
CHAPTER XIX

SUMMARY OF RECOMMENDATIONS

We have given our reasons for believing that the adoption of certain policies and the application of certain financial and administrative principles would result in a more nearly adequate, well-rounded, and orderly system of public-aid measures. In summarizing these proposals, we wish again to emphasize that, precisely because we have attempted to develop a well-coordinated and consistent body of policies and principles, no one of our specific recommendations can be considered apart from the whole system of which it is an integral part.

In this context, and for the reasons we have given in the preceding pages, we therefore make the following recommendations:

I. THE PUBLIC-AID PROBLEM

The American people should base public-aid policy upon the acceptance of the following facts:

1. The need for public aid will be both large and persistent for some time to come.
2. The need for public aid is in large measure caused by serious maladjustments in the operation of our economy and by personal physical or psychological defects, many of which can be remedied.
3. The social problem created by economic insecurity is many-sided and requires for its solution a series of diversified programs.

II. BROAD OBJECTIVE OF PUBLIC AID

The over-all objective of public aid should be the assurance of access to minimum security for all our people, wherever they may reside, and the maintenance of the social stability and values threatened when people lack jobs or income.

III. SPECIFIC OBJECTIVES

The specific objectives of public-aid policy should be:

1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people.
2. Government provision of work for all adults who are willing and able to work, if private industry is unable to provide employment.

3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship.

4. Assurance of basic minimum security through social insurance, so far as possible.

5. Establishment of a comprehensive underpinning general public-assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity.

6. Expansion of social services which are essential for the health, welfare, and efficiency of the whole population; this expansion should be as wide and as rapid as possible.

IV. FINANCE AND ADMINISTRATION

The following financial and administrative principles should be consistently applied in all public-aid programs:

1. The financing of public aid should be provided for as a normal and continuing function of government in a revised and reorganized fiscal system.

2. Public-aid financing, even if treated on a compartmentalized basis, should be coordinated with the broader economic and monetary policies of government.

3. Reliance on consumption and earmarked taxes should in general be avoided.

4. A distribution of financial responsibility for total public-aid costs between the various units of government is advisable and should reflect differences in need and in economic and fiscal capacity.

5. The objectives of the various special programs should be clearly stated and distinguishable, and the beneficiaries of each should be those, and only those, for whom the specific program is appropriate.

6. Although Federal-State cooperation is preferable as a general principle, the allocation of administrative responsibility for the various diversified programs between Federal, State, and local governments should be determined by reference to:

- A. The capacity of the different governmental units for the exercise of specific financial, policy-forming, technical, and routine administrative functions; and

- B. The national importance attached to the attainment of the objectives of the given program.

7. In jointly administered programs special attention should be paid to defining as logically and clearly as possible the respective responsibilities of the partici-

pating governments and to developing techniques for cooperative action.

8. The advantages of administrative decentralization should be explored to the full, especially through a more constructive development of the regional basis of organization.

9. The personnel administering public-aid programs should be fully qualified by training and experience for the performance of tasks which call for a high degree of skill and professional competence.

10. Citizen participation in policy formation and program operation should be encouraged wherever this is consistent with sound and impartial administration.

V. SPECIFIC PROGRAMS

The existing programs should be modified in the light of these policies and principles in the following ways:

1. Federal Work Programs

A. To carry out the principle that work should be provided for all adults willing and able to work, a Federal work agency charged with responsibility for developing and operating work programs should be established on a permanent basis. The organization should operate with a high degree of flexibility.

In developing appropriate projects, the organization should work in close contact with the Public Works Programming Division of the National Resources Planning Board, the Bureau of Employment Security of the Social Security Board, and appropriate technical agencies, and with State and local public-works and welfare administrations. State and local governments should be encouraged to intensify the efforts now made to develop long-range public-works planning with a view to maximizing the amount of work given during periods of economic depression. It is recognized that the types and volume of public works which will lend themselves to such programming will change from time to time. Increasing attention should, however, be paid to planning for nonconstruction work and service activities.

B. The character of the work performed should be adapted to the developing needs of the Nation and of communities for both construction and nonconstruction work, including social services. It should also reflect the occupational characteristics and geographical distributions of the unemployed and the probable future needs of the economy for workers with specific skills and occupational experience. Necessarily the programs must be flexible and highly diversified.

C. The standards of performance demanded of project workers should be those normally required in private industry and should be strictly enforced.

D. Rates of remuneration, conditions of employment, and hours of work should parallel as closely as possible those prevailing in private employment. Where, however, the work projects are primarily used as an instrument for training or retraining, suitable training grants should be paid in lieu of wages.

E. Eligibility for employment on work programs should be restricted to persons normally dependent upon full-time employment and those who are not entitled to receive unemployment compensation benefits, or whose unemployment is likely to persist for an extended period of time. Persons undergoing short spells of unemployment and partially unemployed workers should not normally be assigned to work-project employment. Special work projects, limited in duration, should be devised for farmers and agricultural workers during slack seasons.

F. Eligibility for employment should be determined by relative employability and need for work. Access to the program should not be dependent upon undergoing an investigation of economic need. Adequate appropriations for a work program and a general public-assistance system would make such a test unnecessary.

G. All persons seeking work should be required to register at public employment offices and access to the work program should be through the employment office.

H. Major responsibility for the operation of work programs should remain with the Federal Government, although every effort should be made further to develop cooperative relationships with the States and localities.

I. Major financial responsibility should be carried by the Federal Government. In sponsored programs the share which sponsors are required to contribute should reflect the fiscal capacity of the sponsor.

2. Programs for Youth

A. Federal financial aid as needed, to assure educational opportunity for all young people above the age of compulsory school attendance who desire and can benefit by continued schooling, should take the form of educational grants. These grants should be distributed by the educational authorities and, in determining payments to be made to families under public-aid programs, no part of the payments made to enable youth to continue schooling should be treated as part of the resources of the family.

B. The curricula of the schools should be revised so as to provide that all young people obtain meaningful unpaid work experience in the school or in community service during the period of school attendance.

C. Apprenticeship should be recognized as an appropriate channel for the occupational adjustment of youth.

D. Young people who are not in full-time attendance

at schools or institutions of higher learning or who are not in private employment should be provided with productive work for a wage. The character of work and the wages paid should reflect the inexperience of the young workers. Both resident and nonresident types of programs are desirable. Special stress should be placed upon the educational aspects of the work and upon the inculcation of work habits and disciplines and familiarity with the use of a variety of tools. The hours of work and related training should be the equivalent of full-time work. Close relations should be maintained between the educational authorities responsible for related training and the administrators of the youth work programs.

E. All young people seeking public work should be required to register at public employment offices, and they should be referred to the various special programs by this service. Access to the youth work programs should not be limited to young people in economic need.

F. Eligibility for the youth work programs should be ordinarily restricted to persons under 21 years of age unless it can be shown that, because of the absence of public provisions, they have not had access to special youth programs or have not had adequate work experience through private employment prior to reaching this age.

G. Facilities for counseling and guidance should be made available to all young people and their parents. The actual counseling should be performed by the schools and the public employment service. The employment service, through a special youth-service unit, should act as the local coordinating body.

H. All youth programs should devote special attention to the physical health of youth, and financial provision should be made accordingly.

I. The youth work programs should be financed and administered on a national basis, and the present CCC and NYA out-of-school work programs should be combined in a unified administration. Local sponsorship of work projects should be encouraged so long as this is consistent with the development of work projects appropriate to the needs of youth.

3. Work Programs for the Handicapped

Further study should be given to the development of therapeutic work programs for those with special physical and mental handicaps and disabilities.

4. Social Insurances

A. Disability Insurance

The existing protection against economic insecurity through social-insurance measures should be expanded by the development of a system of social insurance to provide at least partial compensation for loss of income attributable to permanent or temporary disability.

B. Unemployment Compensation

The unemployment compensation system should be strengthened and expanded in the following ways:

(a) Coverage should be extended to embrace seamen and employees of nonprofit corporations and of firms employing one worker or more. The inclusion of workers in domestic, agricultural, and other low-paid employments should be considered in relation to their patterns of employment, the character and amount of their earnings, and the feasibility of devising a benefit formula which will yield them significant payments. Consideration might be given to the desirability of developing a separate system with its own eligibility, benefit, and contribution provisions for agricultural workers.

(b) The duration of benefits should be extended to 26 weeks and should be uniform for all eligible workers.

(c) The benefit formulas should be reconsidered with a view to assuring benefits which will enable the vast majority of recipients to maintain themselves for a period up to 26 weeks without recourse to supplementary payments under other forms of public aid. The payment of dependents' allowances would be a first step in this direction.

(d) Eligibility rules should be revised so as to admit to insurance benefits only workers whose past earnings and employment records offer a presumption that they will draw significant benefits from the system and yet not such amounts as to induce them to prefer benefit status to self-support. The adoption of duration of past employment in place of previous earnings as a criterion of eligibility should be explored.

(e) Experience rating should be abandoned. If experience rating is retained, minimum Federal standards relating to eligibility, duration, and amount of benefit are essential.

(f) The present Federal-State system should be replaced by a wholly Federal administrative organization.

(g) There should be a single national unemployment compensation fund, part of which should be drawn from general tax sources. If, however, the system is not placed upon a national basis, a reinsurance system accompanied by Federal standards relating to eligibility, duration, and amount of benefit should be developed.

C. Old-Age and Survivors Insurance

The old-age and survivors insurance system should be strengthened and made more widely available by the following changes:

(a) Coverage should be extended to employees of nonprofit corporations. Additional groups of em-

ployees should be covered as rapidly as it can be demonstrated that they will receive adequate or significant benefits from the system.

(b) Continuing study should be given to the feasibility of revising the benefit formulas and the minimum-earnings eligibility requirement, with a view to making it possible for the vast majority of covered workers to qualify for benefits and to enabling the system to offer significant monthly benefits to a larger proportion of the low-paid and irregularly employed workers. Periods of involuntary unemployment, sickness, and military service should not impair eligibility for and amount of benefits.

(c) The general principle of a governmental contribution to the costs of the program should be specifically embodied in legislation.

5. General Public Assistance

A. In addition to adequate work and social-insurance programs, there should be a comprehensive general public-assistance program.

B. There should be a Federal grant-in-aid for general public assistance, which should be available on a basis reflecting differences in need and economic and fiscal capacity as between the States. The States should be required to distribute Federal and State monies within their political subdivisions on a similar variable basis. The costs of public assistance granted to persons with less than one year's residence in a State should be a wholly Federal charge.

C. The system should be administered through a single State agency responsible for the administration or supervision of the plan. The Federal administrative agency should be the Social Security Board. Where a State refuses to comply with the Federal requirements in accordance with the Federal law or refrains from participation in the program, the Federal Government should have the power to operate the program within that State with Federal personnel until the State demonstrates its ability and willingness to reassume its responsibilities, provided:

(a) That a public hearing should be called at which the Federal Government should show why this step is believed to be necessary and at which the State government should have an opportunity to answer the allegations; and

(b) That the hearing should take place within the State concerned.

D. In addition to the provisions laid down for the special types of public assistance in the Social Security Act relating to availability of aid throughout the State, selection of staff on a merit basis, the assurance of appeal rights, and the rendering of reports to

the Social Security Board, the States' plans for general public assistance should provide:

(a) That public assistance may not be denied any person by reason of race, sex, marital or employment status, or failure to have resided within the State for more than one year.

(b) That public assistance should be administered in accordance with general standards adopted under rules and regulations of the Social Security Board relating to adequacy of aid and methods of payment.

(c) That the same standards regarding eligibility (other than residence) and assistance given shall be applied to persons with less than one year's residence as to the remainder of public-assistance recipients.

6. Special Types of Public Assistance

A. Public assistance now provided for special groups such as the needy aged and blind and dependent children should be continued with such modifications of existing provisions as are necessary to develop a more fully coordinated program. Consideration should be given to extending the categories to embrace all groups whose need for socially provided income is likely to be relatively permanent or of long and predictable duration.

B. The present equal-matching Federal grant should be replaced by a grant in which the amount of the Federal contribution would take into account differences between the States in need and in economic and fiscal capacity.

C. The States' plans should provide for a distribution of Federal and State monies within their political subdivisions in accordance with relative need and fiscal capacity.

D. The Federal act providing aid to dependent children should provide specifically for payments to mothers. Grants under the aid-to-dependent-children program should be comparable in adequacy with those for the aged and the blind.

7. Public Social Services

A. Public social services essential to the health, education, and welfare of the population should be available throughout the country, especially in areas which are disadvantaged in respect to income and taxable wealth. In most communities, marked expansion of present services will be required in order to achieve these objectives. The planning and administration of public social services should be lodged in the appropriate agencies of government and responsibility for their development should be shared by local, State, and Federal authorities. The administration should be in the hands of qualified full-time personnel selected on the basis of merit.

B. It is essential that public provision be made for meeting the needs of our people for more adequate medical care. Toward this end the Federal Government should stimulate, assist, or undertake constructive action to provide such care for the millions of our people whose need cannot be fully met from their own resources. Such a program should include adequate provision for promoting the health of mothers and children.

C. State and local child-welfare services for the prevention of child neglect and delinquency and for promoting adequate care of children requiring special attention should be expanded with the assistance of the Federal Government so as to be everywhere available.

D. Free school lunches should be provided for all school children.

E. The direct distribution of surplus commodities should be replaced by the stamp plan, and greater efforts should be made to prevent the availability of commodities from concealing the inadequacies of general public assistance or from leading to a reversion to payment in kind. Surplus commodities should be available to the entire low-income population and not merely to public-aid recipients.

8. General Administrative Arrangements

A. The merit system should be extended upward, downward, and outward for all personnel in the field of public aid. Opportunity for employment on these programs should not be restricted on the basis of residence in a particular State or locality. Greater use should be made of inservice training and staff-development programs. Interchange of staff between Federal, State, and local governments should be encouraged.

B. Appropriations for administrative costs, which directly condition the size and quality of staffs, should not take the form of a uniform percentage of the total costs of any program but should be variable, depending on the character of the job to be done.

C. In every community there should be a central information office responsible for informing applicants of the availability of community resources, both public and private, and putting them in touch with the administrators of measures appropriate to their needs.

D. The administration of all public-assistance programs operating within a locality should be the responsibility of a single agency, which should be the channel of access to all programs where eligibility is based upon need.

E. Access to all programs offering employment or

training should be through public employment offices. The federalization of the employment service should be continued as a permanent policy. The work of the employment service in developing an intimate knowledge of the labor market, mechanisms for interstate exchange of labor, for vocational guidance, and counseling, as well as its activities in the administration of unemployment compensation, should be further developed. The activities of the public employment service along these lines in the defense period should be incorporated into the permanent program of the agency. The employment service should be empowered to make advances to workers for the purchase of tools and the payment of fares, to give financial assistance to those incurring heavy costs due to geographical transference, and to pay training allowances to workers undergoing approved training courses.

F. The Federal Security Agency should be given the status of an executive department, and the Administrator should be given the status of a member of the Cabinet. The agency should be vested with primary and continuing responsibility for promoting and safeguarding the general welfare, health, and education of the people. Continuing study should be given to the basis of organization of the agency and to its relationship to other agencies administering related public-aid programs.

G. There should be established a permanent national advisory body charged with the function of studying and advising the President, the Congress, and the country on the over-all operation of public-aid policies and programs.

H. Similar advisory bodies, composed of representatives of public and private agencies and of the public, should be established at the State level, charged with the function of investigating State and local needs for public aid in relation to existing community resources, both public and private.

I. Greater efforts should be made to bridge the gap between administrators and the public by increased efforts on the part of public agencies to inform the public of the purposes, achievements, and limitations of public-aid programs; by citizen participation in policy-making and in appropriate phases of administration; and by more effective use of the co-operation of private welfare agencies which have a necessary part to play in this enlarged conception of public welfare service.

J. All public-aid programs involving Federal participation should include Puerto Rico and the island possessions, except where constitutional provisions forbid.