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LIMITATION ON FEDERAL FUNDING OF SOCIAL
SERVICES -- ✓ PUBLIC LAW 92-512.

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LIMITATION ON FEDERAL FUNDING OF SOCIAL SERVICES --
PUBLIC LAW 92-512

Introduction

On October 20, 1972, the President signed into law H.R. 14370 (Public Law 92-512). The main purpose of this legislation was to provide for revenue sharing funds to State and local governments. The same law, however, also includes a \$2.5 billion annual limitation on the amount of Federal funding which may be provided for social services under the welfare titles of the Social Security Act. The limitation for each State is its proportionate share on a population basis of the \$2.5 billion national limit.

This limitation in Public Law 92-512 represents the culmination of a number of proposals which had been made over the past few years for ending the previously open-ended type of funding available for social services.

Although there have been some questions raised with respect to the purposes for which social services funds have in certain instances been used and their overall effect in reducing welfare dependency, the main focus of debate in connection with proposed limitations has not been on the validity of the services provided but rather on the funding mechanism itself. Under prior law this mechanism was so constructed that the Congress had not been able to exercise any control over either the allocation or the amount of the Federal funding involved, with the result that the costs of the program have grown in just a few years from less than half a billion dollars in 1969 to a projected five billion dollars in 1973, with about half or more of the total funds in each year going into only five States.

Meaning of social services

The term "social services" was apparently originally thought of primarily in terms of counselling and similar activities performed by trained social workers in the employ of State and local welfare agencies. At present, however, the term is so broad in meaning as to defy precise definition. The titles of the Social Security Act dealing with assistance to the aged, blind, and disabled do not attempt to define services, but speak in terms of services to attain or retain capability for self-support or self-care and services likely to prevent or reduce dependency. Title IV, Aid to Families with Dependent Children, provides, in various sections, for services to maintain and strengthen family life, services to foster child development, services to prevent or reduce the incidence of births out of wedlock, family services, child welfare services, health, vocational rehabilitation, counselling, child care, and other social and supportive services to enable individuals to accept employment or receive training. In the definitions section of the title, a definition is provided for the term "family services": "services to a family or any member thereof for the purpose of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence."

The regulations of the Department of Health, Education, and Welfare contain further elaboration of the term "services." For example, in the regulations dealing with the programs of aid to the aged, blind, and disabled (45CFR222), the Department requires States to make available such services as information and referral services, protective services, homemaker services, and community planning services and permits the States to make available such services as services to improve opportunities for social and community participation, services to enhance the activities of daily living, and consultant services. In addition, the

regulations provide that services not specifically falling within any of the categories spelled out in the regulations may be submitted for approval by the Department of Health, Education, and Welfare.

Funding of social services prior to enactment of P.L. 92-512

Under the law existing prior to enactment of P.L. 92-512, social services which States provided under their public assistance programs approved under the welfare titles of the Social Security Act qualified for 75 percent Federal matching. The funding of these programs was on an open-ended basis. The Social Security Act did not place any dollar limitation on the total amount which was authorized to be appropriated for social services, and the Congress had consistently followed the practice of appropriating the full amount necessary to meet the Federal 75 percent share of the costs of any social service expenditures which the States incurred under these programs. Although the law authorized the Secretary of Health, Education, and Welfare to prescribe limitations with respect to certain categories of services -- primarily those purchased by the State welfare agency from other agencies or organizations -- Federal control over social services expenditures through administrative action had apparently also been ineffective. As a result, the amount of Federal funding which a State could qualify for had been essentially a function of its willingness to raise the 25 percent non-Federal share and its ingenuity in designing new programs or redesigning old programs which could qualify as social services. Within the last couple of years, some HEW regional offices had been particularly active in stimulating the States in taking full advantage of the social services legislation. See "Welfare Report/HEW program doubles in size as officials scramble to check its growth" in the National Journal of June 17, 1972 (pages 1007-1014).

Origin and development of social services under the Social Security Act

The original Social Security Act did not specifically recognize social services as a program for which Federal funding would be available. In 1956, however, the Act was amended to make clear that the concept of administrative costs (for which Federal funding was available on a 50 percent matching basis) included:

services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children. (Sec. 403(a)(3) of the Social Security Act as in effect after 1956 Amendments.)

(Similar amendments were made in the titles providing for assistance to the aged, blind, and disabled.) The Committee reports on the 1956 legislation indicate that this amendment was viewed not so much as a change in the law but as an endorsement and encouragement of the existing practice of claiming Federal matching for social services provided by the staff of welfare agencies to welfare recipients.

The Public Welfare Amendments of 1962 increased the Federal matching from 50 to 75 percent for social services specified by the Secretary of Health, Education, and Welfare as likely to prevent or reduce dependency or as necessary to help recipients strengthen family life or attain capability for self-care or self-support. (The matching for other services and for administrative costs was left at 50 percent.) The amendments also broadened the scope of what could be considered social services. Under the 1962 amendments, Federal funding was made available not only for social services to recipients but also for "preventive" services, i.e., services designed to keep past recipients from having to return to dependency on welfare and services to keep potential recipients from becoming dependent in the first place. In addition, the 1962 act authorized Federal funding in cases in which the welfare agency entered into agreements with other State or local agencies under

which those other agencies would provide the services to recipients (including past and potential recipients). The amendments specifically required such arrangements in the case of vocational rehabilitation services and, "subject to limitations prescribed by the Secretary," permitted them in other cases where the services could not be "as economically or efficiently provided by the staff [of the welfare agency]."

The report of the Committee on Ways and Means on the 1962 amendments, while expressing the hope that the broadened social service provisions would be effective in reducing dependency on welfare, continued to view services primarily as being provided to recipients of welfare and by the staff of welfare agencies:

Your committee is convinced that much can be done to relieve the undesirable effect on the community of large and growing public welfare programs by way of providing helpful and constructive services to persons now on assistance. In many places in the country, experiments have been conducted showing the results of the introduction of social services as an integral part of the program of public assistance. These social services, usually provided by trained social workers, or workers employed under the direction of social workers, are designed to assist the individual dependent person to make use of available community resources and to use his own capabilities to resolve the problems which have made him dependent. (House Report No. 1414, 87th Congress, pp. 9-10)

The limited nature of the provision for funding services to past and potential recipients, as it was viewed in 1962, can be seen from the following statement of then Secretary of Health, Education, and Welfare Abraham Ribicoff which was submitted to the Committee on Finance in connection with the public hearings on the 1962 amendments:

It is not contemplated that "preventive services" would be available to applicants who could purchase the type of consultation and service which they need from available community sources, who are not at present applicants or eligible for assistance. Nor is it contemplated that these services would be extended broadly to very many people other than those already on the assistance rolls. It is the objective of the provision to reach people who are likely to become

recipients of assistance in some immediately foreseeable period in the future. (pp. 63-64)

In 1967, the Congress amended the social services provisions, applicable to the program of Aid to Families with Dependent Children, making 75 percent matching available for all services meeting a broad definition in the law (rather than only those services specified by the Secretary) and authorizing the State welfare departments to contract with sources other than State and local government agencies to provide services. This broadened contracting authority, however, was to be available only "to the extent specified by the Secretary". The 1967 amendments also established the Work Incentive (WIN) program for families in the AFDC category, and the social services changes were viewed in the context of the requirements imposed by the new WIN program as is indicated in the following excerpts from the report of the Committee on Finance:

The Committee is well aware that the services which the States will be required to furnish AFDC families will impose an additional financial burden on the States. Therefore, the provision of law relating to Federal financial participation would be amended by the Committee bill to provide 75 percent Federal financial participation in the cost of all the services provided under these new requirements upon the States. In addition, as is provided under present law, 75 percent Federal sharing would be available for services for applicants and families that are near dependency. Provision of such services can help families to remain self-supporting. As appropriate for this purpose, services may be made available to those who need them in low-income neighborhoods and among other groups that might otherwise include more AFDC cases. (Senate Report No. 744, 90th Congress, p. 157)

The 1962 amendments relating to social services provide that, with certain exceptions, the basic services must be provided by the staff of the State or local welfare agency. The Committee bill proposes some changes in this provision to take into account the need for a variety of services in State implementation of the plan for each family. Thus, an exception is permitted, to the extent specified by the Secretary, to permit child welfare, family planning, and other family services to be provided from sources other than the staff of the State and local agency. This will permit the purchase of day-care services, which, as indicated

above, the committee anticipates will be needed in great volume under the bill, and other specialized services not now available or feasible to be provided by the staff of the public welfare agency and which are available elsewhere in the community. Services may be provided by the staff of the State or local agency in some part of the State and may be provided in other parts of the State by purchase. The Secretary, in his standards governing this aspect of the program, may permit purchase from other agencies and institutions. The basic reason for the exception is the variety of existing arrangements around the country in which some kinds of services are now provided, usually institutional services by other than the State or local public welfare agency. (Senate Report No. 744, 90th Congress, p. 157)

Growth in funding of social services

The following table shows the growth of Federal social services costs over a seven-year period:

Federal Share of Social Service Costs

<u>Fiscal Year</u>	<u>Amount</u>
1967	\$ 281,589,000
1968	346,654,000
1969	354,491,000
1970	522,005,000
1971	692,433,000
1972 est.	1,710,243,000
1973 est.	4,658,152,000 ^{1/}

^{1/} Estimate as of August 1972 which did not take into account the \$2.5 billion limitation subsequently imposed.

From the above table, it can be seen that Federal expenditures for social services doubled between 1969 and 1971 and more than doubled again between 1971 and 1972. For fiscal year 1973, the estimate presented to the Appropriations Committees and included in the appropriation bill for the Department of Health,

Education and Welfare (which was vetoed on August 16, 1972) was \$1.3 billion. This was based on State estimates submitted in November 1971. Revised State estimates compiled by the Department of Health, Education and Welfare as of May 1972 indicated a \$2.2 billion level of Federal funding of social services for fiscal year 1973. In July 1972, further revised estimates were presented at a conference of Governors' representatives and State social service administrators indicating a fiscal year 1973 level of Federal funding of social service costs totalling \$4.7 billion which would be more than triple the level of \$1.5 billion then estimated for 1972. The same \$4.7 billion total (but with a different distribution among the States) was indicated in the estimates which the States submitted in August 1972 to the Department of Health, Education, and Welfare. (See Appendix B.)

Attempts to limit social services expenditures in appropriations process

In 1970, the Administration proposed a limitation on expenditures for social services in the appropriation bill for the Departments of Labor and HEW. Under this proposal, each State could receive no more in aggregate Federal matching funds for social services, State and local administrative costs, and the costs of training welfare personnel than 110 percent of the amount of such Federal funds it received in fiscal 1970. In testifying before the Senate Committee on Appropriations in support of this limitation, Secretary of Health, Education, and Welfare Elliot L. Richardson cited the inability of the Federal government to assure that the funds were being employed to the best advantage and the uneven distribution of the funds among the States:

...we have no good way to this point of ascertaining the effectiveness of the expenditures of the \$1.3 billion for social services.

We are convinced in a vague sort of way it is a good thing but we have no clear-cut way of determining whether or not and to what extent we are getting our money's worth.

We have a spigot here running not in a uniform manner watering the entire country, but in a way which funnels a greatly disproportionate amount into a few States. (Senate Appropriations Committee Hearings on 1971 HEW Budget, p. 1942)

The limitation on social services funding requested by the Administration for the fiscal 1971 HEW appropriations bill was not adopted. (A limit of 115 percent was included in the bill as reported to the Senate by the Committee on Appropriations, but this provision was deleted by a floor amendment.) One of the objections to such a limitation was noted in the report on the bill by the House Committee on Appropriations:

The committee has not included it in the bill, because by fixing a rigid ceiling on each State based on a percentage of 1970 expenditures it appears to discriminate unfairly against those States which have been slow in developing their programs but are now ready to expand them. (p. 34)

Again, in 1971, the Administration requested that the HEW appropriations act for fiscal year 1972 include a limitation under which each State's 1972 Federal funding for social services, administration, and training could not exceed 110 percent of the prior year levels. As in the preceding year, this limitation was not adopted. (Also, as in the preceding year, the Senate Appropriations Committee approved a 115 percent limitation which was defeated on the Senate floor.) The Administration did not include a request for limiting social services expenditures in its budget proposals for fiscal year 1973. The Budget stated:

The Federal share of total expenditures for 1973 is estimated to be \$1,266 million, a decrease of \$30 million from the amount for 1972. This decrease is expected to result from the Federal management initiatives offset in part by the expansion of services. Approximately 1,050,000 adults and 6,670,000 families, including 16,200,000 children are expected to benefit from services provided. (Appendix p. 453)

The Committee on Appropriations of the Senate, however, did adopt a limitation in the 1973 HEW appropriations bill (H.R. 15417). Rather than the percentage increase

limit proposed with respect to fiscal years 1971 and 1972, the Senate bill for fiscal 1973 placed an absolute dollar limit of \$2.5 billion on Federal funding for social services. (Although the bill actually only included appropriations with respect to a \$1.2 billion level of social services, the report of the Appropriations Committee took note of the fact that State estimates submitted to the Department of Health, Education, and Welfare as of May 1972 indicated that Federal funding in excess of \$2 billion would be requested for the year.)

The \$2.5 billion limit for 1973 proposed by the Senate Committee on Appropriations was agreed to by the full Senate but was eliminated from the appropriations bill by the House-Senate Conference Committee. The Conference Committee's report on H.R. 15417, however, states that "the conferees agreed with the basic premises of the Senate amendment: (1) to insure fiscal control over a program which is presently increasing at an alarming rate and (2) to insure that funds are disbursed prudently and effectively." The Conference report further instructed the Department of Health, Education, and Welfare to devise and submit to the two Appropriations Committees by October 1, 1972 a comprehensive plan for controlling social service costs:

Such a program is expected to include a system of allotment of social services funds among States with proper consideration to population, per capita income, welfare consolidation, and past experience in social services program delivery. It is anticipated that such a plan could become effective no later than January 1, 1973. (House Report 92-1280)

On August 16, 1972, the President vetoed the 1973 HEW appropriations bill, H.R. 15417, and the House of Representatives sustained the veto. In his veto message, the President included a reference to the increasing costs of social services:

Elementary fiscal responsibility demands that this loophole for unlimited Federal funds for undefined services must be closed now. The Congress must harness this multi-billion-dollar runaway program by enacting a social services spending ceiling. (House Document 92-343)

Proposals to limit social service costs through substantive legislation

In June of 1970, the Administration submitted to the Senate Finance Committee a revised version of its proposed Family Assistance Plan (H.R. 16311) which was at that time being considered by the Committee. This "June Revision" included a new Title XX of the Social Security Act which would have restructured social services programs and placed the funding of those programs on a closed-end basis with a formula for allocating any social services appropriations among the States. However, in October 1970, the Administration sent the Finance Committee a further revised version of the Family Assistance legislation which, among other changes, deleted the social services title which had been included in the June version.

In the 92d Congress, a formula somewhat similar to that of the June 1970 Administration proposal was included in H.R. 1, the welfare-social security bill as reported by the Committee on Ways and Means and as passed by the House of Representatives on June 22, 1971. Under this bill, Federal funding for social services would have been limited to \$800 million for fiscal year 1973 and to such amounts as the Congress would appropriate in subsequent years. (Child care and family planning services, however, would be left on an open-ended basis.) The amount appropriated for services other than child care and family planning would be allocated among the States under a three part formula. Under the first part each State would be allocated Federal funds equal to the amount of Federal funds for services which it received in the prior year (or its proportionate share of that amount if the total appropriation is insufficient to provide the full amount to all States). Any appropriations remaining after the allocations under the first part of the formula would be allocated as follows: The first \$50 million would be allocated in such a way as to increase social service funding in those States having a disproportionately small share of such funding under the first part of the formula and any additional appropriations over that \$50 million would be allocated among the States in proportion to the number of welfare recipients.

The House version of H.R. 1 also provided a more detailed definition than is in existing law of what constitutes social services for which Federal matching funds may be provided.

Before H.R. 1 was reported to the Senate, however, the Committee on Finance adopted somewhat different limitations on social services as an amendment to the revenue sharing bill, H.R. 14370, which the Committee reported to the Senate on August 16, 1972 (Senate Report 92-1050). Under H.R. 14370 as reported, there would have been no Federal matching funds for social services per se, other than child care and family planning services. (Federal matching for child care and family planning services would remain on an open-ended basis with 75 percent Federal matching as under existing law. However, the bill limits the total amount of Federal funds which any State may receive for these purposes to no more than 12 and 1/2 percent of the total Federal funding for all States.)

The elimination of Federal matching for social services generally, under the Finance Committee version of H.R. 14370, would have been fully effective starting in January of 1973. Starting at the same time each State would receive, in addition to the other revenue sharing funds provided by the bill, its share of a supplementary grant (intended to replace social service funding but not earmarked for social services purposes) for which annual appropriations of \$1 billion would have been authorized. These grants would be allocated among the States on the basis of "urbanized population"; and within the States the allocation between the States and local governments would follow the formula applicable to the general revenue sharing funds. Under a savings clause, States would have been permitted to continue existing programs with full Federal matching through December 31, 1972.

In passing the revenue sharing bill, H.R. 14370, the Senate generally agreed to the social services provisions proposed by the Committee on Finance. A floor amendment was adopted, however, which placed a \$600 million annual limit on the

amount of Federal funding which would be available for matching State expenditures for child care and family planning services. The social services provisions of the Senate bill were substantially changed by the House-Senate Conference Committee. The agreement reached by the Conferees was adopted by both the Senate and the House of Representatives and became law on October 20, 1972. The provisions of this law are described in detail below.

Limit on Federal funding of social services under Public Law 92-512

Under Public Law 92-512 (H.R. 14370), Federal funding of social services under the regular social services provisions of the welfare titles of the Social Security Act will be limited to no more than \$2.5 billion per year. The limitation applicable to any State is determined by dividing this overall \$2.5 billion limit among the fifty States and the District of Columbia in proportion to their relative populations. Thus, a State which has ten percent of the national population would have a limit on Federal funding of its social services equal to \$250 million (10 percent of \$2.5 billion).

Subject to this overall limitation on the amount, the formula providing for 75 percent Federal matching of social services continues to apply. For example, if the State described above with the 10 percent of the national population and a \$250 million limit on Federal funding for social services, spent \$200 million on social services which qualify for matching, the State would receive Federal matching funds at the 75 percent rate or \$150 million. The additional \$100 million in matching funds available to the State would simply lapse. It would not be carried forward into a future fiscal year nor would it be reallocated among States which exceed their limits. (The State would, however, continue to be eligible for Federal funding up to the full \$250 million in future years if it increased its expenditures.)

Public Law 92-512 also places a limitation on how the amount of Federal funds available to a State within its proportionate share of the \$2.5 billion national limit may be used. Under prior law States could receive Federal matching not only for those social services which were provided to applicants for and recipients of assistance under the welfare titles of the Social Security Act but also for those who were former recipients and for those who were considered to be potential recipients. Under the new law, all or any part of the Federal matching funds available to the State under its limitation can be applied to expenditures for services for former and potential recipients in five categories: child care services to enable a family member to take work or work training or to provide needed care for a motherless child (or a child with a disabled mother), family planning services, services for a mentally retarded child or adult, services connected with the treatment of drug addiction or alcoholism, and services related to foster care. To the extent that a State does not use the full amount of Federal matching funds available to it under its share of the \$2.5 billion limit for services in those five categories, the remaining funds would be available for other types of services but subject to the limitation that at least 90 percent of these remaining funds have to be used to match social service expenditures in behalf of actual welfare recipients or applicants.

The limitation on social services funding under the new law does not apply to Puerto Rico, Guam, or the Virgin Islands nor to the funding of social services which are provided in connection with the Work Incentive (WIN) program for employable members of families getting Aid to Families with Dependent Children under Title IV of the Social Security Act. Puerto Rico, Guam, and the Virgin Islands were already subject to statutory dollar limitations on Federal funding for social services (and other welfare costs). Similarly, the funding of social services for the Work Incentive (WIN) program was already subject to a closed-end appropriation

process. The limit on social services funding also does not apply in the case of emergency social services provided in those States which have elected to adopt the optional program of emergency assistance for families with children. Under the new law, however, the rate of matching for emergency social services is reduced to 50 percent from the prior law level of 75 percent.

Public Law 92-512 also amends the language of the Social Security Act authorizing State welfare agencies to contract for services which they cannot as economically or effectively provide directly. Where prior law says that such contracting is to be "subject to limitations prescribed by the Secretary" the new law says that such services are to be provided "under conditions which shall be prescribed by the Secretary." The joint statement of the managers on the part of the House and the Senate in the Conference report on H.R. 14370 indicates that this provision directs the Secretary to issue regulations in this matter. Also the report of the Senate Committee on Finance on the bill H.R. 1 includes the following statement:

"The Committee directs the Secretary of Health, Education, and Welfare to issue regulations prescribing the conditions under which State welfare agencies may purchase services they do not themselves provide, and regulations which clearly state that the State matching requirements cannot be met by funds donated by private sources." (Senate Rept. 92-1230, p. 484)

The Department of Health, Education, and Welfare indicated its disagreement with this requirement in the following letter from Secretary Richardson which was inserted in the Congressional Record by Representative James A. Burke during the floor debate on the adoption of the Conference Report on H.R. 1. (Congressional Record, daily edition, October 17, 1972, p. H 10211)

OCTOBER 13, 1972.

Hon. WILSON D. MILLS,
 Chairman, House Ways and Means Committee,
 Washington, D.C.

DEAR MR. CHAIRMAN: As we have discussed, I am most concerned about the legislative history which has been made regarding use of donated private funds for social services matching under Title IV A of the Social Security Act. In its report on H.R. 1, the Senate Finance Committee directed HEW to issue regulations prohibiting the use of such funds for this purpose.

Having served as United Fund chairman in the past, I am convinced that this kind of partnership between private donations and public agencies should be encouraged rather than discouraged, and I would strongly urge that the legislative history so far created on this point be modified.

United Fund representatives have indicated that their contributions to state social service agencies now amount to approximately \$17 million dollars per year, some 60% of which is being used for child care. They acknowledge that in a few cases, the social service agencies have in turn contracted with United Fund agencies to provide services which may be more directed toward United Fund priorities than the state social service plan priorities. They would be very much willing to accept the limitation that donated funds may be used for matching purposes only if the funds are spent for services in accordance with the state plans and not merely to provide for United Fund priorities.

I thank you for your key role in obtaining Congressional acceptance of the ceiling on social services spending as part of the general revenue sharing bill. With this provision, I am sure that we can now begin to obtain the necessary control over this important program. However, I believe a prohibition on public-private partnership in this field would be a great mistake, and your assistance in correcting this point in the legislative history on H.R. 1 would be very much appreciated.

With best wishes,
 Sincerely,

ELLIOT L. RICHARDSON.

Savings Clause in H.R. 1

H.R. 1, the welfare-social security bill passed by Congress at the end of the 92nd Congress (Public Law 92-603) includes a provision under which State social service expenditures for the first quarter of fiscal 1973 (July-September 1972) will receive Federal matching (up to \$50 million) at the full 75 percent matching rate without regard to the \$2.5 billion limitation. Under this provision, each State's limit for fiscal 1973 will be equal to three-fourths of its limit under the regular provisions of Public Law 92-512 plus an amount (not exceeding \$50

million) equal to 75 percent of its social service expenditures for July, August, and September of 1972. (This provision will not apply to the States of California and New York which would receive more under the regular \$2.5 billion limitation than under the savings clause in H.R. 1.)

APPENDIX A

CURRENT OR PROPOSED FEDERAL FUNDING FOR SOCIAL SERVICES, CASH PUBLIC ASSISTANCE, AND REVENUE SHARING, COMPARED WITH EXPENDITURES OF STATE GOVERNMENTS

[Dollars in thousands]

	Federal share of social services				Percentage increase, 1971 to 1973 [Increase between col. (1) and col. (4)]	Federal share of cash assistance fiscal year 1973 ⁴	Federal revenue sharing under H.R. 14370 (first year) ⁵	Direct general expenditures of State governments (fiscal year 1976) ⁶
	Fiscal year 1971 ¹	Fiscal year 1972 ²	Fiscal year 1973 (HCW) ³	Fiscal year 1973 (Governor's Conference) ³				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	\$746,381	\$1,546,756	\$2,158,270	\$4,692,516	529	\$7,104,378	\$5,300,000	\$35,459,300
Alabama.....	6,802	11,667	41,250	144,489	2,024	155,308	80,100	643,500
Alaska.....	1,865	3,990	18,906	19,724	958	6,067	6,600	166,500
Arizona.....	2,830	4,696	6,304	6,700	137	48,775	46,100	303,700
Arkansas.....	2,003	3,533	4,725	18,450	821	98,873	38,400	325,700
California.....	210,823	252,749	272,999	273,000	29	1,024,925	610,800	3,868,200
Colorado.....	11,741	18,993	22,655	29,800	154	72,443	59,400	429,000
Connecticut.....	7,590	8,169	15,829	18,829	148	66,662	72,700	686,100
Delaware.....	2,844	20,000	35,000	46,750	1,544	12,615	17,300	169,800
District of Columbia.....	7,042	9,057	10,056	32,000	354	84,194	26,000	636,000
Florida.....	13,128	94,958	112,611	112,610	753	207,922	150,000	886,300
Georgia.....	12,083	31,311	58,025	222,597	1,742	204,342	103,400	777,400
Hawaii.....	519	1,590	2,059	2,378	358	23,419	25,900	430,500
Idaho.....	1,218	1,633	2,287	3,900	220	17,582	15,400	140,500
Illinois.....	28,275	181,156	147,458	172,500	510	471,158	301,700	1,808,600
Indiana.....	2,516	5,835	6,685	15,000	496	101,626	113,800	690,800
Iowa.....	6,810	9,789	12,809	13,500	98	60,868	67,800	499,300
Kansas.....	5,879	7,414	7,414	8,415	43	60,299	47,800	338,700
Kentucky.....	6,394	12,337	19,361	30,024	370	98,242	71,800	629,200
Louisiana.....	9,296	12,856	16,308	34,875	275	201,897	83,200	778,500
Maine.....	3,563	6,570	7,182	20,000	461	46,595	19,800	228,300
Maryland.....	15,096	18,771	21,820	417,713	2,667	88,481	117,500	663,000
Massachusetts.....	8,375	16,670	19,701	60,000	616	253,512	179,000	1,432,600
Michigan.....	17,621	41,600	65,838	85,900	387	303,927	243,700	1,749,300
Minnesota.....	15,402	20,092	24,111	96,500	527	132,559	114,100	577,900
Mississippi.....	1,098	1,775	14,238	463,572	42,118	97,158	46,000	373,000
Missouri.....	11,948	12,965	16,335	16,335	37	145,575	107,500	766,600
Montana.....	2,115	3,000	3,300	1,028	-51	12,672	16,800	140,300
Nebraska.....	5,809	7,246	12,564	12,600	117	33,678	34,500	195,600
Nevada.....	1,004	1,800	1,980	2,000	99	9,763	12,200	108,600
New Hampshire.....	2,050	2,833	3,033	6,000	193	15,427	13,500	132,500
New Jersey.....	29,958	30,362	38,320	58,300	95	201,740	179,700	856,900
New Mexico.....	3,826	3,655	6,396	47,000	1,128	34,815	22,500	267,900
New York.....	88,627	382,076	618,443	850,000	859	836,123	649,600	2,746,900
North Carolina.....	12,819	19,816	47,100	50,388	293	107,843	113,100	685,500
North Dakota.....	2,465	3,236	3,957	4,957	101	14,103	12,000	152,100
Ohio.....	11,079	18,261	22,515	60,015	442	218,700	227,300	1,292,300
Oklahoma.....	7,520	10,446	11,609	54,004	618	105,949	52,800	624,700
Oregon.....	24,271	20,816	24,907	30,736	27	50,395	60,000	502,700
Pennsylvania.....	36,337	60,884	100,627	264,600	628	381,011	300,900	2,208,000
Rhode Island.....	4,388	5,686	6,248	15,800	260	29,440	25,800	251,400
South Carolina.....	3,592	6,890	14,138	214,138	5,862	50,712	57,800	432,800
South Dakota.....	2,049	2,559	2,929	2,929	43	18,158	13,500	142,000
Tennessee.....	9,949	21,900	43,500	230,212	2,214	117,801	79,300	564,700
Texas.....	12,963	15,196	42,402	178,621	1,278	392,593	248,200	1,607,900
Utah.....	3,123	4,264	5,250	7,214	131	33,000	29,000	245,100
Vermont.....	1,646	2,356	2,599	2,600	58	21,307	11,000	147,400
Virginia.....	10,186	16,206	19,604	31,954	214	109,816	115,600	689,600
Washington.....	31,178	49,460	57,924	74,154	138	83,432	79,100	833,700
West Virginia.....	7,911	6,578	7,871	15,400	95	53,725	36,400	364,800
Wisconsin.....	18,026	40,475	58,500	113,500	530	81,569	137,000	795,200
Wyoming.....	728	579	608	608	-16	5,582	6,100	87,800

¹ Source: Department of HEW.
² Based on May 1972 estimates received from the States.
³ Revised State estimates presented at July 17, 1972 conference of Governors' representatives and State social service administrators.
⁴ Source: HEW budget justifications.

⁵ Source: H. Rept. 92-1018, p. 3.
⁶ Source: Bureau of the Census. Amounts are rounded and exclude capital outlays, payments made to local governments, and insurance trust expenditures.
⁷ State did not report new estimate. May estimate (col. 3) used.

SOURCE: Senate Committee on Finance, Hearings on Revenue Sharing, July 20, 1972.

APPENDIX B

Federal Expenditures for Social Services Under Prior Law
and Under P.L. 92-512
(Dollars in Thousands)

	<u>Most Recent Estimate of Fiscal 1972 Federal Costs</u>	<u>August 1972 Estimate of Fiscal 1973 Costs Under Prior Law</u>	<u>Limitation on Federal Costs Under P.L. 92-512^{1/}</u>
Alabama	12,479	135,000	42,140
Alaska	7,617	18,971	3,902
Arizona	4,286	6,304	23,351
Arkansas	9,181	8,750	23,747
California	221,049	272,999	245,733
Colorado	18,518	30,603	28,298
Connecticut	9,606	22,712	37,002
Delaware	15,162	26,361	6,783
Dist. of Col.	9,162	20,798	8,980
Florida	65,864	113,572	87,150
Georgia	32,848	206,475	56,667
Hawaii	1,227	2,588	9,712
Idaho	1,483	24,871	9,076
Illinois	181,317	211,603	135,076

Source: Department of Health, Education, and Welfare

^{1/} P.L. 92-512 provides for the Secretary of Health, Education, and Welfare to allocate the \$2.5 billion national limit among the States on the basis of population according to the most recent satisfactory data available from the Department of Commerce. Accordingly, the amounts shown in the third column would vary somewhat from year to year. This table does not reflect the additional amounts available in fiscal 1973 under the savings clause in H.R. 1 (P.L. 92-603.)

	<u>Most Recent Estimate of Fiscal 1972 Federal Costs</u>	<u>August 1972 Estimate of Fiscal 1973 Costs Under Prior Law</u>	<u>Limitation on Federal Costs Under P.L. 92-512</u>
Indiana	6,281	20,000	63,522
Iowa	10,020	13,500	34,612
Kansas	6,360	7,415	27,109
Kentucky	12,411	30,024	39,607
Louisiana	29,506	34,875	44,661
Maine	6,262	6,665	12,354
Maryland	19,467	415,721	48,695
Massachusetts	51,759	95,952	69,477
Michigan	31,591	108,912	109,036
Minnesota	39,008	72,375	46,774
Mississippi	1,692	269,393	27,169
Missouri	13,101	16,910	57,063
Montana	2,891	3,270	8,632
Nebraska	7,245	12,564	18,309
Nevada	1,582	1,980	6,327
New Hampshire	2,687	4,857	9,256
New Jersey	30,891	415,944	88,446
New Mexico	11,501	33,404	12,786
New York	497,715	854,850	220,497

	<u>Most Recent Estimate of Fiscal 1972 Federal Costs</u>	<u>August 1972 Estimate of Fiscal 1973 Costs Under Prior Law</u>	<u>Limitation on Federal Costs Under P.L. 92-512</u>
North Carolina	19,922	50,904	62,598
North Dakota	3,315	3,957	7,588
Ohio	18,323	90,000	129,458
Oklahoma	25,446	48,496	31,623
Oregon	24,629	25,153	26,196
Pennsylvania	54,907	106,469	143,180
Rhode Island	5,203	15,800	11,622
South Carolina	6,349	176,224	31,995
South Dakota	2,249	2,929	8,152
Tennessee	17,618	227,625	48,395
Texas	58,017	179,468	139,855
Utah	4,263	5,250	13,518
Vermont	2,285	2,599	5,547
Virginia	16,196	32,136	57,195
Washington	31,777	90,571	41,336
West Virginia	7,434	16,771	21,382
Wisconsin	36,541	58,500	54,266
Wyoming	467	608	4,142
TOTAL	1,710,243 ^{2/}	4,658,152 ^{3/}	2,500,000

^{2/} Includes \$3,533, (000) for Guam, Puerto Rico, and the Virgin Islands.

^{3/} Includes \$4,474, (000) for Guam, Puerto Rico, and the Virgin Islands.