for example, that a working family of four earning \$5372 per year who had savings of \$100, could not qualify for Day Care under Title IV-A. This might, contrary to intent and desire on the part of HEW, contribute to helping keep single parent working families on assistance. It can be stated that the net effect of the proposed eligibility criteria which limit the definition of former to three months and potential to six months is to provide service virtually exclusively to current recipients, and to move away from the legislative intent of providing supports to those who have become independent or are in danger of becoming dependent.

Although I applaud the goal-oriented and time directed thrust regarding service plans, I regret that the proposed regulations specify that service plans for potential recipients can include only services that deal with problems that can lead to financial dependence. That type of emphasis would seem to engage our ability to provide child care education, home arts education and other such services to families whose lives and whose children's future might benefit from this type of service.

Sincerely,

JULE M. SUGARMAN,  
Administrator.

Mr. KENNEDY. Mr. President, I am pleased to join with the distinguished senior Senator from Minnesota (Mr. MONDALE) in introducing legislation to preserve the key elements of the social services program conducted under titles I, IV-A, IV-B, X, XIV, and XVI of the Social Security Act.

Changes proposed last January by the Department of Health, Education, and Welfare would drastically reduce the many vital services provided to residents of Massachusetts and to other needy recipients all across the Nation. Administration proposals to reduce those services without recommending adequate alternatives of aid reflect a marked lack of sensitivity about fundamental human needs. Indeed, the legislation we are introducing today is offered because the Secretary of Health, Education, and Welfare has failed to properly respond to those of us in the Senate who asked him last month to fully explain these rule changes.

Though the Secretary has not provided an explanation, the very able Commissioner of Public Welfare for the State of Massachusetts has articulately described what these new rules will mean to the people of my State.

Commissioner Steven A. Minter has provided me with a very detailed account of how the Health, Education, and Welfare action will drastically alter the lives of thousands of citizens in Massachusetts. Over 70,000 recipients in Massachusetts, including the working poor, the elderly, the physically and mentally handicapped, children who are severely emotionally disturbed and children who suffer abuse, children in day care, children in foster care and many families that had formerly received welfare assistance will be

abandoned if the new rules are promulgated.

As of last Friday, March 9, the Department of Health, Education, and Welfare estimated over 10,000 letters had been received from across the country, in response to the Federal Register announcement that changes are scheduled to be made in these vital programs. Surely, such a phenomenal response deserves the most serious consideration by the Department's officials. That overwhelming number is also an indication that many, many people are deeply affected by these social services projects.

This week, my Subcommittee on Federal, State, and Community Services on the Aging Committee will issue a report documenting the full extent of these regulations on elderly services.

It will be vital, unless the rule changes are rescinded, to enact the legislation we are introducing today. These essential services must be assured for all who need them. No one knows better than those who receive these social services or those who administer them, how important they are. I would like to share with other Senators the excellent account of the social service program operations in Massachusetts as described by Commissioner Minter.

I, therefore, request unanimous consent to enter in the RECORD, a letter I received from the Massachusetts Commissioner of Public Welfare, Steven A. Minter, along with supporting materials, that fully document the effect of the proposed rule changes on the residents of Massachusetts.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH  
OF MASSACHUSETTS,  
Boston, Mass., March 7, 1973.

Hon. EDWARD M. KENNEDY,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR KENNEDY: As you are no doubt aware, I have had several conversations in the past two weeks with Bob Bates over the issue of proposed Social Services Regulations published by the Department of Health, Education and Welfare on February 16th.

While we in Massachusetts are disturbed over a number of initiatives that the federal government has taken or proposes to take—legislative, administrative and budgetary—I believe these regulations represent at the present time the most critical issue.

I am grateful for the help you and your staff have provided as part of the effort in opposition to the regulations.

The regulations affect virtually every kind of service program operated to aid the poor in the Commonwealth. The import of the regulations, in the simplest of terms, is that the full cost of providing these services falls to the state. This means an additional cost in Massachusetts of \$35 million in Fiscal Year 1973 and another \$35 million in Fiscal Year 1974, at the very least. Governor Francis W. Sargent has stated that in order for the state to assume this burden, it will be necessary to raise taxes.

The alternative is for the state to turn its back on the handicapped and the poor whom it is committed to serve. All of the services administered by the various state agencies are mandated by Massachusetts state law. The obligation to render such services is spelled out in detail in the statutes.

In our state, a total of 70,000 persons will be affected if the proposed regulations are

permitted to go into effect. The people who will be hurt include not only assistance recipients but the working poor, the elderly, families and children.

The linchpin which HEW has used to develop the regulations in the Social Services Amendment to the Revenue Sharing Act of 1972. As part of the Revenue Sharing Act, the Congress placed a ceiling of \$2.5 billion on the amount of federal funds available for social service programs, but it rejected efforts to set a lower ceiling and it reaffirmed the importance of these service programs as a means of dealing with the root causes, rather than merely with the symptoms of poverty.

The Administration has acknowledged an outlay of only \$1.8 billion of the \$2.5 billion allotted by Congress. The proposed regulations are in reality an effort to scuttle the program in direct violation of the repeatedly expressed intention of Congress that these service programs be continued and supported by the Federal Government.

The primary goal of the new Social Services Regulations is self-support. With few minor exceptions, the regulations only permit services to persons who are now on public assistance rolls. In the past, services designed to prevent people from becoming welfare recipients and to strengthen economic and social independence were permitted and encouraged.

For example, a person or family who had received public assistance was eligible for certain services in the succeeding two years after the cash grant was terminated. Also, low income persons who are beset by social or health circumstances which might lead in the next five years to welfare dependency have been provided with preventive services.

The new regulations virtually eliminate these types of services. Specifically, the state that limited services may be provided to a former recipient for maximum of three months and to a potential recipient for six months. To give you an idea of the kinds of service affected—

Children. The kinds of children now being aided through Social Service Programs in the Commonwealth are:

Severely emotionally disturbed, deaf, blind, aphasic, delinquent and physically handicapped children receiving comprehensive services in day and residential treatment programs.

Children in day care.

Children in foster care.

Neglected, abused, and battered children receiving protective services.

Mentally retarded children in community clinical nursery schools and day programs.

The Commonwealth now provides services to these unfortunate children based on their own needs. Under the new regulations, it will not be possible to provide a service unless the child's needs are directly related to the self-support of their parents.

The new regulations governing foster care provide that a child must have been court-committed to be eligible. At the present time in Massachusetts, 80 percent of the 11,000 children in foster care are voluntary placements and would, therefore, be ineligible.

As a result of the regulations, the severely emotionally disturbed, mentally retarded and physically handicapped children now being served would be faced with the alternative of relying on the public school system which is not equipped to provide the highly specialized counseling and treatment these children require. Or they would receive no care at all.

The protective services to neglected, abused and battered infants and youngsters—almost all of whom are emergency cases in need of immediate placement outside their own homes—would have to be curtailed. In recent years the Commonwealth has placed special emphasis on augmenting services to these children and creating special programs for them.

In total, 31,500 children now receiving care, at a cost of \$20 million in federal matching money, will be affected by the regulations.

De-institutionalization and the prevention of institutionalization.

The provision of services to enable children and adults—such as delinquent children, drug abusers, the mentally retarded and handicapped—to leave institutions and return to community-based care has been a major objective in Massachusetts. Recent experience with de-institutionalization and alternative care has demonstrated that not only is the quality of care improved, but costs are significantly lower. The Department of Health, Education, and Welfare had also taken a lead role in encouraging this kind of approach as an alternative to institutionalization. The new regulations, however, would necessitate a reversal of this trend. There are 10,000 persons who would be affected, and \$15 million in federal matching funds is involved in this area.

Elderly. Inasmuch as the aim of the regulations is to encourage self-support, the impact of the regulations on services to the aged poor who have little or no opportunity to become self-supporting is particularly severe. The majority of the elderly now receiving services are persons living alone and isolated who absolutely require certain aids to enable them to remain basically independent. State agencies now provide a wide range of such services—for example, transportation to and from grocery stores, doctors' offices, hot lunch programs and community centers, home-maker and chore services, day activity programs and counseling. To cut back on these services would have a devastating impact from both a sociological and fiscal standpoint. Without help, thousands of these elderly persons should have to be placed in rest homes, which would mean millions of dollars in additional cost both to the state and the federal government. There are 11,000 elderly persons now benefiting from such services at a cost of \$2 million in federal matching funds.

Working poor. Prior to the issuance of these new regulations, state agencies have been able to provide social services to poor working families that are not on welfare but qualify for assistance through services due to their limited incomes. In Massachusetts, a family of four with an income of \$7,000 or less was eligible for services.

In many instances, families in this category are former welfare families who need continued help through services to enable them to remain independent of financial assistance. Day care is perhaps the best example. A working mother of three children with an income of less than \$7,000 must receive public-funded day care for her children in order for her to retain a job. For the mother to assume the cost of day care herself—which is estimated at \$40 per week per child—is clearly not feasible at the low income level. Yet, under the new regulations, a family of four with an income of more than \$5,100 will no longer be eligible for services. Thus, the working mother who is helping herself is likely to be forced back to public assistance status.

Donated Funds. The Donated Funds Program, an increasingly useful mechanism under which the Federal Government matches every private dollar contribution (e.g., from the United Fund) with three federal dollars, is being eliminated under the new regulations. Under this program, the Commonwealth has provided protective services, emergency care, day care and summer camps to almost 7,000 children. In Fiscal Year 1974 it was our intention to provide services totaling \$12 million, and to assist at least an additional 5,000 children. The Donated Funds Program represents a partnership between government and the private sector. To eradicate this program is directly contrary to the President's repeated em-

phasis on the desirability of relying on private organizations, rather than government, wherever possible to meet citizens' needs. At a time when all states and localities are faced with overwhelming fiscal pressures, these private contributions are sorely needed.

Another factor worthy of mention is the administrative workload which the regulations impose. It will be necessary for the Welfare Department to determine eligibility for any type of service on an individual basis; in the past some groups were automatically eligible for service by reason of circumstances, such as living in a Model Cities neighborhood or a public housing project. It will also be necessary to develop an individual plan for services for each individual, and to recheck eligibility every three months, as contrasted with the present once-a-year requirement. To impose such requirements would obviously increase staff needs at a time when government at all levels is ostensibly attempting to contain a ballooning bureaucracy.

I am certain that you realize the disastrous effect of these regulations on the operation of social service programs in our state. Enclosed is a list of the agencies in Massachusetts whose programs will be affected under these rules.

The Human Resources Committee of the National Governors Conference has urged HEW to withdraw the regulations. The National Council of State Welfare Administrators has passed resolution seeking withdrawal.

The regulations can be withheld; they can be changed. But time is short and it is important all concerned take action now.

There is a 30-day comment period ending March 19th, at which time the regulations become effective unless HEW responds.

I urge you to join in the nationwide opposition to this move by writing to the Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare, and asking that the Secretary work with appropriate state officials to develop a constructive alternative to the proposed regulations.

I thank you for your interest and your help.

Very truly yours,  
STEVEN A. MINTER, *Commissioner.*

#### DAY CARE CONTRACTS

This is a list of agencies which DPW is currently contracting with whose contracts will be modified or terminated if the Federal Regulations go into effect.

Action for Boston Community Development, Inc.

Associated Day Care Services of Metropolitan Boston, Inc.

Boston Children's Services.

Bridge Fund, Inc.

Boston Hospital for Women.

Children's World Day Care #1 #2 #3 #4.

Model Cities—Boston, Cambridge.

Church of God; Saints of Christ.

Cooper Community Center Day Care, Creative Learning Environments, Inc., Crispus Attucks Children's Center, Stride Rite Children's Center, Labourer Center, Inc., Junior League of Boston, Inc.

John F. Kennedy Family Service Center, Massachusetts Health Research Institute.

Our Place to Grow, Inc., Pilgrim Day Care Center, James Jackson Putnam Children's Center, Day Care Center—Salvation Army Spanish Action, Greater Taunton, FACE, Melrose, Newton Community, Chicopee, Webster Square.

United South End Settlements, Wesley Child Care Center, Women's Educational and Industrial Union, Self Help, Inc.

South Shore Day Care Services, Inc., Cambridge Community Schools Commission, The Children's Center of Brookline and Greater

Boston, Christ Child Nursery School, Creative Playmates, Inc., Eastern Middlesex Opportunity Council, Inc.

KLH Child Development Center, Lynn Economic Opportunity, Inc., Ready, Inc., South Middlesex Opportunity Council, Action, Inc. Community Day Care Center of Lawrence, Inc., Haverhill Day Nursery Association, Inc., Lowell Day Nursery Association, Inc., Massachusetts Health Research Institute, North Shore Catholic Charities Centre (Family Day Care), The Woburn Council of Social Concern, Inc.

Community Action Committee of Cape Cod & Islands.

New Bedford Model Cities, On Board, Inc., St. John's Child Care and Development Center, West End Day Nursery of New Bedford, Inc.

Hampshire Community Action Commission.

Holyoke/Chicopee Head Start, Inc.

Northern Educational Services, Inc.

Springfield Day Nursery Corporation.

Springfield Action Commission, Inc.

Assembly of God Church, Children's Aid & Family Service, Inc., Edward St. Day Care, Great Brook Valley Comprehensive Child Care Services, Inc., Guild of St. Agnes.

#### DONATED FUNDS

Associated Day Care.

Boston Children's Services.

Family Services—Berkshire, Boston, Holyoke, Worcester.

Brockton Day Nursery.

Brockton Youth.

Catholic Services of Fitchburg.

Catholic Charities—Southbridge, Lynn, Brockton, Boston Cambridge and Somerville.

Cambridge Camping—Somerville and Cambridge.

Catholic Family Service—Lynn.

Children's World Day Care.

Edward Street Day Care.

Fitchburg Community Action Great Brook Valley.

Model Cities—Fall River, Holyoke, Lynn, Worcester (Webster Square Catholic Charities, Family Services) YMCA.

Massachusetts Society for the Prevention of Cruelty to Children—Barnstable, Berkshire, Chicopee Falls, Fitchburg, Hampshire/Holyoke, Leominster, Mass. Bay Old Colony, Springfield, Worcester.

New England Camping, Northern Educational Services, Parent and Children's Services.

Springfield Boys Club, Springfield Urban League, United South End Settlements.

Worcester Children's Friend Society.

Worcester Youth Resources.

United Fund—Chicopee, Hampshire, Leominster, Pioneer Valley, Crozier, Inc., Model Cities Agency—Cambridge, Springfield, New

United Front, Northampton Elks, Somerville Mental Health, Southbridge United Way, United Community Services—Brockton, Boston, Cambridge, Barnstable, Old Colony, Pittsfield/Berkshire, Mantachusetts, Springfield, Worcester.

Worcester Boys Club.

#### FAMILY AND CHILDREN'S SERVICES

Catholic Charitable Bureau—Boston, Salem and Worcester, New England Home for Little Wanderers, Avon Home, Child and Family Service—New Bedford, Pittsfield, Springfield

Y.W.C.A. (Young Women's Christian Association), Northampton Children's Aid and Family Service.

EXISTING DPW PURCHASE AGREEMENTS WITH PUBLIC AGENCIES

Department of Youth Services.

Department of Mental Health.

Department of Public Health.

Department of Education (Division of Special Education).

Board of Regional Community Colleges.

Southeastern Massachusetts University.

Massachusetts State College System.  
Parole Board.  
Executive Office of Elder Affairs.  
Department of Corrections.  
Executive Office of Human Services.  
Office for the Commissioner of Veterans' Services.

**FACT SHEET FOR MASSACHUSETTS ON PROPOSED NEW SOCIAL SERVICES REGULATIONS**

The Department of Health, Education, and Welfare has proposed revisions of the Federal regulations that govern social service programs for families and children (under Title IV of the Social Security Act) and service programs for the aged and disabled persons (under Titles I, XIV, and XVI of the Act). Regulations governing the purchase of services by public welfare agencies (as authorized by the 1967 amendments to the Act) have also been revised. The new rules seek to concentrate the use of Federal matching dollars for current welfare recipients.

Only three services will be mandated for recipients of Aid to Families with Dependent Children (AFDC): foster care, protective services, and family planning. These services

and other optional services are aimed toward two goals: self-support and self-sufficiency.

No services are mandated upon States for the aged and disabled. A number of "optional" services are discreetly defined which may be provided.

Potential recipients are more strictly defined. For eligibility as a potential recipient of assistance, under the proposed regulation, the local social service agency must determine that there is a specific problem which will lead to the person's or families' dependence on welfare within 6 months if a service is not provided. Currently, this time period is five years.

For those in the adult categories, the 6-month time limit means that, in order to qualify as a potential recipient, an individual must be at least 64½ years of age; or be likely to meet the State's definition of blindness within 6 months; or be 17½ years old with a condition that is likely to result in permanent and total disability in 6 months.

From an income standpoint, families and individuals qualify as potential recipients if income does not exceed 133¼ percent of the amount granted by each State for cash assistance to individuals and families.

In addition, once eligibility has been determined and the family or individual begins to receive services, such eligibility must be rechecked quarterly, as compared with annually under the current regulations.

The proposed regulations stipulate that eligibility be determined individually, rather than on a group basis. Thus, families and individuals who live in such low-income areas as Model Cities neighborhoods, public housing, and Indian reservations will no longer be eligible for services on a group basis.

The eligibility and redetermination requirements present overwhelming demands on social service staff. Also, the very detailed and specific service plans which are required will place tremendous burdens upon the social service system, the management and the staff.

Specific requirements when examined are unrealistic. For example, after the termination of a case on public assistance, eligibility for services must be redetermined within 30 days. If 10,000 cases were closed a month in Massachusetts, this would require tremendous manpower for meeting this requirement.

Social services	Present regulation	Proposed regulation	Effects	People affected
<b>I. Services to families and children:</b>				
1. Child care services.....	Mandatory: (a) Day care services can be provided for child development purposes. (b) Former and potential eligibility fairly realistic.	Optional: (a) Day care services can be provided only for needs of parents who are employed, in training or need services. (b) Severely restricted eligibility for former and potential.	(a) Eliminate services to children for developmental reasons. (b) Severely decrease services to former and potential.	(a) 2,000 children presently receiving services. (b) 600 children presently receiving services as former or potential.
2. Foster care services.....	Mandatory: (a) Allows matching money for services to children voluntarily committed into care. (b) Provides matching monies for first 6 months of specialized foster care of institutional care, including maintenance.	Mandatory: (a) Eliminates matching money for services to children voluntarily committed into care. (b) Eliminates matching monies for first 6 months of specialized foster care or institutional care, including maintenance.	(a) Judicial determination of need for foster care necessary to receive matching monies for placement staff. (b) Increases burden on state to provide essential quality services to children in foster care.	80 percent of placement cases voluntary commitment—(August 1972) 4,385 children voluntary. (b) 8,000 children in foster care and group care.
3. Prevention or reduction of births out-of-wedlock. Total AFDC cases—83,609; total child welfare cases—11,000.	Mandatory.....	Eliminated.....	(a) Eliminates services programs for unmarried mothers.	(a) 500 young women in current program.
<b>II. Services to aged and disabled:</b>				
1. Information and referral.....	Mandatory.....	Eliminated.....		D.P.W. provides services to approximately 7,224 aged cases monthly and to 5,412 disabled cases monthly. Elimination of services makes the task more difficult.
2. Protective services.....	Mandatory.....	Optional.....		
3. Services to enable persons to remain in or to return to their homes and communities.	Mandatory.....	Eliminated.....		
4. Services to meet health needs.	Mandatory.....	Optional.....		
5. Self-support services for the handicapped.	Mandatory.....	Eliminated.....	Eliminates individual counseling.	
6. Homemaker services.....	Mandatory.....	Optional (no standards required).		
7. Comprehensive social and rehabilitation services to aged and disabled.	Optional.....	Eliminated. Replaced by chore services, day care, educational, family planning, home management, housing improvement, foster care, home-delivered meals, transportation.	Eliminates purchase of many social services which will help to rehabilitate individuals and foster independence, particularly mental health, educational and training services.	
Total OAA cases—56,554; total day cases—25,636.				
<b>III. Impact on Department of Public Welfare (DPW) social service programs:</b>				
1. Purchase (a) Public.....	(1) Allow for extensive purchase of services from other public agencies.	(1) Eliminated.....	Community based programs will receive no Federal support.	
(b) Private 1. Donated funds.....	(1) Allows for use of private donations to secure Federal matching dollars. (2) Private agencies do eligibility screening and service plan. (3) Services to unmarried mothers possible. (4) Camping possible.....	(1) Eliminated..... (2) DPW responsibility to do eligibility screening and service plan. (3) Services to unmarried mothers eliminated. (4) Camping eliminated.....	(1) Three-fourths of donated funds program possible because of private dollars. (2) Impossible to do with present staff. (4) In 1972, 4,500 children received camping services.	
2. Direct service delivery (a) Foster care and protective services.	(1) Allow matching monies for staff and services to placement of voluntary commitment and for protective services to non-AFDC. (2) Full specialized foster care and institutional costs for first 6 months matched. (3) Does not require judicial determination on placement cases.	(1) Eliminated..... (2) Eliminated..... (3) Requires judicial determination on placement cases.	(1) Must take all children through courts to receive Federal dollars. (2) Significant therapeutic resources ignored. (3) Significant increase in staff required.	
(b) Day care.....	(1) Services to former and potential possible. (2) Federal Interagency Day Care standards create quality base.	(1) Severely restricts services to former and potential. (2) No FIDC standards required.....	(1) Encourages people to remain on welfare. (2) More staff needed to maintain quality.	
(c) Case management and paperwork system.	Flexible.....	(1) Foster care through courts. (2) Eligibility and redetermination requirements. (3) Service plan very specific.	Tremendous increases in staff resources needed to maintain such a system.	