This study is not concerned with administrative problems per se. Nevertheless, it is evident that the extent to which the objectives of public-aid programs can be achieved will be significantly influenced by the success with which certain basic administrative problems are solved. The costs of public aid also are materially affected by the character and efficiency of administration. No attempt can or will be made to appraise the details of internal organization and administrative management of individual agencies. But, considering the nature of public-aid provision as a whole, and especially the existence of many individual programs and the distribution of responsibility for various aspects of public-aid administration between agencies at different levels of government, it is evident that the extent to which certain broad and basic problems of organization and coordination are solved will vitally affect the attainment of the major objectives of public-aid policy. These problems will form the subject matter of Chapter XIII. Two other aspects of administration—the recruitment and development of efficient and well-trained personnel and the relations between the administrative agencies and the public—will be reserved for treatment in Chapters XIV and XV respectively.
CHAPTER XIII
THE PROBLEM OF ADMINISTRATIVE ORGANIZATION AND COORDINATION

The broadened scope of public provision for the economically insecure and the greatly increased number of people receiving aid during the last 10 years have been paralleled by outstanding achievements in the administrative field. It is obvious that the development of administrative machinery and personnel capable of providing services and making payments to no less than 4½ million different families in accordance with often highly technical requirements and operating in all parts of the country has presented a challenge of the first order to the ingenuity and organizing ability of the American people. It is not too much to say that the manner in which this challenge has been met may well come to be regarded as one of the outstanding achievements of the last decade.

The full measure of this achievement can be appreciated only when the difficulties under which the task was accomplished are taken into account. In the first place, in large measure the problem involved the creation of completely new agencies and the adaptation of others in order to administer a number of different and highly specialized functions newly undertaken by government. In fact, the Federal Government, which in 1929 had assumed no responsibility for public aid as defined in this study, had by 1940 accepted either full or partial financial and administrative responsibility for a large number of specialized programs.

In the second place, the nature of many programs developed during the last 10 years has given rise to highly complicated administrative problems. For example, in 1935 the Nation adopted social-insurance programs of a considerable degree of complexity, requiring the maintenance of continuous records of the precise earnings of millions of workers throughout their entire working lives. Direct payments from the Federal Government to persons employed on WPA projects and other Federal work programs and to recipients of old-age and survivors and railroad retirement and unemployment insurance benefits has involved a vast expansion in the functions of the Treasury. The technical difficulties involved have perhaps been overlooked by the public because of the very success with which the task has been accomplished.

Similarly, the acceptance by the American people of work relief as a major method of providing for the unemployed has required cooperative action on the part of all levels of government in the planning and operation of work projects and the selection of workers therefor, a creative administrative task which in many other countries has been avoided by the relatively small utilization of this type of public aid.

In the third place, the administrative achievements must be regarded all the more highly because of the speed with which many of these problems were tackled. For many of the new organizations were developed in a much shorter time than 10 years. Thus between 1930 and 1935 the necessity of providing unemployment relief on an unprecedented scale involved in all States the creation of entirely new State emergency relief administrations and the creation or the expansion and development of local units of administration. It required also the development in the Federal Government of a new agency capable of administering a grant-in-aid program to the States that exceeded in magnitude any that had hitherto existed in any field, and capable of supplying leadership and guidance to the States in the administration of direct- and work-relief programs.

In 1935 the Social Security Act again necessitated rapid administrative developments and changes. A new Federal agency, the Social Security Board, was created to perform a variety of functions, for some of which there had been no precedent in this country. Not only was it necessary for the Board to develop an organization capable of keeping the records and making payments to the millions of workers thereafter covered by the old-age insurance program, but it was charged with specific supervisory functions respecting the public-assistance programs operated by the States and with a general responsibility for the administration of unemployment compensation in the States because of the Federal subsidy for this purpose. Since the States began immediately to pass new public-assistance laws or to amend others and to submit their plans to the Board for approval in order to qualify

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1 By the end of 1940 wage records were being maintained for about 22 million workers covered by old-age and survivors insurance, 2.5 million covered by the railroad retirement and unemployment insurance laws, and more than 23 million covered by the State unemployment compensation laws. Most of the workers covered by the unemployment compensation laws are also covered by old-age and survivors insurance.
for the Federal grants, the Federal administrative organization necessarily had to develop with extreme rapidity. It was seriously hampered during the first few months by the fact that funds were not voted to the Board until February 1936, and it was necessary during these months to operate with borrowed staff.

Moreover, although the Social Security Act was passed only in August 1935, Federal unemployment compensation taxation began five months later. In order that employers in States with approved laws might qualify for the tax offset, the Board had within a short space of time to create a headquarters organization to examine these laws for compliance with the act and certify to the Treasury that the tax offset could be allowed. While at first sight it might appear that a more leisurely development of the administrative organization concerned with the old-age insurance program would have been possible because of the fact that the taxes were not payable until January 1937 and monthly benefit payments were not expected to begin until 1942, this was not in fact the case. Lump-sum payments were immediately due, and the first claims were received in February 1937. The Board was at once faced with the necessity of setting up a vast record-keeping system. It was fortunate that preparations were made this early, for the amending act of 1939 advanced the date of payment of monthly benefits by three years. A somewhat different administrative challenge was faced by the Railroad Retirement Board on account of the protracted litigation over and the final invalidation of the Carriers Taxing Act of 1935 which, in effect, required the Board to pay benefits without having access to the contribution records of employees on which benefits are based.

Under the provisions of the Railroad Unemployment Insurance Act of 1938, the payment of benefits began on the same date as contributions.

In the States and localities also the Social Security Act involved great administrative developments and reorganizations. Within 2 years of its passage, all the States had passed unemployment compensation laws, and created new organizations capable of keeping records and providing machinery for the payment of benefits which fell due 2 years after the laws were passed. In the public-assistance field in 1935 alone, 17 States established new State welfare agencies. During the succeeding years, and especially in 1937, legislative activity resulted in the creation or reorganization of other State agencies and accelerated administrative developments in States and localities.

Moreover, the frequent changes in policy to which attention has been called in earlier chapters have necessitated corresponding shifts and changes in agencies and functions. The change in policy represented by the demise of the Federal Emergency Relief Administration and the establishment of the Works Progress Administration involved the immediate exercise of new functions by the Federal Government. In the States and localities this change led to a readjustment of those functions previously performed by the agencies cooperating with the FERA. At all levels of government, too, the short-lived federally operated Civil Works Administration program necessitated rapid administrative readjustment during the period November 1933 to March 1934.

In the Federal Government other but less important adjustments have been necessitated by such changes as the transference of the rural programs from the FERA to the Resettlement Administration in 1935, the separation of the National Youth Administration from the WPA in 1939, the transfer in 1939 of the Employment Service from the Department of Labor to the Social Security Board, and the regrouping of a number of Federal agencies under the Federal Works Agency and the Federal Security Agency in 1939.

Finally, the task of administration was made more difficult by the prevailing assumption, common to the general public and the Congress alike, that many of the programs were of a purely emergency or temporary nature. The emergency character of the FERA was implicit in its title. However, even after 5 years of operation, the Work Projects Administration is still an "emergency" program, whose scope and nature are determined by annual appropriation acts. The status of the Farm Security Administration and the National Youth Administration is similar. The Civilian Conservation Corps has indeed been given a more secure status, but only for a limited period. Even the future of the supposedly permanent social-insurance legislation under the Social Security Act was in doubt until May 1937 when the Supreme Court finally validated the old-age insurance and the unemployment compensation provisions.

The emergency or uncertain character of the legislation under which many of these agencies have had to operate has necessarily been a great impediment to the development of sound administrative policies and structures. Quite apart from the inhibiting effect upon long-range planning, the task of attracting and retaining competent personnel has been rendered immeasurably more difficult by the uncertain life of the agencies. It is indeed a tribute to the sense of public serv-

2 However, the 1943 appropriation for the Federal Security Agency (Public, No. 447, approved July 2, 1942) included the sum of $8 million to be expended for the liquidation of the CCC. This liquidation is to be complete by June 20, 1943.

7 The constitutionality of the New York State unemployment insurance law was sustained in November 1936 by an equally divided court, and uncertainty persisted.
ice on the part of the employees of these organizations that in these circumstances administration has proceeded as smoothly and continuously as it has.

While the American people may thus justly take pride in the degree of success which during the last 10 years has marked the development of administrative organization, methods, and personnel in the field of public aid in the face of these many handicaps, it cannot be denied that many administrative problems remain. Some of them may be amenable to early solution, but others will call for careful study and experimentation for many years to come.

CHARACTER OF ADMINISTRATIVE ORGANIZATION

In the field of public aid the development of an efficient and smoothly operating administration has been rendered peculiarly difficult by two facts: the many-dimensional character of the problem of economic insecurity, and the complexities of the Federal form of government. Because of the former, public-aid provision has involved the development of a series of diversified programs aiming to meet the special need or needs of specific groups or categories of people. Because of the latter, many levels of government have participated in the administration of individual programs.

The developments which have been described in the preceding chapters had by June 1940 brought into existence no less than 15 public-aid programs, each providing characteristic benefits, possessing its own eligibility conditions, and requiring the performance of specific administrative functions. The existence of several agencies operating related programs at any given level of government raises the question as to how the spheres of responsibility of the different agencies are determined. Unless there is a clear demarcation of spheres of responsibility, there may be differences of interpretation between agencies which give rise to gaps in protection, delay in the performance of services, or even undesirable competition between them. The greater the number of programs, moreover, the greater is the attention which must be devoted to preventing applicants from receiving duplicate payments or assistance from two or more agencies to meet one need.

Responsibility for administration is divided very unevenly between the Federal, the State, and the local governments in regard to the individual programs. Some are operated solely by the Federal Government; some by the individual States, independently or under the supervision of the Federal Government while others are administered cooperatively by the Federal and State governments or involve the participation of all three levels of government. There is one form of public aid (general relief) in which only the States and the localities are involved, and in some parts of the country this program is completely within the administrative control of the smallest local units of government.

Five of the programs—old-age and survivors insurance, the two railroad insurances, and the loan and the grant programs of the Farm Security Administration—are wholly administered by the Federal Government. Four programs—the WPA, the NYA, the CCC, and the surplus-commodity program of the Surplus Marketing Administration—are federally operated programs which, however, involve in varying degrees the administrative participation of other units of government, either through the sponsorship of projects or the initial or final selection of beneficiaries. The non-Federal participating agencies may be, and usually are, State agencies acting directly or as supervisory bodies for local agencies. Occasionally, however, a State agency may not be involved and administration may be shared between a Federal agency and a municipality or other local unit.

Responsibility for administration of unemployment compensation and the employment service is shared between the Federal Government and the States. Local units play no role in these programs. Both the Federal and the State governments exercise administrative responsibilities in regard to the special public assistance. The participation of the local authorities in these programs varies from State to State and from program to program.

*In a telegram to all State and Territorial Governors on December 10, 1941, the President ordered federalization of the State and Territorial employment services. The telegraphic order read in part as follows: "I have therefore given instructions to the proper Federal officials that the necessary steps be taken to accomplish this purpose at once. I ask that you likewise instruct the proper officials of your State to transfer to the United States Employment Service all of the present personnel, records, and facilities required for this operation." An Executive order of December 23, 1941, regulated the transfer of personnel.

All State and Territorial Governors complied with the President’s request, and the Federal Security Administrator announced on December 31, 1941, that Federal operation of the Nation’s public employment offices was to be inaugurated on January 1, 1942. (Congressional Record, December 29, 1941, Appendix, p. A6683; and Social Security Board, Press Release No. 881, December 31, 1941.)
gram to program. In 19 States, the District of Columbia, Hawaii, and Alaska, the State agency directly administers old-age assistance; in the remaining 29 States it supervises local administration of the program. In 14 States, the District of Columbia, and Hawaii, aid to dependent children is State-administered, while in 26 States there is local administration under State supervision. In 17 States, the District of Columbia, and Hawaii, State agencies directly provide aid for the blind, and in 24 States the State agency supervises local administration.

General relief involves no administrative participation by the Federal Government. The division of administrative responsibility for this program between the States and localities is highly complicated. There are only two States (Delaware and Pennsylvania) in which the State is solely and fully responsible for the administration of general relief. In addition, there are two States (Missouri and New Mexico) which administer the bulk of general relief, the remainder being dispensed by local governmental agencies which are entirely separate from the State-administered programs. At the other extreme there are 15 States in which general relief is administered by local bodies which are subject to no State supervision of any kind except for supervision of "unsettled" cases in Connecticut, Maine, and Massachusetts.

In the remaining States general relief is in the hands of local agencies, subject to a varying degree of State supervision, involving relationships which run all the way from a degree of control such as exists in Arizona, which is almost indistinguishable from direct State operation, to the almost nominal supervision exercised in Kansas. With these qualifications in mind, it can be stated that there are 21 States in which general relief is locally administered and State-supervised. In three additional States (Arkansas, Idaho, and Louisiana) the bulk of the general-relief program is locally administered and State-supervised. In Minnesota certain counties are State-supervised, and others, which operate on the township system, are not subject to State supervision. Finally, in three States a distinction is made between general relief for employables and for unemployables, while in Oklahoma both a State-administered and a county-administered program are in operation.

The participation of two or more levels of government in the administration of a single program gives rise to problems of the first importance. Harmonious and speedy functioning will be impeded if the responsibilities assigned to the respective partners are not clear cut or are inappropriate. Even where spheres of responsibility are clear cut and logical, appropriate techniques of cooperation may not be developed. Confusion and delay may result if the supervising agency has not satisfactorily established clear lines of authority. The increasing administrative participation of the Federal Government has led to a growing concern lest there be excessive "Federal domination" of public-aid programs. Good administration clearly requires that the relationship between supervisor and supervised or between central office and local offices in wholly federally operated programs be of a two-way nature.

This brief indication of the characteristic problems faced by the administrators of contemporary public-aid programs is, however, incomplete. There is an even more complex series of problems which are additional to the difficulty of organizing and coordinating the activities of agencies operating programs at any one level of government, and to establishing smoothly operating procedures between two or more partners concerned in the administration of a single program. This third group of problems arises because of the
coexistence of a diversity of related programs and the administrative participation of the different governments. For in such circumstances it is not easy to develop an organizational pattern which will at one and the same time result in a logical grouping of existing programs and responsibilities at any one level of government and also provide for orderly and workable relationships between Federal, State, and local agencies. The dilemma is the more real in that public-aid programs form only a part of the total responsibilities of each unit of government and their administrative organization may be subordinated to the requirements of these other governmental functions.

In addition to complicating administrative relationships both horizontally and vertically, the present combination of diversified programs involving the administrative participation of Federal, State, and local governments creates real difficulties at the point at which contact is made with applicants and other members of the public whose cooperation is essential to efficient administration. Finally, the variety of programs and governmental authorities operates against consistent and orderly planning of future public policy.

The following pages will be devoted to a discussion of these three aspects of public-aid administration: the problems faced at each level of government on account of the existence of diversified but related programs; those arising out of the participation of two or more levels of government in the administration of a single program; and finally, those attributable to the operation of diversified programs by several levels of government.

ADMINISTRATION OF DIVERSIFIED BUT RELATED PROGRAMS

In this section attention will first be devoted to the demarcation of the respective responsibilities of the various agencies operating at any one level of government, in terms both of clienteles and functions. This analysis will be followed by a discussion of the arrangements made to prevent applicants from simultaneously deriving aid from two or more programs to meet one need.

Demarcation of Responsibilities of the Federal Agencies

Responsibility for the administration of one or more public-aid programs or programs related to public-aid administration is vested in two Federal departments and three independent agencies—the Department of Agriculture, the Department of Labor, the Federal Security Agency, the Federal Works Agency, and the Railroad Retirement Board. In addition, the United States Treasury performs certain services essential to the operation of these programs.12

Administration or supervision of public-aid programs constitutes the sole or major responsibility of two independent Federal agencies—the Railroad Retirement Board and the Federal Security Agency. The former has full responsibility for the administration of both the Railroad Retirement and the Railroad Unemployment Insurance Acts. Much more important is the Federal Security Agency, created in 1935, which includes five agencies previously independent or under one of the Federal departments—the Social Security Board, the Civilian Conservation Corps, the National Youth Administration, the Office of Education, and the Public Health Service of the United States.

The first three of these are exclusively concerned with programs aiming to meet the needs of the economically insecure. The Social Security Board is responsible for the administration of three types of program. It directly operates the old-age and survivors insurance system through its bureau of that name, being responsible for all aspects of the program except the collection of taxes, the maintenance and investment of reserves, and the mailing of checks to qualified beneficiaries. Through the Bureau of Public Assistance the Board administers Federal grants-in-aid for old-age assistance, aid to dependent children, and aid to the blind. Its Bureau of Employment Security supervises the State systems of employment services under the Wagner-Peyser Act, makes grants for the costs of administration of State unemployment compensation laws under Title III of the Social Security Act, and examines the State laws for the purpose of certifying to the Treasury that they satisfy the requirements for qualifying for the tax offset. Finally, the Board has the specific duty under Title VII of the Social Security Act “of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.”14

The offices of the administrators of both the Civilian Conservation Corps and the National Youth Administration are concerned respectively and solely with these two special programs. Because of the unique

12 Among these are the collection of social-security and railroad retirement (but not unemployment insurance) taxes, the investment of social-insurance reserves, and the making of payments under Federal programs to qualified or certified individuals or States.

14 Public No. 271, 74th Cong., approved August 14, 1935, sec. 702.
administrative organization of the CCC, however, the central office in the Security Agency is very small, and acts mainly as a coordinating body for other established agencies which actually carry out the projects. In effect, therefore, the major part of the administrative work involving the assigning of enrollees, the actual operation of camps, and the planning and operation of projects is performed by the Departments of War, Agriculture, and the Interior.

Several functions of the Office of Education bear a close relationship to the administration of public aid. Through its Vocational Division the Office administers Federal grants for vocational education under the Smith-Hughes Act and for the rehabilitation and restoration to remunerative employment of disabled persons under the provisions of the Civilian Vocational Rehabilitation Act of 1920 and the Social Security Act of 1935. The Office also acts in an advisory capacity to the War Department in regard to CCC education; and it is responsible for the selection and appointment of the corps area, district, and camp educational advisers and makes recommendations concerning curricula and teaching procedures. Since July 1940 it has also been responsible for the provision of related training to persons employed on NYA out-of-school work projects.

The Public Health Service is primarily charged with the administration of various general public-health programs and with research into the causes of the diseases of man. While its health programs are mainly of a preventive nature, through its Division of Marine Hospitals and Relief the Service administers a comprehensive program of medical care for seamen from American merchant vessels and certain other specified groups. It administers Title VI of the Social Security Act providing for grants to assist States in establishing and maintaining adequate public-health services and cooperates in various ways with other agencies more directly concerned with public-aid programs.

Administration of public-aid or related programs is only one of several responsibilities of the three other Federal agencies mentioned above—the Federal Works Agency, the Department of Agriculture, and the Department of Labor. The public-aid responsibilities of the Federal Works Agency center in the WPA, which operates the program to provide useful work on projects for needy employable persons in cooperation with other Federal agencies and State and local sponsors.¹⁶

¹⁶ In addition, the Public Works Administration administers a program which at times has had a public-aid character. (See ch. I.) Also the U. S. Housing Authority, created as a low-rent housing and slum clearance agency, was transferred on July 1, 1935, from the Department of the Interior to the Federal Works Agency. The program of the USHA was decentralized in the sense that responsibility for initiating, planning, constructing, owning, and managing housing projects built with

The concern of the Department of Agriculture in public-aid programs is mainly through its Farm Security and Surplus Marketing Administrations. The former is responsible for the rural-rehabilitation loans and direct-relief grants to needy farmers or farm families in rural areas and for the medical and other service programs which have been developed in connection therewith. It also operates camps for migrants.¹⁶ The Surplus Marketing Administration administers measures involving the removal from the market of surplus agricultural commodities and making them available for free distribution to needy persons. While the major objective of these measures is the removal of surpluses rather than the provision of public aid, they nevertheless constitute an important nation-wide form of direct relief and are in fact the only form of relief received by significant numbers of needy people.

Finally, the Children's Bureau of the Department of Labor administers Parts 1, 2, and 3 of Title V of the Social Security Act through its Division of Health Services, which is responsible for the maternal-and-child-health and crippled children's programs, and its Child Welfare Division,¹⁷ which is responsible for Child Welfare Services.

Extent of Integration

This survey of the types of work which are being performed by the several Federal agencies reveals that they deal with particular groups in the population and discharge a variety of functional activities. The programs administered by these agencies are not clearly distinguished on the basis either of groups served or functions performed. The chief concern in one case may be some aspect of the welfare of a particular age or social group and in another the performance of a particular function for a variety of groups or even for the population as a whole. A single agency often performs both types of activity. Again, the responsi-
bility for the performance of a given function or activity may be located in several agencies. Finally, several agencies may be performing activities which are closely related but not necessarily within a single functional field.

The welfare of the farm population is, for example, chiefly the concern of the Farm Security Administration, but the Work Projects Administration, the Social Security Board, the National Youth Administration, and the Civilian Conservation Corps also operate or supervise programs which directly affect the farm or rural nonfarm population. Programs for young people are the sole concern of the CCC and the NYA, but other Federal agencies also are concerned with the welfare of youth. For example, the WPA provides work relief for certain types of young workers. The Social Security Board through its aid to dependent children and survivors insurance programs is also concerned with aiding young people up to the age of 18, if attending school. The Children's Bureau has a general responsibility for the welfare of young people and specific duties in connection with the health and welfare of certain groups. Responsibility for activities connected with unemployed workers is found to be divided among the WPA, the NYA, the CCC, the Bureau of Employment Security of the Social Security Board, and the Unemployment Insurance Division of the Railroad Retirement Board.

The functions performed by the Federal agencies include the operation or stimulation of work programs, the administration or supervision of programs involving the determination of need or the investigation of resources, the classification, training, and placement of workers in either public or private industry, the operation of insurance programs, and the provision of special services.

The operation of work projects is the primary concern of three Federal agencies: the WPA, the CCC, and the NYA (through its out-of-school work program). Administratively functions in regard to programs involving the determination of need and the investigation of resources are performed by several major Federal agencies. In addition to the Social Security Board, which is responsible for the special public assistance programs, there is the Farm Security Administration which makes grants to needy persons, the CCC whose program gives preference to needy cases, and the NYA whose out-of-school work program is designed for needy youth (although need is more loosely defined), while the Surplus Marketing Administration is concerned with the distribution of commodities to persons found to be needy. Furthermore, the WPA, whose entire program is restricted to needy persons, itself carries out an annual investigation to determine whether project workers are still in need within the meaning of the Emergency Relief Appropriation Act. Even the Bureau of Old-Age and Survivors Insurance is concerned with problems of need determination in connection with the certification of payments to dependent parents of deceased insured workers.

The classification of workers, their placement in employment (whether public, private, or work relief), and their vocational guidance are in varying degrees the concern of the Bureau of Employment Security of the Social Security Board, the WPA, the NYA, the CCC, and the Office of Education. Even the Bureau of Labor Statistics of the Department of Labor must be added to this group if the researches of its newly created Occupational Outlook Division are to be utilized as a guide in the over-all planning of labor allocation.

The provision of training is similarly a concern of several agencies. The Apprenticeship Unit in the Division of Labor Standards in the Department of Labor and the Vocational Education and Rehabilitation Divisions of the Office of Education are clearly interested in training. The WPA has at varying times and in different degrees been concerned with training objectives. The WPA, and (until July 1940) the NYA also administer programs in which training plays an important role.

The operation of social-insurance programs is a concern of two Federal agencies—the Social Security Board and the Railroad Retirement Board.

The functions of initiating procedures or studies as a basis for health programs and the actual operation or development of health services are committed to several agencies. Preventive health services for the population in general are the primary concern of the Public Health Service. The Children's Bureau, however, has certain responsibilities for specific types of medical aid and for preventive health services for children and mothers. The Vocational Rehabilitation Division of the Office of Education administers funds for the rehabilitation of the disabled. Since 1936 the Farm Security Administration has developed pro-

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16 Since the Emergency Relief Appropriation Act of 1939 the Farm Security Administration has been authorized to require of grant recipients the performance of work on useful projects including work on private or public land in furtherance of the conservation of national resources.

17 Even after July 1940 when the word "training" was dropped from the official procedure, the NYA out-of-school work program retained the same operational characteristics in the course of providing "work experience." As a result of the increasing need for trained workers for defense industries, greater emphasis has again been placed by the NYA on the training aspects of the work projects.
grams for the provision of medical aid to its clients, and, in certain States, to migrants. Finally, the Social Security Board through its mandate under Title VII of the Social Security Act has a responsibility for research and planning for disability and accident compensation.

Reorganization of agencies in 1939.—Notable steps toward integration of public-aid programs were taken in 1939 by the Federal Government. The creation of the Federal Security Agency brought together the Social Security Board, the National Youth Administration, the Civilian Conservation Corps, the Public Health Service, and the Office of Education. At the same time the United States Employment Service was removed from the Department of Labor and placed under the Social Security Board. The creation of the Federal Works Agency involved a grouping of agencies concerned with public work—the Work Projects Administration, the Public Works Administration, the Public Roads Administration, the United States Housing Authority, and the Public Buildings Administration.

As yet it is difficult to determine the extent to which the potential administrative gains from such a re-grouping of agencies have been reaped. Several of the agencies now under the Federal Security Agency or the Federal Works Agency have long been in existence as independent or semi-independent bodies and may be expected to resist measures which they regard as encroachments upon their established spheres of activity. In this they will be strengthened by the fact that, in consequence of their previous independent or semi-independent status, they have developed direct contact with Congress, with the Executive, and with organized public groups. It would probably be unrealistic therefore to expect in the near future any such relationship between the Federal Security Agency and all of its subordinate agencies as exists for example between the Social Security Board and the various operating bureaus under its control (each of which, it should be noted, administers a separate and different program) or between the Federal Security Agency and the Public Health Service, which has been accustomed to the close departmental organization of the Treasury.

There is, moreover, a major weakness in the basic organization of the Federal Security Agency as at present constituted. Although under the Reorganization Act the Administrator has a responsibility to eliminate overlapping and duplication of effort, he has no residual powers to promote the health, welfare, and security of the people of the United States other than those specifically granted to the separate units of the agency. Furthermore, even his specific powers to effectuate reorganization plans submitted and approved pursuant to the Reorganization Act of 1939 have been limited by successive appropriation acts. For his ability to consolidate administrative functions of the constituent units of the agency in the Office of the Administrator and to transfer appropriations accordingly is restricted by the proviso that no such transfer of funds may be made unless the consolidation of administrative functions will result in a reduction of salaries and other expenses and is accompanied by savings in funds appropriated to the Federal Security Agency which must be impounded and returned to the Treasury.

Because the head of the agency responsible for the administration of programs of health and welfare, such as are embraced in the Federal Security Agency, is not yet specifically charged with the duty of safeguarding and promoting the health, education, and security of the people, there is lacking a unifying base of all the operations of the agency. The only statutory directive in broad terms is contained in the Social Security Act and relates definitely to the Social Security Board alone. The Public Health Service, by virtue of the fact that it has been built up over the years by a series of separate acts of Congress, adding each function as necessary, has only limited authority to study and make recommendations for general health measures. The Secretary of the Treasury had no residual powers in this field which could have been transferred to the Federal Security Administrator when the Agency was created. The Office of Education has a general charge “to promote the cause of education” but has taken little responsibility for programs outside the field of research studies. The general powers of the Administrator are likewise vague in the whole field of youth-service programs. The fact that the CCC and the NYA started as relief agencies has meant that the whole field of activities for youth is without basic continuing statutory authority.

While it is true that the broad powers of supervision and direction given to the Administrator when the Agency was created might imply that he could assume the above-mentioned powers of the Social Security Board, it has apparently not been deemed advisable to do so. Certain efforts have been attempted through the coordination of research projects to direct the programming of individual units toward the same goals, but sufficient time has not yet elapsed to evaluate these attempts.

Nor does the Administrator have the authority that would accompany cabinet status, despite the great social importance of the programs for which he is responsible. Because the Congress has refrained from
making the agency an executive department, there is in the cabinet no member with responsibility for speaking for the interests of the welfare of the people as a whole. The absence of such cabinet status weakens the position of the Federal Security Administrator. Furthermore, easy access to the President and his counsels is not now always possible. The developments incident to the defense and war programs have served but to intensify the need for over-all statutory functions for the Federal Security Agency. The addition of the functions of Coordinator and Director of Defense Health and Welfare have provided for the emergency a certain general and specific authority which is lacking for regular programs. The fact that during the emergency the Administrator has been attending cabinet meetings regularly has also demonstrated the strength that such an association gives to the agency.

Difficulties confronting integration.—It is important to recognize that no degree of reorganization of administrative agencies into fewer and larger units can bring all related services together. This is especially the case in regard to public-aid programs because of their many-dimensional character. As the programs have expanded to provide for the other-than-maintenance needs of the unemployed and as constructive and preventive measures have come to play a greater role, the work of the public-aid agencies has necessarily begun to impinge upon or parallel that performed by other established service agencies. The appropriate location of the public-aid agency then becomes more problematic.

The dilemma can be illustrated by a consideration of the work of the Bureau of Employment Security of the Social Security Board, the Federal agency responsible for both unemployment compensation and the employment service, which are functionally connected through the common use of the local employment office. The predominance of unemployment compensation functions between 1935 and 1940 constituted a strong argument for the location of the combined service in the Social Security Board, which is essentially a public-aid agency. However, if the labor allocation responsibilities of the agency should permanently come to assume predominant importance, it will become functionally more closely aligned to the Department of Labor, in which there has already been established an occupational outlook service. Furthermore, many of the problems involved in the administration of both the employment service and unemployment compensation are of a nature that requires technical knowledge of conditions of employment or necessitates careful coordination with other labor policies of the Federal Government. On the other hand, if the unemployment compensation functions of the bureau remain important and if future developments should point to the wisdom of a further administrative integration of social-insurance programs now existing or to be established, the functional relationship of the work of the Bureau to that of other parts of the Social Security Board will be very close.

Similar problems are experienced in considering the potentiabilities of integration as applied to the WPA. As the agency administering one of the programs for assisting the unemployed, it serves a clientele closely related to that of the unemployment compensation and general-relief programs, and the mutual interaction of these programs might suggest closer unification with the Federal Security Agency. On the other hand, functionally its work is closely related to that of the Federal Works Agency.

The potentiabilities of integration have also been restricted by the adoption of policies leading to the creation of organizations based upon specific clienteles. This policy has been applied to two population groups, youth and children, and in the case of the latter is of long duration and commands a wide measure of support. Both children and young people represent groups without voting power, whose vital needs and importance may be neglected or underestimated unless there is an agency specifically charged with the promotion of their welfare. Inevitably, however, the existence of such agencies creates problems of jurisdictions potentially overlapping with those of agencies organized on a service basis. In whatever agency they are lodged, only a part of their functions will be closely related to those of the larger agency. Unless the extreme step is taken of splitting up the duties of such clientele agencies and reassigning them among the major service departments, a policy which would involve a loss of identity of the service agency and a sacrifice of values which were the object of its creation, full integration cannot be achieved.

Yet, even when allowance is made for these considerations, the reorganizations of 1939 may still be held to have fallen short of what was administratively desirable and possible. Thus the Railroad Retirement Board has independent status, although the old-age and survivors insurance program is a part of the Federal Security Agency. Even if the peculiar conditions of railroad employment necessitate the exist-

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20 Provision for such coordination is already made to some extent in the Social Security Act. For example, no State plan can be approved if it denies compensation to workers for refusing to accept new work in regard to which it is a condition of employment that they must join a company union or resign from or refrain from joining any bona fide labor organization.
ence of separate social-insurance programs for workers engaged therein,21 the fact that the Board is not subordinated to the Federal Security Agency and does not occupy the same status as, for example, the Social Security Board or the National Youth Administration, gives rise to a number of anomalous situations.

Under the present arrangements there is no assurance that problems which are a common concern of all insurance systems, as for example the maintenance of the rights of drafted insured persons, will receive simultaneous consideration from Congress.22 Nor is there a desirable degree of coordination in regard to important financial aspects of the insurance programs administered by the Social Security Board and the Railroad Retirement Board. The railroad retirement system, conceived on a reserve basis, would require a contribution rate of 10 or 11 percent of wages in order to be self-supporting. The Railroad Retirement Board has recommended that instead of increasing the tax rates immediately, Congress should outline a definite policy with respect to contributions from general revenues.23 On the other hand, old-age and survivors insurance is no longer on a full reserve basis, and with the provision of dependents' and survivors' benefits the system has taken on a completely different financial aspect. No policy has yet been formulated regarding the role of a contribution from general revenues. It would seem desirable that, if radical changes in the financing of the railroad system are contemplated, they should be correlated with similar financial decisions in regard to old-age and survivors insurance, and vice versa.

21 Quite apart from the different coverage provisions, the benefit formulas of the railroad legislation give credit for employment prior to the enactment of the law and provides higher annuities than the Social Security Act will ever provide under present conditions. The rates of taxation are higher and the actuarial aspects of the two systems differ.

22 Thus in 1940 conferences on the excess-profits tax bill had agreed on a provision to protect the rights of railroad men under railroad retirement legislation if they were called for military training. The amendment specified that the time railroad workers served in the military forces be added to their tenure in railroad employment in computing benefits under railroad retirement legislation. As Labor (the national weekly newspaper of the Standard Railroad Labor Organizations) reports, the proposed legislation was dropped “when the Social Security Board interfered.” The Social Security Board had told the conference committee “that the Board is working out a plan for preserving the pension rights of workers who are drafted or volunteer for military service and that legislation should be postponed until this problem can be solved as a whole, instead of for railroad employees alone.” Labor, Washington, D. C., October 8, 1940.) The effect was that the Railroad Retirement Acts were amended only to the extent that credit was allowed toward railroad benefits for time spent in the armed forces prior to 1937. No legislative provisions regarding military service have thus far been made with respect to the old-age and survivors insurance system under the Social Security Act.

23 This contribution, the Railroad Retirement Board suggested, should be equivalent to the additional contribution which would be made to the old-age and survivors insurance system under the Social Security Act if coverage under the railroad system were included in the general system under the Social Security Act. (The Monthly Review [Railroad Retirement Board], I (August 1940), 12.)

Similarly the present independent status of the Railroad Retirement Board leaves some uncertainty as to where the responsibility lies for sponsoring or promoting the extension of insurance programs to new groups of workers. It can scarcely be regarded as good administration when, as happened in 1940, two agencies independently develop programs for unemployment insurance for seamen and present conflicting estimates and evidence to Congress. The failure of passage of the bill would seem to have been in part attributable to these differences of opinion between the two agencies. Yet each could make a good case for an interest in such legislation.24 Had the Railroad Retirement Board been a part of the Federal Security Agency, differences of opinion and interpretation of facts could have been cleared within the agency before the bill came before Congress and the public.

Administrative Arrangements for Dealing with Clients

Enough has been said to indicate that there is not, and indeed that there probably never will be, any system of organization that will avoid all problems of overlapping and interrelationships among a series of programs in so many-sided a field as public aid. Nor can all occasions for jurisdictional uncertainty be removed by legislative prescription.25 Indeed, with the increase in both complexity and scope of public-aid measures, it is doubtful whether it is desirable to advocate so minute a degree of legislative specificity with the rigidity that this would imply. The new functions undertaken by government inevitably require, therefore, the exercise of administrative discretion and cooperation, and it becomes important to know whether the solutions of jurisdictional problems thus arrived at result in a distribution of responsibilities that is in the public interest. For it is at least possible that action taken to avoid overlapping may result in a failure to cover the entire field of need. And agree-

24 The Social Security Board could urge its mandate under Title VII (see p. 369 above), and the Railroad Retirement Board could claim to be the only Federal agency administering a national unemployment insurance system and one into which the proposed legislation for military workers might well have been integrated.

25 In fact, Congress has not always indicated with precision the scope of various programs even where this would have been possible. Thus the Emergency Relief Appropriation Act of 1935 (Public Resolution No. 24, 73rd Cong., sec. 8a) and the Emergency Relief Appropriation Act, fiscal year 1941 (Public Resolution No. 88, 72nd Cong., sec. 2a) authorised the Farm Security Administration “to provide assistance through rural rehabilitation and relief to needy farmers and relief to other needy persons in the United States, its Territories and possessions,” without indicating whether these “other needy persons” were to be exclusively members of the rural population.

Occasionally, the law, in the interest of the applicant, opens the door to potential competition between agencies. Thus section 15-5 of the Emergency Relief Appropriation Act, fiscal year 1941, states that no person receiving aid under the Social Security Act shall be prohibited from temporary relinquishing such aid to accept employment on a WPA project.
ments between agencies as to their respective spheres of operation may eliminate competition but involve a distribution of functions that is inconsistent with the attainment of the objectives of public policy.

Determination of the fields of activity of administrative action of the Federal agencies may on occasion lead to a failure to provide for the needs of certain groups because no agency occupies completely the field which is or could be held to fall within its jurisdiction.

The WPA and the FSA.—Sometimes this failure to cover the entire field arises because the agencies concerned have operated under financial restrictions which have prevented them from providing for all their eligible clients. Thus, although the Farm Security Administration and the Work Projects Administration operate under an arrangement whereby the former has prior responsibility for meeting the needs of the farming population, its limited appropriations do not enable it to meet all need. The WPA has operated also with appropriations less than adequate to provide for all needy employable persons, and despite notable expansions in projects in farm areas in periods of drought or emergency, it has not been able to fill in all the gaps left by the FSA programs.28

The WPA and other special programs.—Financial considerations may also serve to explain the type of situation which arises when an agency excludes from its eligible clientele certain categories of persons who appear to be eligible for types of aid provided for by some other agency. Such action, although commendable in the interests of avoiding overlapping or duplication of effort,29 may nevertheless result in failure to provide needed services if in fact the persons excluded are not securing assistance from the second agency.

Thus section 15 (a) of Operating Procedure E—9 of the WPA states that "persons eligible for unemployment compensation benefits shall be ineligible for employment on any project financed with funds appropriated to the Work Projects Administration during the waiting period, and the period with respect to which unemployment compensation benefits are payable, if such benefits are available."30 However, as a result of this ruling, workers who when employed on WPA become entitled to unemployment compensation benefits may have to undergo a period of 2 to 3 weeks with no income. Nor would the removal of the prohibition help workers in those States where the unemployment compensation law holds that the waiting period requirement is not satisfied by a worker if he is employed on a WPA project, on the ground that during such time he is technically "in employment."31

Failure to cover the entire field of need has also occurred in regard to persons 65 years and over and women with dependent children who after 1936 were removed from WPA project employment in some States even though they had not been granted assistance under the Social Security Act for which they were presumably eligible.32 A relaxation of this policy in 193733 was followed in the fall of 1938 by instructions to field representatives that, in making necessary reductions in project employment, persons presumably eligible for old-age assistance and for aid to dependent children were to be dismissed. Exemptions were later given from this requirement, and policy varied widely from State to State. Exemptions were chiefly granted in States which were not participating fully in the special-assistance programs.34

Public Resolution No. 1, approved February 4, 1939, prohibited any regulation refusing work project employment to persons 65 years of age and over, and to women with dependent children. Accordingly, the WPA policy was again revised. Project employment is, however, refused to persons who are receiving assistance and who may request in writing the WPA Division of Employment to accept them. If granted, persons entitled to unemployment compensation who elect WPA project employment must waive the right to insurance benefits during the period of such employment.

In this respect the majority of the States have only followed an application of the Social Security Board that service on a WPA project and remuneration therefor constitute service and wages within the terms of the unemployment compensation laws and therefore make a worker ineligible for benefits.

After Federal funds were appropriated to the Social Security Board, persons 65 years of age and over and women with dependent children were removed from project employment in some States though no formal instructions to this effect were issued by the national office.

Because of protests, a telegram was sent by the Administration on March 7, 1937, to all State administrators, stating that persons otherwise eligible should not be terminated from employment because of eligibility for aid to dependent children until actually accepted by this program. On April 14, 1937, all State administrators were advised by telegram that persons who were employable and qualified to perform the work to which they were assigned should have their employment terminated because of presumed eligibility for old-age assistance and that, where such persons voluntarily apply for such assistance, they should not be terminated from employment until provision had been made for the payment of such assistance.

See above, ch. IX. The situation was complicated by variations in the standard used in making such terminations. In some States persons were removed if they were presumably eligible for special-assistance benefits under the terms of the Federal Social Security Act. In other States, such persons were removed only if they were presumably eligible under the terms of the State public-assistance laws. In still other States, such persons were not removed if local policies disqualified them (e.g., women with only 1 child under 19), or if funds were not available to pay benefits.
sistance under the Social Security Act, or who give up such assistance in order to establish eligibility for project employment.

The employment service and the WPA.—Incomplete service may also be rendered as the result of the interpretation which an agency places upon its own functions. Thus, for example, the view hitherto adopted by the employment service as to its major duties appears to have been partly responsible for a failure to refer WPA project workers to private employment opportunities. Since the provision of work on projects is secondary to the major purpose of facilitating the reabsorption of the unemployed in regular public or private jobs, it might have been expected that special care would have been taken to ensure that project workers would have ready access to normal employment opportunities. Yet prior to September 1940 it is doubtful whether this objective had been attained.

The employment service has regarded its major function as that of serving private employers, and has operated on the principle that it must accept the standards set by employers when referring workers to them. In the application of these standards it was almost inevitable that the placement needs of the project workers should be relatively neglected. For almost by definition they have been unemployed longer than other registrants, and employers prefer workers who have recently been employed in private industry. Moreover, since employers often prefer young, inexperienced workers to older workers, the employment service may with some justification hold that it cannot be expected to refer project workers, characterized as they are in general by long unemployment and a relatively high age, in the same way as other registrants. Indeed, prior to September 1940, the employment service in many parts of the country had adopted the policy of disregarding a worker's project employment in evaluating his experience. There has also been a tendency on the part of many employment service administrators to view with concern any broadening of their functions that would bring them in contact with programs which are, however improperly, regarded as "relief" programs by some of the employers whom they serve.

Full use of the facilities of the employment service by project workers has also been impaired in the past in some areas which maintain only an itinerant employment service, owing to the failure of the State employment service and the WPA to work out a schedule of registration on days when projects are not in operation or by the inadequacy of the arrangements made by the WPA to release promptly all workers notified of vacancies in private industry or to release them for attendance at a local office without thereby suffering a diminution of earnings. It is therefore not surprising that although the WPA regulations provided that certified persons should maintain active registration with employment offices, registration was not fully maintained and that the service provided by the employment offices to those who did so report was at times perfunctory. Furthermore, as pointed out above, the proportion of project workers actually assigned to private employment through the public placement agencies has been insignificant.

Although this situation had long persisted, it needed the stimulus of the defense program before an agreement on policy was finally reached by the two agencies. By the terms of the "Understanding as to the Registration and Placement of Certified Persons," between the Bureau of Employment Security of the Social Security Board and the Work Projects Administration, which was formally signed in September 1940, the WPA agreed to utilize the employment service to the fullest extent, while the Bureau of Employment Security agreed on behalf of the State employment services to make available to certified workers the same services as are provided to other unemployed workers. 35

34 By 1940, however, in 8 States there were procedures for the release of project workers on request from the State employment service. Six States, and notably Indiana, had developed arrangements whereby the employment service notified the local WPA of job opportunities and the latter assumed responsibility for notifying the worker and making sure that he reported for interview.
35 Section 14 of the Rules and Regulations Governing Employment, as revised October 12, 1938, provided that "in order that project employees may be available for referral to jobs in private industry and public employment, it is required that prior to assignment all certified persons shall be registered and thereafter shall maintain active registration with employment offices designated by the Bureau of Employment Security." Exceptions to this rule could be authorized by the State WPA administrator in localities where such offices were not reasonably accessible.
36 According to a report furnished to the WPA in May 1940 by State administrators and regional directors, it appears that, despite some measure of policing by the WPA, the proportion of project workers who maintained active registration at public employment offices was small and probably well under half. In some areas the formal requirement of registration (either initial or continuing) was satisfied by transmission to the employment offices of WPA pay roll or other lists or by collecting registration cards on projects. Even where the project workers were in personal contact with the employment service, in only 40 States was it reported that they received the same type of interview upon initial registration as other unemployed persons seeking work.
37 Among other matters, the Bureau of Employment Security specifically undertook to request State employment services to "include work experience on the WPA as a part of the occupational record of certified persons and give adequate consideration to such experience in determining the qualifications of such persons for referral to employment." The WPA undertook to make more rigorous efforts to ensure that project workers maintained active registration with the Employment Service.
the action of some agencies either independently or in cooperation may so successfully avoid overlapping or competition in the performance of services as to give rise to the twin evil of incomplete service, it cannot be said at the present time that cooperative action has either eliminated all areas of duplication, or resulted in an allocation of clientele as between agencies that is in the public interest.

Thus there are today several Federal agencies making available work or economic aid to young people. The respective clienteles of each are not defined in law so as to eliminate all possibility of competition between them. Legally the National Youth Administration has the function of providing work and training to young people in need of employment, work experience, and training. But the Civilian Conservation Corps also has the duty of “providing employment as well as vocational training for youthful citizens * * * who are unemployed and in need of employment * * * through the performance of useful public work in connection with the conservation and development of the natural resources of the United States.” The work program of the Work Projects Administration and the loan program of the Farm Security Administration are available to certain types of young people.

The determination of the respective clienteles of the special youth agencies and other Federal public-aid agencies dealing inter alia with youth has presented relatively few administrative difficulties. The WPA regulations have always limited project employment to one member from each family group. Furthermore, between July 1939 and January 1940 the requirement of the appropriation act that preference in employment should be given on the basis of relative need and the placing of persons without dependents in the lowest preferential category of the needy served in practice to restrict access to WPA employment to those young persons who were heads of families. Although this particular category was abandoned in January 1940, it appears still to be the practice to give employment to the primary wage earner in the family.

In fact, therefore, the respective clienteles of the WPA on the one hand and the NYA and the CCC on the other are fairly clearly defined. The two latter programs provide chiefly for young unmarried workers, while the WPA usually provides only for those who are heads of families.* Overlapping of clienteles between the Farm Security Administration and the two youth agencies is also largely avoided because of the fact that the FSA makes loans only to heads of families.

The NYA and the CCC.—Potential overlapping between the two special youth agencies has, however, given rise to more serious problems. The area of possible competing jurisdiction is restricted to single men between the ages of 17 and 23. In fact, no formal agreements have been made as to the respective spheres of operation. As shown in Chapter IX, the decision is largely in the hands of the local welfare agencies charged with the certification or selection of applicants and of the young people themselves; and is affected by the zeal with which the respective Federal administrators enlist public interest in their programs. Quite apart from the undesirability of determining the allocation of youth to specific programs in this manner, the spectacle of competition for applicants between agencies is bound to create an unfavorable impression in the public mind.*

Administrative Arrangements for Dealing With Potentially Overlapping Functions

Administrative overlapping may not only take the form of competition for clientele but may also involve differences of interpretation between agencies as to their respective rights to perform certain functions. When, for example, two or more agencies carry out educational and health functions, each may regard the activities of the other as an infringement upon its own preserve. Even though friction may be avoided by formal agreements between the agencies as to defined spheres of operation, it is doubtful whether this administrative device always results in a distribution of responsibility that is in the public interest or is even consistent with the general objectives of public-aid policy.

Education and training for young people.—It has, for example, already been shown that both Federal youth agencies carry out a type of work in which education, especially of a vocational nature, plays an important role. On the other hand, the Office of Education since 1933, when the functions of the Federal Board for Vocational Education were transferred to it, has been concerned with promoting vocational edu-

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* Executive Order No. 7046, May 20, 1935, provided that “only one member of a family group may be employed on the works program, except as specifically authorized by the Work Projects Administration.”

* However, it appears that the conflicting “work” and “relief” objectives of the WPA have led in certain cases to departures from this rule. A young member of a relief family may possess skills or working qualifications not possessed by the family head, but essential for specific projects, and may be assigned in preference to the head of the family.

* Because of the lower remuneration of the NYA work, it is unlikely that a young family head would be tempted to enroll under the NYA if he were eligible for WPA employment. No information is available as to the marital status of NYA project workers.

* During the fiscal year 1941 the competition for youth between the CCC and NYA became so keen that the Federal Security Administrator issued regulations on the selection of CCC enrollees and NYA employees aiming to restrict the practice. See NYA memorandum to all State Youth Administrators, September 18, 1941.
Operation or by the inadequacy of the arrangements made by the WPA to release promptly all workers notified of vacancies in private industry or to release them for attendance at a local office without thereby suffering a diminution of earnings.\footnote{By 1940, however, in 8 States there were procedures for the release of project workers en masse in response to requests from the State employment service. Six States, and notably Indiana, had developed arrangements whereby the employment service notified the local WPA of job opportunities and the latter assumed responsibility for notifying the worker and making sure that he reported for interview. Section 14 of the Rules and Regulations Governing Employment, as revised October 12, 1939, provided that “in order that project employees may be available for referral to jobs in private industry and public employment, it is required that prior to assignment all certified persons shall be registered and thereafter shall maintain active registration with employment offices designated by the Bureau of Employment Security.” Exceptions to this rule could be authorized by the State WPA administrator in localities where such offices were not reasonably accessible. Since September 1940 this order has been superseded in effect by new procedures, and no exemptions are granted.} It is therefore not surprising that although the WPA regulations provided that certified persons should maintain active registration with employment offices,\footnote{According to a report furnished to the WPA in May 1940 by State administrators and regional directors, it appears that, despite some measure of policing by the WPA, the proportion of project workers who maintained active registration at public employment offices was small and probably well under half. In some areas the formal requirement of registrations (either initial or continuing) was satisfied by transmission to the employment offices of WPA pay rolls or other lists or by collecting registration cards on projects. Even where the project workers were in personal contact with the employment office, in only 40 States was it reported that they received the same type of interview upon initial registration as other unemployed persons seeking work.} registration was not fully maintained and that the service provided by the employment offices to those who did so report was at times perfunctory.\footnote{Among other matters, the Bureau of Employment Security specifically undertook to request State employment services to “include work experience on the WPA as a part of the occupational record of certified persons and give adequate consideration to such experience in determining the qualifications of such persons for referral to employment.” The WPA undertook to make more rigorous efforts to ensure that project workers maintained active registration with the Employment Service.}

Furthermore, as pointed out above, the proportion of project workers actually assigned to private employment through the public placement agencies has been insignificant.

Although this situation had long persisted, it needed the stimulus of the defense program before an agreement on policy was finally reached by the two agencies. By the terms of the “Understanding as to the Registration and Placement of Certified Persons,” between the Bureau of Employment Security of the Social Security Board and the Work Projects Administration, which was formally signed in September 1940, the WPA agreed to utilize the employment service to the fullest extent, while the Bureau of Employment Security agreed on behalf of the State employment services to make available to certified workers the same services as are provided to other unemployed workers.\footnote{This preference arises not only because of the general discrimination against older men, but in some parts of the country also because of a desire on the part of employers to build up a labor force in which trade union traditions are not firmly established.}
technical services in regard to education and training were specifically outlined and defined. According to this agreement, the War Department is responsible for all academic subjects, while job-training on the work project during working hours and training after working hours in technical subjects incident to training-on-the-job and designed to support and supplement such training are the responsibility of the technical agencies.

Overlapping of functions between the CCC and the Office of Education in regard to the academic subjects has been negligible, largely because the latter agency has from an early date acted in an advisory capacity to the War Department in regard to the development of the educational program. Plans and policies for the educational program in the Corps as a whole are presented by the Office of Education through the Commissioner of Education, who with an Educational Advisory Committee, acts in an advisory capacity to the War Department. Through the corps area educational advisers, the CCC Camp Education Division in the Office of Education provides professional guidance to the camp educational advisers.

Yet while these agreements appear to have resolved uncertainties among the Federal agencies as to responsibility for different aspects of the educational program, the operation of these arrangements at the camp level appears to have been less satisfactory. Indeed, the attempt to develop a rounded and well-integrated program in the camps appears to have been impeded because responsibility for different phases of the educational program is vested in officials who are in turn responsible to different agencies. Furthermore, the authority of the camp educational adviser who, working under the director of the corps area commander, is in general charge of the execution of the camp education program, is by no means clearly established.

Guidance and placement for young people.—Another case in which administrative agreements between agencies as to their respective functions, while avoiding friction, may yet not be in the public interest arises in regard to the functions of vocational guidance and placement of youth. Both the CCC and the NYA have inevitably been interested in guidance and placement problems in regard to the young people whom they serve. Where this interest results in the direct performance of guidance or placement work, possibilities of overlapping with the work of the employment service and with the schools are evident.

The employment service is necessarily concerned with the placement of workers of all types. In addition, many city offices have set up special junior counseling services which handle registration, vocational guidance, and follow-up after placement, the actual placing usually remaining a function of the adult division. Many educational authorities carry out formal or informal guidance and placement work for their students. Much of the development of youth guidance and placement services that has taken place in recent years has been attributable to the activities of the NYA. Under the terms of the appropriation act for the fiscal year 1941 the NYA was required to turn its placement work over to the Bureau of Employment Security of the Social Security Board. The NYA has, however, retained an interest in vocational counseling and has set up a Youth Personnel Division for dealing with young people who work on the out-of-school projects. While the Division has arranged to supply local offices of the State employment services at their

47 Academic subjects are defined as "theoretical instruction on all levels, such as illiteracy, elementary, high school, and college grades," as well as for "vocational training given in such subjects as cooking, clerical work, supply-room attendants, hospital orderly, or training carried on in nearby schools with the addition of such other vocational and general training courses not related to the work project."

48 Occasionally arrangements are made by the CCC in cooperation with local school boards to provide either instruction or equipment for instruction, but these contracts are more or less haphazard. While camps are encouraged to obtain local cooperation on whatever basis seems feasible, the cooperation is usually informal, though arrangements have been made in the past for reimbursing local schools (about 600) in a small way for heat, heat, janitor service, and some teaching. The expenditures amount to more than about $100 per school. (Department of Labor—Federal Security Agency Appropriation Bill for Fiscal Year 1945, Hearings before the Subcommittee of the House of Representatives, 76th Cong., 3d sess., Washington, 1940, pp. 177-178.)

49 Although the camp educational adviser is in principle responsible for all educational activities, the officials responsible to the technical agencies conduct the more technical courses, both those given on the job and those given in the free time of the enrollees. Space for classroom work and supplies and other facilities are under the jurisdiction of either the company commander or the project superintendent.
request with information concerning the work performance of individual youth in NYA projects, the present division of functions represents another example of the dilemma faced by administrative reorganization.

As the employment service is at present functioning, relatively little attention is paid in many parts of the country to vocational counseling for young people. The NYA has attempted to compensate for this by seeking to make available to young people, especially its own youth clientele, certain services of which vocational counseling is one. One the other hand, it seems anomalous that the function of counseling should be performed by a second agency separate from the employment service, and one which can hardly possess the resources for securing adequate knowledge of the relative supply and demand for different types of labor such as the employment service may be expected to possess.

Occupational classification of unemployed workers.—The preceding pages have drawn attention to instances in which the efforts of agencies to avoid competition and duplication of work have resulted in functional arrangements which are not necessarily consistent with the attainment of the broader objective of public policy. It must not however be supposed that all duplication of function at the Federal level is avoided, even at this cost. One example of an as yet unresolved case of duplicate performance of closely parallel functions is afforded by the work of the WPA and the employment service in regard to the occupational classification of the WPA project workers.

The Employment Division of the WPA is responsible for the occupational classification of workers on WPA projects or awaiting assignment.\(^{26}\) The primary overlapping of functions occurs in the classification of the WPA workers for job placement other than on the WPA projects. Classification for this purpose, while mainly a responsibility of the employment service, is also performed by the WPA and is being emphasized in connection with the national defense program.\(^{27}\) Thus, each applicant receives two classifications: one for assignment to project work, and another for placement in private industry.

On the basis of the work history,\(^{28}\) primary and secondary classifications for private employment are selected from the Dictionary of Occupation Titles, which is used by the employment service.\(^{29}\) The classifier then proceeds to assign the occupation for WPA work, using the occupational titles prepared by the WPA.\(^{30}\) These are more limited and more general in nature than those prepared by the employment service.

To the extent that WPA workers register with the employment service, there is an overlapping of functions in maintaining two separate registers of classifications for private employment. The WPA worker, of course, must submit work histories and in some cases be interviewed by both agencies.\(^{31}\)

So long as the various limitations under which the WPA operates exist, continuance of the situation just described may be justifiable, since the occupational classification called for in assigning workers to project employment is necessarily less exhaustive and detailed than that called for in referring to private employment. However, to the extent that the work program is strengthened by greater diversity of projects and more insistence on efficiency as the criterion of continued employment, the situation will become increasingly anomalous. Moreover, since the work program admittedly strives to fit workers for private employment,
there would be a real advantage in classifying project workers, actual or prospective, by reference to the standards and categories of private or regular public employment.

Health services.—The operation of health programs and a continuing concern with the development of more nearly adequate health facilities is a common concern of a large number of Federal agencies. The functions of the Children's Bureau in regard to health and welfare represent an area of potential overlapping with those carried out by the Public Health Service and the Bureau of Public Assistance of the Social Security Board. Many of the more acute problems have been avoided by cooperation between the agencies. Close relationships are also maintained between the Children's Bureau and the Vocational Rehabilitation Service of the Office of Education in regard to the procedure to be followed by State agencies in referring crippled children at 16 years of age for vocational training to State agencies administering Federal grants to States for vocational rehabilitation.

Some progress toward the elimination of overlapping in health and welfare services has resulted from the activities of the Federal Interdepartmental Committee to Coordinate Health and Welfare Services. The initial objective of the Committee, which was appointed in 1935, and consisted of representatives of Federal agencies serviced by a small staff, was to bring together

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82 See above under “Demarcation of Federal Responsibilities.”
83 Thus the Children’s Bureau and the Public Health Service clear with each other in respect to policies concerning personnel and the general development of State programs for maternal and child health and crippled children insofar as the latter programs are administered by State health departments. Conferences of the two agencies with State and Territorial health officers are so arranged that meetings can be held on successive days with each of the agencies, that each of the agencies is represented at conferences of the other with State and Territorial health officers, and that there is clearance as to program. The Children’s Bureau’s consultation service to State health agencies in maternal and child-health services is carried on in close cooperation with the consultation service of the Public Health Service with reference to basic health administration. A cooperative agreement concerning the responsibility for consultation service to the States in the administration of public-health nursing service was worked out by the Technical Committee on Public Health Nursing of the Interdepartmental Committee to Coordinate Health and Welfare Services and accepted by both agencies. Although there is no form of clearance with regard to State plans submitted for approval to the two agencies, they consult frequently in regard to general problems affecting their staff interests and have agreed upon common principles and procedures in regard to personnel standards. Plans for regional conferences are worked out together and representatives of both agencies frequently participate in them.

While the possible areas of overlapping between the Children’s Bureau and the Bureau of Public Assistance of the Social Security Board in regard to aid to dependent children and child-welfare services are more restricted, informal cooperative relationships are maintained, and the two agencies adopted parallel policies and standards in regard to State personnel after the amendment of the Social Security Act in 1935.

84 The Children’s Bureau also encourages State agencies to arrange for the attendance at diagnostic clinics for crippled children of a representative of the State Vocational Rehabilitation Service and to include such representatives in the membership of the State advisory committees. Members of the Federal Vocational Rehabilitation Service are frequently invited to attend meetings of the Bureau’s Advisory Committee on Services for Crippled Children.

85 In addition to promoting an agreement between the Children’s Bureau and the Public Health Service concerning their mutual responsibilities in regard to public-health nursing, the Committee has handled such questions as the allocation of responsibility for medical care among Indians as between the Indian Service and the Public Health Service, and for medical aid to farm families as between the Public Health Service and the Farm Security Administration. (Reynolds, Mary T., Interdepartmental Committees in the National Administration, New York, Columbia University Press, 1939, pp. 73–76.) It has also made recommendations for more coordinating activity on the part of the 16 agencies involved in recreational activities and attempted to coordinate the technical research, educational programs, and dietary policies of the 22 agencies concerned with nutritional problems. The Technical Committee on Medical Care, although initially concerned with coordination of Federal activities in this field, soon found that the problem was one of analyzing unmet needs rather than coordinating existing functions. Its report, The Need for a National Health Program, was published in 1938 and led to the calling of a National Health Conference. The work of the Committee on Migratory Labor resulted in the publication of a report which drew attention to the magnitude and nature of the problem and the need for amending the public services for this group. Recommendations for legislation were also made. (Interdepartmental Committee to Coordinate Health and Welfare Activities, Migratory Labor, Washington, 1940.)

State and Local Demarcation of Responsibilities

Description of diversified but related programs at the State and local level is complicated by the complex organizational arrangements of State and local agencies and the varying degrees of integration and coordination between them.

State Administrative Organization

State organization for the administration of public-aid programs varies considerably. Yet, although the influence of new Federal programs and the increasing Federal responsibility for public aid through the grant-in-aid device have resulted in an increase and reallocation of the functions of the State agencies, there has been a tendency in many States to compress such activities, from an organizational standpoint, into one or two key agencies of State government.
Basic to this development has been the more or less uniform policy of the Federal agencies operating grant-in-aid programs to limit their contacts with a State to a single agency designated by the State government. Thus in the Social Security Act, provisions are made for the Federal agency to deal with a single State agency in the administration or supervision of each of the programs of old-age assistance, aid to dependent children, and aid to the blind. A similar requirement exists for unemployment compensation and the employment service.

All the States administer both the unemployment compensation laws and the employment service through a single State agency which in no case is connected with the State public-welfare department. In 21 States administration is under a department of labor, an industrial commission, or a board which handles workmen’s compensation, and in 3 States administration is coordinated with other labor laws through the fact that the commissioner of labor is one of the members of the board. In 4 States the administrative agency is located in a State department, but is not subject to its authority and in the District of Columbia the three Commissioners who govern the District are on the unemployment compensation board with two other members. In the other 22 States the administrative agency for the employment security program is entirely separate from any other State department.

Workmen’s compensation laws are administered by special boards, commissions, or bureaus in 27 States and the District of Columbia. In 12 States, administration is vested in the department of labor or a similar State agency. Various other administrative arrangements are adopted in the remaining 8 States.

By and large, the central State agency for the remaining programs is the State public-welfare agency. In many States it was in this agency that the categorical assistance programs had been placed in the period prior to 1935. In other States the agency was newly created to handle categorical assistance and general relief at the time the Federal Government inaugurated its grant-in-aid programs for the special public assistance, and withdrew from the field of general relief in 1935. Where such a State agency had previously had some measure of responsibility for general relief and any of the special types of assistance, such as mothers’ pensions and old-age pensions; the usual development

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64 The act provides for similar arrangements in connection with those titles dealing with services to crippled children, maternal-and-child health services, and child-welfare services.

65 As pointed out above, the employment service was federalized as from January 1, 1942.


68 See Appendix 22, for States carrying no general-relief responsibilities.

69 As is indicated in Figure 25, in these 6 States there was both a State public-welfare agency and a State relief agency.

70 For further information on the situation in each of the 48 States see American Public Welfare Association, The Public Welfare Directory, 1939, Chicago, 1940.

71 In all but one of these States, this same agency also supervised the program of child-welfare services.

72 The degree to which the State agency is responsible for the general-relief programs shows much variation among the States. (See Appendix 22.) In this discussion, reference is made to the State agency which has some responsibility for the program, regardless of degree or extent.

was to continue State responsibility within the same organizational structure, although most of the agencies went through a period of reorganization.

In 1940, all except six of the States which exercised any responsibilities at all for general relief had lodged these functions in a State public-welfare agency, which was also administering other public-aid programs. At the same time, 36 States in which all three special-assistance programs were in operation had placed the responsibility for their administration in a single State agency, usually a department of public or social welfare. In 3 States with all three services, however, aid for the blind has been administered separately from the other two. Six States, which in 1940 operated only two of the three assistance programs, lodged both services in a single agency. Delaware, with two programs, had placed administrative responsibility in two separate agencies.

Where the State department of public welfare had already come to occupy a central integrating position, it was logical that it should be utilized also as the State agency responsible for functions arising out of agreements with a Federal agency for the performance through local units of certain services to facilitate a Federal program. As a result, by 1940 there was, in a considerable number of States, a single State public-welfare agency responsible not only for the three special public assistance and general relief, but also acting in cooperation with the appropriate Federal agency in matters involving WPA referrals, CCC selection, and the direct distribution of surplus commodities through the Surplus Marketing Administration. In addition, in many States the same agency was the major point of contact with the federally administered programs of the NYA and the Farm Security Administration, acting through formal or informal agreements on matters of mutual concern.

The precise extent to which public-aid functions have been integrated at the State level is indicated in Figure 25. This chart shows that in 1940 there was a single State agency in each of 19 States which not only was responsible for the three special public assistance and general relief but also cooperated in WPA referrals, CCC selection, and the direct distribution of surplus commodities. In four additional States the
Federal programs indicated above were handled by a single agency but general relief remained the responsibility of local units of government. In 13 States not all of the programs were in operation at the State level, but those that were in operation were centered in a single State agency. In 36 States, therefore, a single State agency served as the center of responsibility for such assistance and service programs as involved participation by the State. Three States followed the same general pattern with the exception that the program of aid to the blind was lodged in a separate State commission.

As contrasted with this widely accepted plan of operation, the remaining 9 States show various degrees of diversity, chiefly conditioned by the separation of the general-relief function from the special public assistance in the States and localities. In California and Illinois, for example, CCC selection, WPA referrals, and SMA certifications have been lodged in the agency which is responsible for general relief, while the special public assistance is in a separate agency. In four States, CCC selection is lodged in the agency responsible for the special assistance, and SMA certifications are handled by the State agency dealing with general relief. In two of these four States which have State-wide arrangements for WPA referrals, this function is also lodged in the general-relief agency. In three of the nine States a different kind of situation exists. (These States are not shown in Figure 25.) In Delaware, the agency responsible for the administration of old-age assistance (the Old Age Welfare Commission) handles all of these functions with the exception of aid to dependent children, which is lodged in a separate commission, and aid to the blind, which is not in operation. In New Hampshire, the special assistance and CCC selection are lodged in one agency, certifications for SMA are handled on another basis, and there are no arrangements with a State agency for WPA referrals. In Vermont, aid to dependent children, aid to the blind, and CCC selection are lodged in one agency, old-age assistance and certifications for SMA are the responsibility of separate agencies, and there are no arrangements with a State agency for WPA referrals.

The administrative organization of the service programs at the State level also follows no uniform plan. All States have State health agencies in charge of general public health, maternal-and-child-health services, and certain specialized programs in the field of medical care, but other agencies also perform health functions. Vocational education is also administered in all the States by a single State agency, designated or created to act as the State board for vocational education. In 25 States, Alaska, the District of Columbia, and Hawaii the board is identical in membership with the State board of education. In 12 States and Puerto Rico there are specially created boards for vocational education. Services for crippled children are variously administered by departments of health in 27 States, including Alaska, the District of Columbia, Hawaii, and Puerto Rico, by departments of welfare in 14 States, and by departments of education or other agencies in 11 States. Child-welfare services under Title V of the Social Security Act are administered through a division of the department of public welfare in all but one of the States, and in corresponding agencies in Alaska, District of Columbia, Hawaii, and Puerto Rico.

Local Administrative Organization

At the local level a great variety of authorities administer public-aid programs. It has been estimated that there are approximately 10,000 local units involved in some measure in the administration of general relief alone. Of this number, as Table 90 shows, perhaps as many as half of these units are operating programs with some degree of State supervision or acting as agents for a State-administered program. In those States where the general-relief program is integrated with the special public assistance on a local basis, the county usually serves as the local unit of administration. The number of local units within the

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9 In California, prior to July 1941, this arrangement applied only to the State Relief Administration, which was responsible for relief to employable persons. The boards of county commissioners had the responsibility for relief to unemployable persons. See footnote 12, above.

10 Indiana, New Jersey, Nevada, Oklahoma. In Indiana, the function of the State agency in relation to general relief is principally an advisory one. In Nevada this arrangement applies only to the emergency relief administration which provides an extremely limited amount of relief to employable persons, while the boards of county commissioners are responsible for relief to unemployable persons. In Oklahoma, local boards of county commissioners provide general relief in addition to that supplied by the State agency.

11 For an account of the lack of integration at the State level in the administration of the various health programs, see Mountin, Joseph W., "A Plea for Unity in Health Administration at the State Level," Journal of the American Medical Association, CXVII (December 6, 1941), 1938-1941.

12 In 1 State the board is identical in membership with the State board of education except for two added members.

13 In five States the services are administered by a crippled children's commission, and in one, by a university hospital.
Classification of States in Type I:

A. 19 States in which the State public-welfare agency participates in all Federal-State relationships and also has some responsibility for general relief: Alabama, Arizona, Arkansas, Colorado, Idaho, Kansas, Louisiana, Maryland, Michigan, Minnesota, Montana, New York, North Dakota, Oregon, Utah, Washington, West Virginia, Wisconsin, and Wyoming.

B. 4 States in which the State public-welfare agency participates in all Federal-State relationships but does not have responsibility for general relief: Florida, Georgia, Nebraska, and Tennessee.

C. 5 States in which the State public-welfare agency has some responsibility for general relief and participates in all Federal-State relationships except for WPA referrals: Maine, New Mexico, Ohio, Rhode Island, and South Carolina.

D. 8 States in which the State public-welfare agency participates in Federal-State relationships with certain exceptions or has no responsibility for general relief. The excluded programs are indicated in parentheses: Connecticut (ADC, WPA), Iowa (ADC), Kentucky (GR, ADC, AB, WPA), Mississippi (GR, ADC), Missouri (AB), Pennsylvania (AB), South Dakota (GR, ADC), and Texas (GR, ADC, AB).

Type II: Massachusetts (State responsibility for general relief limited to "unsettled" cases; no State-wide agreement for WPA referrals), North Carolina (general relief is primarily the responsibility of local units, of government), and Virginia.

KEY
Federally administered programs
Federal-State relationship

ABBREVIATIONS
FSA—Farm Security Administration
SMA—Surplus Marketing Administration
CCC—Civilian Conservation Corps
OAA—Old Age Assistance
ADC—Aid to Dependent Children
AB—Aid to the Blind
UC—Unemployment compensation
ES—Employment Service
OASI—Old Age and Survivors Insurance
NYA—National Youth Administration
GR—General Relief

Figure 25.—The Organizational Pattern of Public-Aid Functions at the State Level, 1940.
**Type III — 4 States**

- Railroad Retirement Board
- Work Projects Administration
- U.S. Department of Agriculture
- Federal Security Agency
- CCC Selection
- OAA
- ADC
- AB
- UC
- ES
- OASI
- NYA

**State Plans for Aid to the Blind, and Characteristics of State Plans for Aid to Dependent Children, Publications Nos. 16, 17, and 18, revised July 1, 1940, Washington, 1940.) (e) Unemployment compensation and employment services: While these programs may be lodged either in an independent State agency, a State labor department, or another State department which administers other programs outside the field of public aid, this relationship is not indicated, inasmuch as the figure shows only the administrative relationships among the public aid programs. The term "State employment security agency" is used in this figure to indicate the agency in which the unemployment compensation and employment service functions are lodged. (Source: Social Security Board, Comparison of State Unemployment Compensation Laws as of October 1, 1940, Employment Security Memorandum No. 8, Washington, 1940, pp. 112-116.) As of January 1, 1942, the employment service was federalized.

**Type IV — 2 States**

- Railroad Retirement Board
- Work Projects Administration
- U.S. Department of Agriculture
- Federal Security Agency
- CCC Selection
- OAA
- ADC
- AB
- UC
- ES
- OASI
- NYA

Type IV: California and Illinois (ADC and AB programs are not in operation).

Note: Federal-State relationships as defined for purposes of this chart include the following services and programs: (a) WPA referrals: Indicates that a State agency has agreed to assume responsibility through its local agencies or representatives in local areas for investigation and referral activities in connection with WPA. In some States no State agency has agreed to perform these functions. (b) SMA certification: Indicates that a State agency has an agreement with the SMA for certification of persons to receive surplus commodities through direct distribution. (c) CCC selection: Indicates that a State agency has an agreement with the Office of the Director, Civilian Conservation Corps, for the selection of Junior enrollees for CCC camps. (d) Old-age assistance and dependent children, and aid to the blind: Indicates that plans have been accepted by the Federal Social Security Board for State-wide operation of each of the three special public assistance programs. (Source: Social Security Board, Bureau of Public Assistance, Characteristics of State Plans for Old-Age Assistance, Characteristics of State Plans for Aid to Dependent Children, Publications Nos. 16, 17, and 18, revised July 1, 1940, Washington, 1940.)

Figure 25.—The Organizational Pattern of Public-Aid Functions at the State Level, 1940.
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1 For definitions established for State supervision, State administration, and integration of general relief with the special public assistance, see Appendix 22.

2 Includes a few private agencies which administer public funds for general-relief purposes.

3 An unorganized county or a county supervised by the State without supervision.

4 State-administered. There are no local operating units in Delaware.

5 No State agency for general relief. In Indiana, the county boards of public welfare also administer the special public assistance under the supervision of the State board of health and public welfare, but there is no supervision of the general-relief program except that the same local personnel administer both the special public assistance and general relief.

6 In 5 counties, the commissioners have delegated their responsibilities to the district office of the State welfare board.

7 While the county departments of public welfare which administer the general-relief program in 72 counties, there is no supervision of the general-relief program. In 12 counties no general relief is given; no information available for 1 county.

8 The data include only the 32 counties to which the county welfare boards have been delegated the county welfare departments and the 5 counties for which no information is available.

9 For purposes of this table, it is considered that only 1 relief agency is operating in each county.

10 Of this group only 24 counties grant relief regularly every month. In the remaining 52 counties, relief is granted sporadically, in some counties in extreme emergencies.

11 During January 1949, 32 counties granted relief.

12 In addition, local officials administer a small amount of local general-relief funds in some local units.

13 The number of municipalities reporting general-relief payments to the State agency varies; 451 municipalities reported to the State agency in December 1940.

14 In a few counties, the county commissioners have delegated responsibility for intake and investigation of applications to the county social-security office, which makes recommendations to the county commissioners for acceptance or rejection of applications and the amount of relief.

15 Only 65 of the 82 counties grant general relief; the 2 city welfare departments are located in counties which also have county welfare departments.

16 General relief is available in about 215 of the 254 counties of the State; some city agencies operate in counties which also provide relief. Some counties and city-township agencies are included in column 8.

17 A small program for employable persons is directly administered by the State.

Source: Based on material obtained from an administrative study of general relief as of January 1940, made by Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board, supplemented by reports and letters from State and local agencies. See also Appendix 22.
States shows much variation, ranging from four States in which there are less than 25 local units, to five States which have more than 900 units responsible for the local administration of general relief.38

The local agencies administering the special public assistance are usually county bodies; but here, too, there is considerable variety in the nature of county organizations.39 As of July 1940, 38 of the 51 old-age assistance plans, 34 of the 43 plans for aid to the blind,31 and 34 of the 42 plans for aid to dependent children32 utilized the county as the local operating or administrative unit. Ten33 programs for old-age assistance were administered at the local level by district or subofices of the State agency, one (Massachusetts) retained the town as the administrative unit, and two (Delaware and the District of Columbia) had no separate local administrative units. Five34 programs for the blind and six35 for dependent children operated through district offices, while three (District of Columbia, Massachusetts, and Vermont) in the former category, and two (Delaware and the District of Columbia) in the latter, had no separate local administration.36

In addition to these programs, local administrative units perform a variety of services for the Federal pro-

38 Local responsibility is vested in a variety of officials and agencies, ranging from boards of county commissioners, overseers of the poor, county courts, and county welfare departments to city and town welfare departments, town and village boards of selectmen, and township trustees.

39 The most common form is a county department with a board appointed by the county governing authority (usually the county board of supervisors or commissioners) and an executive officer appointed by the county board. Occasionnally, however, the governor or State department appoints or participates in the appointment of local boards or executives, or the county governing body may itself act as the welfare board.


41 Florida, Maine, New Hampshire, New Mexico, and Tennessee.

42 Florida, New Hampshire, New Jersey, New Mexico, New York, Tennessee, and Vermont.

43 Information in this paragraph from Social Security Board, Bureau of Public Assistance, Characteristics of State Plans for Old-Age Assistance, Characteristics of State Plans for Aid to the Blind, and Characteristics of State Plans for Aid to Dependent Children, Publications Nov. 16, 17, and 18, Washington, 1940.

grams which have been mentioned in the preceding section. The diversity of local arrangements precludes the possibility of giving any picture paralleling that given for the States of the distribution of these functions among the agencies in the localities. It is significant, however, that the administrative problems associated with the operation of a diversity of programs have to some extent been reduced by the increasingly common tendency to integrate the administration of the special public assistance and general relief.38 The extent to which this integration had occurred by 1940 can be seen from Table 90.

It will be noted that, of the local units which were supervised by or were administrative units of a State authority, 1,282 out of 1,632 counties but only 871 out of 3,869 cities, towns, villages, or townships and the like, had integrated general-relief and the special-assistance administrations. Of the States exercising some responsibility for general relief, there were 25 States in which general relief was either completely integrated throughout the entire State or in the majority of political subdivisions. There were four States in which integration had been carried through in less than half of the local units38 and three States in which one or more of the special public assistance was integrated with all or part of the general-relief program in the localities.38 In addition, there were three States38 in which general relief was locally administered and State-supervised, but in which there was no integration at all. While it is obviously less likely that integration would be found in the 15 States where there was no State supervision of general relief, integration had actually taken place in all or part of the local units of six such States.38

Extent of Integration and Coordination

It is evident from the preceding account that in many States and localities there is a much closer integration of public-aid functions than has characterized the organizational arrangements of the Federal Government. Nor is it surprising that the advantages of integration of related programs should have been especially apparent to the State and local agencies. The pivotal posi-

44 For definition of “integration” as used in this discussion, see Appendix 22.

45 Iowa, Michigan, Minnesota, and Wisconsin.

46 In Delaware, general relief is integrated with old-age assistance only. In Nevada, the boards of county commissioners are responsible for the local administration of relief to unemployables and old-age assistance, while in Rhode Island the supervision of State unemployment relief (for employable persons) rests with the State agency administering the special public assistance. In addition, in California relief for unemployables was integrated at the local level.

47 Illinois, New Jersey, and Ohio.

48 Florida, Georgia, Massachusetts, Nebraska, North Carolina, and South Dakota.
tion of the relief agency, which in most areas not only serves as the final resort of those who cannot secure assistance through the specialized programs, but also supplements the specialized aids where these are inadequate for the needs of the family, must have served to emphasize the essential unity of purpose and the close relationship of the functions of the various public-aid programs. Furthermore, the advantages of integration of related programs would inevitably be more apparent to administrative units that were directly in contact with applicants and could therefore appreciate to the full the integral character of the family and its needs and the disadvantages of multiple investigations and artificial segmentation of the family for the purpose of providing public aid.

From this point of view, integration of such closely related programs as general relief and the special assistance has meant that, even though it may be necessary for bookkeeping and financial purposes and desirable in many instances for treatment, to separate the records of assistance given to the different categories and to general-relief recipients, the investigation of the needs and resources of the families applying for aid can be carried out by a single case worker. Whether staff should be assigned for continuing service on a generalized or a categorical basis is a matter concerning which opinions and practices differ. The decision is dependent in part on the size and character of the total caseload, and the degree to which the agency is equipped to give special services that may be required if the needs of children, the aged, the blind, or other categories are to be fully understood and met.

It is also important to note that at the State level, even when a number of related programs are grouped under a single administrative agency, the categorical approach in itself has complicated the process of administration. This has been especially apparent where a single State agency is faced with the task of administering or supervising a group of programs which operate under separate State laws.

The prevalence in one household of more than one type of case is indicated by the fact that of 377,235 old-age assistance cases accepted during the fiscal year 1939, 9.6 percent were living in households which were simultaneously receiving some type of aid or aids other than another old-age assistance grant. The corresponding percentage of recipients of aid to the blind living in households receiving other types of aid than another aid-to-the-blind payment was 24.2 percent. In 26.8 percent of the cases receiving dependent children payments other types of aid were also received. (Social Security Board, Bureau of Research and Statistics, Social Data on Recipients of Public Assistance Accepted in 1938-1939, Bureau Memorandum No. 42, Washington, 1940, Pt. 1, p. 10, table 10, pt. 11, p. 9, table 9, pt. 11, p. 10, table 10.)

While parallel studies have not been made in regard to recipients of general relief, the data used by the Work Projects Administration and the Social Security Board to prepare the unduplicated monthly relief series (see above ch. V) indicates that 26 percent of the households receiving general relief in continental United States during June 1940 were during that month receiving 1 or more other types of public aid. The percentages vary from locality to locality with policies regarding supplementation, the interpretation placed upon the members of the family who can qualify for the special public assistance (especially aid to dependent children), and other factors. Returns from seven large cities reporting comparable information to the Social Security Board in June 1940 indicated that 30 percent of the households receiving general relief which also received income from WPA earnings, unemployment compensation, or the special assistance varied from 4.2 percent in Chicago to 37.5 percent in Baltimore. (Social Security Bulletin, III (August 1940), 59.)

During the past few years, new legislation for relief for employables, Old-Age Assistance, Aid to Dependent Children, and Aid to the Blind has placed steadily increasing responsibility for the administration of relief within the State Department of Social Welfare. The relief problem has become a matter of categories. Each category has been governed by a specific law which has created privileges to certain groups without cognizance of the problem as a whole. Thus, a series of laws individually good have resulted in an administratively complex problem that has become difficult and complex. Responsibility varies as it has been divided between the State and the localities in terms of programs. During 1938 and 1939, the State plan for the administration of relief has been in the process of transition. The problems presented have been recognized by both the State and the localities. The Administrative Act of 1939 gave to the Department of Social Welfare supervision and management of all forms of public assistance under the plan of the State.

The cities and towns, through their Directors of Public Welfare, continue to carry full responsibility for relief to employables and, also, to those persons who cannot fulfill requirements for eligibility as prescribed in the various categories administered by the Division of Public Assistance. (Rhode Island State, Department of Public Welfare, First Annual Report to the General Assembly at its January Session, 1940, p. 125.)

For further discussion of the problems raised by the categorical
Security, Work, and Relief Policies

To the extent that within the States and localities there has been a grouping of programs or related public-aid functions under a single agency, the occasion for prolonged differences of interpretation between agencies as to their respective functions and jurisdictions is reduced. But in those States in which the special public assistance and general relief are still operated by local agencies responsible to differing State agencies or (in the case of general relief) to none at all, differences of interpretation may give rise to delays in performance of functions and, where agencies experience financial stringency, may involve a loss of protection to needy persons. Occasionally, interagency problems are resolved by regular interagency conferences.

There appears to be general agreement that at the State and local level many problems of organizing and coordinating a series of related public-aid programs are as yet unmet. Many of the agencies in approach, see Taylor, Ruth, "Problems Created by Assistance Categorization," in Proceedings of the National Conference on Social Work, 1940, pp. 190-205.

Despite the encouragement given by the Social Security Board to such integration, there are still 12 States in which the special public assistance programs are not integrated in any degree with general relief, and 2 of these (Illinois, New Jersey, Ohio) are States in which there is State supervision of general relief. In some States there has been opposition to integration on the ground that to combine the special-assistance programs with administrative activities with existing relief agencies would subject recipients and programs to the philosophy and practices traditionally associated with poor relief.

Furthermore, as pointed out above, there are still 4 States administering two or more of the special assistance which lodge at least one of the services in a separate agency. Moreover, in all of the States the agencies administering social-insurance programs are separate from the public-welfare department. Although this situation may necessitate close working relationships between the two agencies to avoid duplication of relief, the disadvantages of such arrangement are less serious than in the case of programs which base eligibility upon need. Even here, however, difficulties may be created for the applicant. See under "Multiplication of Points of Intake," below.

How Public Assistance Agencies Coordinate Their Work In spite of the absence of legal machinery has been abundantly demonstrated in Oklahoma where a permanent interagency conference has grown out of a series of meetings to develop clearance procedures between two public agencies—the State Board of Public Welfare, administrator of general relief, and the State Department of Public Welfare, in charge of the categories. A second meeting was planned with the WPA as a participant. At a third, the Farm Security Administration was represented. Soon the group was augmented by representatives from the Indian Agency and the NYA, making a total of 6 agencies meeting together to thrash out their common problems. At this point officers were elected, working committees appointed, and invitations to become affiliated with the group sent to all Federal and State agencies operating on a State-wide basis. For more than a year the conference has been holding bimonthly meetings, first devoted to a discussion of agency functions and questions of interagency procedures, but lately to a growing concern with constructive community planning. Among the questions now under consideration by the group are the development of a sight conservation program for the State and of a centralized compilation of all State relief and employment statistics.76 ("Among the States," Survey Midwestern, LXXVII (April 1941), 125.)

"Because of divided responsibility for various phases of public welfare administered through State agencies in Wyoming there still exists a problem of coordination of these facilities either through legislative consolidation of the agencies or through the formulation of a workable plan of cooperation." (State of Wyoming, Department of Public Welfare, Biennial Report, Cheyenne, 1938, p. 17.)

The magnitude of the relief problem lends considerable weight to the need for integrating the various programs now operating to make the States in which integration has not yet proceeded far have recognized the need for greater coordination or consolidation.77 The Social Security Board has also urged the States to integrate their programs more fully.

Avoidance of Duplicate Receipt of Aid

The preceding section has drawn attention to some of the administrative problems to which the simultaneous operation of a number of diversified programs gives rise. In addition to these difficulties, however, the national policy of providing specialized forms of public aid opens the door to the possibility that applicants may be able to secure assistance from two or more agencies to meet the same need. Although this danger may not be serious at a time when many agencies are operating with restricted resources, it assumes increasing significance as public provision against economic insecurity becomes more adequate. This sort of duplication, as a rule, involves a waste of public funds. It must be distinguished from supplementation which arises because an applicant's needs may not be fully met by one program, so that he must have recourse to other means.

Legislative Provisions to Avoid Duplicate Receipt of Aid

To some extent the simultaneous receipt of public aid from two or more agencies is specifically provided against by certain legislative enactments. This is especially the case in the social insurances.

The Railroad Unemployment Insurance Act contains the most comprehensive provisions to prevent applicants from simultaneously drawing unemployment and certain that there is no duplication in administrative cost or in relief. Through consolidation of administrative efforts there is a greater likelihood for economy and efficiency. This seems to be the tendency at the State level, for more than half of the States have by this time undertaken to coordinate their welfare activities and to bring them together in one department. The same tendency is noticeable on the county level, as well. (Milwaukee County (Wis.), Department of Outdoor Relief, Annual Report * * * 1939, pp. 5-6.)

76 "There is urgent need for constructive planning participated in by State and local officials and interested citizens, to develop a more adequate and constructive approach to the relief problem of the State, on a realistic rather than an emergency basis. The State's policy regarding participation in the problem of the local units should be clarified and stabilized; the size of the local unit which can most effectively and efficiently administer relief should be studied and a uniform policy adopted; the methods of coordinating general relief with other State and Federal programs to provide an integrated approach to the problem of need should be carefully considered; and the relief laws, largely written in 1935, should be clarified and modernized to meet the conditions of the present day." (State of Wisconsin, Public Welfare Department, The Public Welfare Department Report, Jan. 1, 1955—June 30, 1957, Madison, 1939, p. 40.)

77 "It is the opinion of the Board that one State agency should be responsible for the administration or supervision of at least the three programs for the special types of assistance and preferably of general assistance and other welfare activities as well. An integrated public-welfare statute covering at least the assistance programs for which the State agency is responsible is preferable to separate statutes for each program, since it promotes integrated administration under uniform standards and procedures." (Fifth Annual Report of the Social Security Board, 1940, Washington, 1941, p. 98.)
other insurance benefits. All but 15 of the State unemployment compensation laws also provide that an individual cannot simultaneously receive both unemployment compensation and Federal old-age and survivors insurance benefits. All but 19 laws make similar provision in regard to recipients of payments under the railroad retirement system. Twenty-nine unemployment compensation laws also disqualify unemployment benefit claimants who are in receipt of or have received Federal or State workmen's compensation for temporary partial disability, although, if such payments are less than the unemployment benefit, the difference is paid.

Overlapping between State unemployment compensation systems or between any one State system and railroad unemployment insurance is also specifically avoided by legislative provision in 43 States. On the other hand, neither the old-age and survivors insurance provisions of the Social Security Act nor the railroad retirement legislation contain any specific prohibitions against simultaneous receipt of these benefits and other forms of insurance; e.g., benefits for survivors under workmen's compensation and survivors insurance. Since the Railroad Unemployment Insurance Act and all except the few State laws indicated above have specific legal prohibition against such overlapping, the possibility of dual receipt of benefits is in the main restricted to the beneficiaries of the two old-age insurance systems.

Specific legislative prohibition against simultaneous receipt of two forms of aid is not confined to the social insurances. Section 1002 (a) of the Social Security Act as amended prohibits the payment of grants to blind persons if they are in receipt of old-age assistance. Similarly the Emergency Relief Appropriation Act, fiscal year 1941 (section 16 (b)) provides that workers who have relinquished WPA employment for private work and are subsequently unemployed shall be entitled to resumption of WPA work only if they have first drawn all the unemployment compensation benefits which shall have accrued to them.

Agency Arrangements to Avoid Duplicate Receipt of Aid

The adoption of general rules or principles in the law or through administrative rulings on the part of the agencies concerned needs to be implemented by smoothly working arrangements at the level at which the applicant for aid comes in contact with the agencies. This is especially the case where duplication is avoided not by the mere listing of types of aid which may not be received simultaneously (as is the case in regard to overlapping among the insurances or between them and the works program) but by the ascertainment of the resources possessed by each applicant. In such circumstances, since social-insurance and other payments not made on a means-test basis may be regarded as a resource, the local authorities administering programs where eligibility is based upon need require the closest cooperation from the administrators of these other programs, in order that they may be fully informed of the resources possessed by applicants. The need for such cooperation is experienced in the main by the local welfare agency which administers the general-relief program (and in many States also the special assistance) and also applies the test of need to applicants for WPA. Where the special assistance are separately administered, the need for such cooperation is also experienced by the administrators of these aids.

Although it is difficult to generalize for the country as a whole, it would appear that the necessary degree of cooperation has not yet been ensured. It is true that the Social Security Board has impressed upon its staff administering old-age and survivors insurance the desirability of making essential information available to State and local agencies administering other social-welfare programs. Agreements have been reached with the WPA, the Veterans' Administration, State employment security agencies, and State public-assistance agencies under which specific information will be supplied by the Bureau of Old-Age and Survivors Insurance subject to certain safeguards. The Board has undertaken that where it has information that a beneficiary of old-age and survivors insurance

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2 The act provides that no day be considered a day of unemployment with respect to which the Railroad Retirement Board finds that the employee is receiving or has received annuity payments or pensions under the Railroad Retirement Acts of 1935 or 1937, or insurance benefits under title II of the Social Security Act, or payments for similar purposes under any other act of Congress, or unemployment benefits under any State unemployment compensation law or of an unemployment compensation law of the United States. (The disqualification does not, however, apply in the case of the lump-sum payments.)

3 Three of these laws disqualify on account of receipt of any payment for loss of wages. Two other States disqualify on account of receipt of workmen's compensation with no provision for payment of the difference between the unemployment benefit amount and workmen's compensation payment, and 2 (1 of which is included in the 2 just mentioned) disqualify on account of receipt of any payment for loss of wages. Sixteen States have no provisions.

4 Four States disqualify claimants for the week with respect to which benefits are received or allowed but not yet received from another State or a Federal unemployment compensation law; 3 States disqualify for the week with respect to which such benefits are received or sought; and 33 States disqualify for the week with respect to which such benefits are received or sought, with the provision that the disqualification shall not apply if the other agency finally determines that the worker in question is not entitled to such other unemployment benefits. Oregon disqualifies for the week for which such other unemployment benefits are actually received. The Utah unemployment compensation law states expressly that a claimant be disqualified until maximum payments under the railroad unemployment insurance law are exhausted. The remaining 7 States have no provision.

6 No information is made available to State employment security agencies concerning lump-sum death payments.
is also receiving public-assistance, WPA, or unemployment compensation payments, the appropriate State or Federal agency shall be informed of the receipt of old-age and survivors insurance benefits.7

Cooperative arrangements between the relief and public-assistance agencies and the State unemployment compensation authorities have in the past operated less smoothly. Initially there was a tendency for the latter to refuse to furnish any information at all on the ground that the divulging of such information was inconsistent with the general objectives of the social-insurance principle,8 and more generally that it was desirable so far as possible to divorce the administrations of the two types of public aid. A trend toward closer cooperation was strengthened by a bulletin issued in April 1930 by the Bureau of Unemployment Compensation. By the summer of 1939 most of the unemployment compensation agencies were cooperating more or less closely with the relief agencies. There was, however, considerable variation in the effectiveness of the administrative devices adopted. An analysis of practices in 18 States carried out in the summer of 1939 indicated that six States relied principally upon information supplied by relief applicants and recipients, with clearance in a small number of cases with the Employment Service.9 Relief agencies in another six States received from the unemployment compensation administrators information on the unemployment compensation status not merely of the workers in whom the agency was interested, but on all claimants for or recipients of unemployment benefits.10 The remaining six States relied on information concerning specific recipients furnished by the unemployment compensation agencies on request.

All three methods have certain shortcomings. Reliance on the client, even when supported by a requirement that he should produce evidence in the form of checks received or other documentary data sent to him by the unemployment compensation agency, is at best a control on those applicants who are almost certainly known to be in receipt of benefits. It enables the relief agency to know how much benefit is going into the family and, in some cases, the probable duration of the benefit payment. But, without some direct contact with the unemployment compensation agency, it provides no information regarding payments to those who do not voluntarily report benefit status in the first instance. The second method, while giving the relief agency all necessary information, involves a large amount of administrative work in matching check stubs or other data against its own files and involves costs that may be out of all proportion to the value of the information secured.11 Even the third method of requesting information concerning relief clients or applicants from the unemployment compensation authorities, while reducing administrative work for the relief agency and having the great advantage over the previous method of protecting the privacy of all those unemployment compensation beneficiaries who do not apply for relief, has some shortcomings. For unless the relief authorities are familiar with the provisions of the unemployment compensation law, they may undate the unemployment compensation administrators with requests for determinations of the benefit status of an unduly large number of possible cases.12 Moreover,

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7 Thus the Bureau may provide evidence of the date of birth at the request of either a local or State public-assistance agency if the agency can show that this information is essential and that it has made unsuccessful efforts to obtain it from other sources.
8 Title III of the Social Security Act of 1935 (Public, No. 271, 74th Cong., sec. 306a) had specifically required State plans to include provisions for making benefit data available to Federal agencies "charged with the administration of public works or assistance through public employment." Up to 1939 there was some tendency to interpret provisions in State unemployment compensation laws against divulging information respecting individuals except to public employees, as including the release of data on benefit rights especially to relief authorities. (Cf. Jacobs, Arthur, Methods of Clearance Between Unemployment Compensation and Relief Agencies, Committee on Social Security of the Social Science Research Council, Pamphlet Series No. 3, Washington, 1940, pp. 10-12.)
9 "Early in 1933 the Unemployment Compensation Division of the State of Minnesota began to make unemployment benefit payments. No satisfactory procedure had been established for the County Welfare Board to obtain the amounts of these payments and since the Industrial Commission refused to make this information available to any except other Federal agencies, the County Welfare Board arranged to obtain lists of payments from the WPA office. However, the WPA found they could not use the lists to advantage which were submitted to them and so discontinued requesting them from the Industrial Commission." [ elastic method of obtaining this information is cumbersome and probably inaccurate, it is essential that some plan be worked out for a more efficient clearing between the County Welfare Boards and the Unemployment Compensation Division.10 (Annual Report of the County Welfare Board of the County of Ramsey and the City of St. Paul, Minnesota, for the Year Ending December 31, 1955, p. 56.)
10 The rapidly developing programs of unemployment insurance and old age and survivors' benefits require that there be a liaison that assures complete sharing of information among the administrative bodies involved. Admitting that the confidential nature of information relative to a person's enrollment or public relief needs should be preserved as far as possible, there must still be sufficient clearance to serve the interests of the employer, the taxpayer, and the recipient of insurance or public aid." (State of New York, Department of Public Welfare, op. cit., p. 45.)
11 For an account of the types of clearance, see Jacobs, op cit., pp. 18-20.
12 For a list of the various types of documents sent to the relief agencies, see ibid., pp. 27-35.
13 Between April 23 and July 15, 1939, the New York City Department of Welfare received 325,312 notices of benefit rights from the Division of Placement and Unemployment Insurance. As of July 15, 242,705 had been cleared against the public-assistance and relief files and only 12,807 (or 2 percent) had been found to pertain to current relief cases; an additional 614 (or 0.3 percent) concerned applications under investigation. While the administrative work is more serious for relief agencies in industrial areas and large cities, other studies indicate that the costs are in general out of all proportion to the savings resulting from the discovery of the existence of unemployment compensation payments. See Jacobs, op. cit., pp. 31-33.
14 It was found in 1939 that many case workers and relief administrators were unfamiliar with the broad provisions of the admittedly complicated unemployment compensation laws in their States. In some areas relief administrators had sent requests for information concern-
in States where the administration of unemployment compensation is highly centralized, requests may have to be sent to the central State office, and this may involve considerable delay.

Use of the confidential exchange.—In a number of areas the existence of confidential exchanges serves to eliminate duplication of service and to expedite clearance between agencies providing assistance on the basis of need. The essence of the exchange is the maintenance of a single index to the names of clients known to member welfare agencies in a community.13

It is obvious that there are many advantages to the use of such a central clearing agency. It eliminates the time and expense involved in having each agency determine independently which other agencies are aiding the applicant. Its use can prevent overlapping of services and material aid in those cases where such overlapping is undesirable. In addition, it provides a mechanism through which the promotion of formal or informal interagency cooperation, in areas other than the immediate exchange of information, is facilitated.

The consistent use of the exchange results in the development of better understanding between the various social agencies as to the nature and extent of service each is prepared to render. Furthermore, if the exchange is properly used by participating agencies, families are less likely to be shunted back and forth between agencies in search of the specific type of aid required, thus reducing the emotional strain to the client or family involved in frequent recounting of its problems. Another of the more important direct benefits in the use of an exchange is that it expedites administration and lessens the time required between application and receipt of aid by reducing the time which would be consumed in making agency-by-agency clearance. It also protects the client's privacy by avoiding needless reinvestigation to obtain facts already known to other agencies and by limiting inquiries to the exchange and to agencies to whom his circumstances are already known.

The development of the social-service exchanges in local communities was among the more important contributions made by private agencies to the administration of welfare programs. In many parts of the country today, such exchanges, where they exist, are still financed by private funds. Increasingly, however, payments have been made from public funds for entire or partial support of the service. Stimulus to the use or development of local and State-wide exchanges has been given by Federal agencies. Thus the Social Security Board has encouraged and urged their use where they are available,14 and the Office of Government Reports is prepared to assist States in analyzing the need for State-wide exchanges and to act as a coordinating and advisory body.15 Since 1934 the Children's Bureau has collected and published statistics on the number of clearings by confidential exchanges in a large number of urban areas.16

The extent to which the exchanges are in general use is not, however, precisely known. By 1940, State-wide systems of exchange were in operation in five States: Massachusetts, Delaware, Vermont, New Hampshire, and West Virginia. In the past, experiments with various types of State-wide exchanges have been carried on in at least three States: Louisiana, Florida, and Georgia. More recently, Rhode Island, Minnesota, and Illinois, under the auspices of the Office of Government Reports, have been giving study to the establishment of exchanges.17 The existence of local exchanges appears to be rather general in the larger and medium-sized urban communities and almost entirely lacking in rural areas, but the extent to which they are utilized by all local agencies operating in a given area is not known.


15. The Office is prepared, upon the invitation of the Governor, the Welfare Director, the Council of Social Agencies, or other responsible officials within a State, to analyze the State's need for a confidential exchange and its plan for establishing such a service agency. Plans developed by the State officials and agencies are submitted through the Washington headquarters of the Office of Government Reports to an interdepartmental committee made up of representatives of the interested Federal agencies. The Committee then makes recommendations for changes which may be necessary to make the exchange organization and administration acceptable as an element of administration included in the State plan for the administration of public assistance, and acceptable to the administration of other Federal agencies which might participate in paying the costs of establishing and operating an exchange.

16. By January 1940, 41 urban areas were reporting comparable data on the volume of activity measured in terms of number of clearances.

17. In October 1941 it was reported by Community Chests and Councils, Inc., that State-wide exchanges were in operation in 8 States (Delaware, District of Columbia, Massachusetts, Minnesota, Nebraska, New Hampshire, North Carolina, and Vermont). In addition there were nearly 300 city, or county-wide exchanges, serving population areas which ranged from 7,500,000 (New York City) to 5,000 (Pawling, Ohio). Some of these exchanges covered more than 1 city or county. (Community Chests and Councils, Inc., Committee on Social Service Exchange, Social Service Exchanges in the United States and Canada, New York, 1943.)

For further information on the operation of the exchanges, see Blakeslee, Ruth, Regional and Statewide Exchanges, Issued by the same Committee and also Its Bulletin 31, How Change in Philosophy of Case Working Affects the Role of the Exchange, and Bulletin 34, Social Service Exchange and Clearance Services for Current Public Welfare Programs.