Aid to Families With Dependent Children: An Overview, October 1977

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In 1977, reorganization of the Department of Health, Education, and Welfare brought together in the Social Security Administration three major income-maintenance systems—old-age, survivors, and disability insurance, supplemental security income, and aid to families with dependent children These are distinct and separate programs differing in purpose and in methods of financing and administration but often serving different members of the same household The Federal-State program for aid to families with dependent children program (AFDC) is a grant-in-aid program and in many ways reflects the local policies in the 54 States and jurisdictions in both administration and levels of payments This article outlines its national structure and variations in the program and describes how this cash assistance program operates to provide income for more than 11 2 million needy recipients in 3 6 million families, including almost 8 million children. In May 1977, program payments totaled about $840 million a month

BY THE TIME the Social Security Act was passed in 1935, States had begun social welfare programs clearly recognizing that care of children is best carried on in their own homes Where impoverished families might be unable to do this, income was provided through the payment of "mothers' allowances" Not all States provided such payments, and in most instances the amounts involved were modest indeed The significance of such payments was that they established a broad public policy of concern for the needs of children

Under title IV–A of the Social Security Act, the individual State and local efforts were set into a new national format of federally supported State programs of aid to families with dependent children (AFDC) Now, 42 years later, monthly AFDC payments are being made on behalf of 1 in every 8 children under age 18 in the country.

In general, AFDC provides for Federal grants to help defray State costs of providing financial assistance to needy children who are under age 18 (or under age 21 and attending school); living in the home of a parent or specified relative, and deprived of parental support or care because of the death, continued absence from the home, or physical or mental incapacity of a parent—or, if a State elects, the unemployment of a father

States may (and two-thirds of them do) have other eligibility requirements if they do not conflict with or are not prohibited by the Social Security Act Each State decides what "need" is and to what extent it is willing and able to meet that need

In authorizing Federal funds for AFDC, the Social Security Act encourages "the care of dependent children in their own homes or in the homes of relatives by enabling each State to furnish financial assistance . . as far as practicable under the conditions in such State to needy dependent children and the parents or relatives with whom they are living to help maintain and strengthen family life and to help such parents or relatives to attain or retain capability for the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection"

STATE RESPONSIBILITY

The State has the primary responsibility for initiating and developing its AFDC program The decision to provide AFDC rests with the State, which thereby commits itself to administer it within the context of Federal requirements Today, the 50 States and four jurisdictions (the District of Columbia, Guam, Puerto Rico, and the Virgin Islands) operate an AFDC program

To receive Federal funds, a State must submit and have approved by the Secretary of Health, Education, and Welfare a "State plan" describing the proposed system The plan can readily be amended to reflect changes in Federal or State law, administrative regulation, and other policy The States have a number of options in deciding how the programs are to be organized and admin-

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istered, who is eligible for aid, and how much aid eligible persons shall receive As long as it is complying with its approved plan, the State is eligible to receive Federal funds The Federal Government is obligated to pay its proportionate share of the State expenditures The Federal share has no ceiling on State expenditures, except for dollar limits set by law for Guam, Puerto Rico, and the Virgin Islands

To be approved for Federal financial participation, a State plan for AFDC must provide, among other things, for

(1) operation of the program in all jurisdictions throughout the State,

(2) use of State funds, including funds from local political jurisdictions if the State requires local participation to meet the non-Federal share of program costs,

(3) designation of a single State agency to administer the plan or to supervise its administration by local agencies, following mandatory State regulations,

(4) methods of administration necessary for proper and efficient operation of the plan, including a merit system of personnel standards and the training and use of paid subprofessional staff and volunteers,

(5) safeguards that restrict the use and disclosure of information about AFDC applicants and recipients,

(6) opportunity for anyone wishing to do so to apply for assistance under the plan without delay and the provision of cash assistance with reasonable promptness to all individuals,

(7) opportunity for a fair hearing before the State agency for assistance claimants whose applications are denied or not acted upon with reasonable promptness or who are aggrieved by any other agency action affecting receipt, suspension, reduction, or termination of assistance or by agency policy as it affects their situations,

(8) submittal to the Social Security Administration of reports necessary to the proper administration of the program,

(9) in determining the applicants' need, consideration of any income and resources, as well as any expenses reasonably attributable to the earning of such income, except that the following (and some other items specified in the Social Security Act) must be disregarded as "income", (a) all earned income of any child receiving AFDC who is a full-time student or a part time student who is not a full-time employee, and (b) the first $30 a month, plus one-third of the remainder, of total monthly earned income of all other individuals whose needs are included in the family assistance payment,

(10) registration for manpower services, training, and employment (the work incentive (WIN) program) of all individuals in the AFDC family except those specifically exempted in the Act,

(11) help for children in the form of foster care under the conditions specified in title IV-A of the Federal Act, and

(12) prompt notice to the State child-support collection agency of the furnishing of assistance to a child (including a child born out of wedlock) deserted or abandoned by a parent and a requirement that the parent or relative of the child cooperate in the efforts to obtain court-ordered support payments due the child or the parent who is applying for aid

The State plan may not be approved if it includes any residence requirement that excludes an otherwise eligible person who is a resident of the State A resident is defined as anyone who is living in the State voluntarily with the intention of making it his home—not for a temporary purpose

FEDERAL RESPONSIBILITY

The Office of Family Assistance of the Social Security Administration administers the public assistance titles of the Social Security Act Under the direction of the Commissioner of Social Security—by delegation from the Secretary of Health, Education, and Welfare—the Associate Commissioner for Family Assistance acts to implement the public assistance titles

In addition to the central office in Washington, D C, the Department maintains 10 regional offices. Each of these offices has a representative for the AFDC program

Federal objectives include the development, maintenance, and improvement of a sound AFDC program through which States can furnish financial assistance to needy persons and help them achieve as much economic and personal independence as possible This task involves.

assuring that the Federal grants are made and used in compliance with the Social Security Act,

assisting States in applying Federal requirements and working with them to improve their programs,

collecting State and national data to advise the Department, Congress, and others on public assistance and related programs, and

cooperating with national public and private agencies and organizations to improve public understanding of the programs, participating in the coordination of nationwide social service activities, encouraging local agencies in community planning, exchanging technical knowledge and experience, and encouraging allied groups to provide services

The Office of Family Assistance carries out its responsibilities by developing program policies and standards that interpret the language and intent of the Federal law and by reviewing State plans and amendments It also certifies Federal grants to States, reviews and evaluates State operations, provides professional and technical assistance to States, analyzes and interprets program and related social data and conducts special studies, furnishes information about the public assistance programs, and participates in the formulation of recommendations to Congress for desirable changes in Federal legislation

FEDERAL FINANCING

The basis for determining the Federal grants to States is set forth in the law The amount of the Federal grant is based on assistance expenditures and the costs of administration, including training

Assistance expenditures—Assistance expenditures include

- money payments to recipients,
- protective and vendor payments for the benefit of a child in a family receiving AFDC under circumstances specified in the Social Security Act,
- under specified conditions, payments for foster care on behalf of dependent children, at State option, payments for repairs to a home owned by a recipient, and,
- at State option, emergency assistance to needy families with children

Federal financial participation in assistance payments under a State AFDC plan is based on one of two formulas specified in the Federal Act Under the Federal medical assistance program (title XIX) of the Social Security Act), the Medicaid formula (which may be applied toward money payment costs by States with a Medicaid program) provides a Federal grant that funds from 50 percent to 78 percent of a State's total expenditures for maintenance payments and for medical assistance Most States have now elected this formula

The regular formula has two parts The first part provides Federal funds representing five-sixths of the first $18 of the average payment per recipient made by the State multiplied by the total number of recipients The second part provides a specified Federal percentage (50–65) of the next $14 of the average payment multiplied by the number of recipients The latter part in effect places a maximum on the State expenditures that will be federally funded No such maximum is reflected in the Medicaid formula Table 1 lists Federal percentages and Federal medical assistance percentages in effect in each of the States for the period October 1, 1977–September 30, 1979 (fiscal years 1978 and 1979)

Costs of administration, including training—The Federal Government pays 50 percent of the

TABLE 1 —Federal percentage and Federal medical assistance percentage funded, fiscal years 1978 and 1979

State	Percent funded [1]	
	Federal	Federal medical assistance
Alabama	[2] 65 00	72 58
Alaska	50 00	50 00
Arizona	[2] 56 46	60 81
Arkansas	65 00	72 06
California	50 00	50 00
Colorado	50 00	53 71
Connecticut	50 00	50 00
Delaware	50 00	50 00
District of Columbia	50 00	50 00
Florida	51 72	56 55
Georgia	[2] 62 02	65 82
Guam	50 00	50 00
Hawaii	50 00	50 00
Idaho	59 53	63 58
Illinois	50 00	50 00
Indiana	53 18	57 86
Iowa	50 00	51 96
Kansas	50 00	52 35
Kentucky	65 00	69 71
Louisiana	65 00	70 45
Maine	65 00	69 74
Maryland	50 00	50 00
Massachusetts	50 00	51 62
Michigan	50 00	50 00
Minnesota	50 29	55 26
Mississippi	[2] 65 00	78 09
Missouri	56 29	60 66
Montana	56 78	61 10
Nebraska	50 00	53 46
Nevada	50 00	50 00
New Hampshire	58 73	62 85
New Jersey	50 00	50 00
New Mexico	65 00	71 84
New York	50 00	50 00
North Carolina	64 23	67 81
North Dakota	50 00	50 71
Ohio	50 51	55 46
Oklahoma	61 58	65 42
Oregon	52 54	57 29
Pennsylvania	50 13	55 11
Puerto Rico	50 00	50 00
Rhode Island	52 22	57 00
South Carolina	[2] 65 00	71 93
South Dakota	59 78	63 80
Tennessee	[2] 65 00	68 88
Texas	[2] 56 29	60 66
Utah	65 00	68 98
Vermont	64 46	68 02
Virgin Islands	50 00	50 00
Virginia	52 24	57 01
Washington	50 00	51 64
West Virginia	65 00	70 16
Wisconsin	53 92	58 53
Wyoming	50 00	53 44

[1] Effective Oct 1, 1977–Sept 30, 1979
[2] States using regular formulas as of October 1, 1976

States' administrative costs It pays 75 percent of the costs of training State employees to administer public assistance programs

CHARACTERISTICS OF STATE PLANS

The basic AFDC program provides for a needy "caretaker" relative and children under age 18 who have been deprived of parental support or care by death, continued absence from the home, or physical or mental incapacity of a parent [1] In addition, the Federal Act and regulations permit States certain options that extend eligibility. A State may provide assistance to a mother on behalf of an unborn child, children aged 18–21 who are attending school, college, or vocational training courses, or children in families where the father of at least one of the children is unemployed

States may also elect to offer the program of emergency assistance to needy families with children Under this program, emergency assistance may be provided to intact families as well as to others, but the amount of aid is limited to that authorized in one 30-day period within any 12 months Unlike AFDC, in which the assistance is primarily provided through money payments, emergency assistance may be provided either as a money payment, vendor payment, or assistance in kind It is shared by the Federal Government at a flat 50 percent In table 2, the extent to which the States use the Federal options to extend eligibility for AFDC is shown

A State plan for AFDC must include a standard of need expressed in money amounts to be used Statewide in the determination of eligibility for all applicants and recipients The standard includes those items the State recognizes as essential for a minimal level of living in that State A State may also include in its standard items of special need, or special circumstance, that are available to individuals or families having such needs An applicant family with countable income sufficient to meet all these needs in a given State thus is not eligible for an assistance payment A

TABLE 2—Characteristics of State plans for AFDC, October 1, 1976

State	Children aged 18–21 in school	Unborn children	Families	
			With unemployed fathers	In need of emergency assistance
Total	43	32	29	26
Alabama	X	X		
Alaska				
Arizona	X		X	
Arkansas	X			
California	X	X	X	
Colorado	X	X	X	
Connecticut	X		X	X
Delaware		X	X	X
District of Columbia	X	X	X	X
Florida				
Georgia				
Guam	X	X	X	
Hawaii	X	X	X	
Idaho	X	X		
Illinois	X		X	
Indiana				
Iowa	X		X	
Kansas	X	X	X	X
Kentucky	X		X	X
Louisiana	X	X		
Maine	X			
Maryland	X	X	X	X
Massachusetts	X	X	X	X
Michigan	X		X	X
Minnesota		X	X	X
Mississippi				
Missouri			X	
Montana	X	X	X	X
Nebraska	X	X	X	X
Nevada	X	X		
New Hampshire	X			
New Jersey	X			X
New Mexico	X	X		
New York	X	X	X	X
North Carolina	X			
North Dakota	X	X		
Ohio	X	X	X	X
Oklahoma	X			X
Oregon	X	X	X	X
Pennsylvania	X	X	X	X
Puerto Rico				X
Rhode Island	X	X	X	
South Carolina	X	X		
South Dakota	X	X		X
Tennessee	X	X		
Texas	X			
Utah	X	X	X	X
Vermont	X	X	X	X
Virgin Islands	X			X
Virginia	X			X
Washington		X	X	X
West Virginia	X	X	X	X
Wisconsin		X	X	
Wyoming	X	X		X

Source Office of Family Assistance, *Characteristics of State Plans for AFDC, October 1, 1976*

family whose income does not meet these needs is entitled to an assistance payment equal to the amount of the deficit

In less than half the States and jurisdictions (25) the system works that way for families of six or fewer persons In the other 29 jurisdictions, the amount appropriated by the State legislature is not sufficient to pay the full amount of the standard of need The State AFDC agency therefore must adopt some form of proportionate sharing Some States apply a percentage reduc-

[1] Material in this section is adapted from Office of Family Assistance, *Characteristics of State Plans for AFDC, October 1, 1976* (Catherine M Miller and Elizabeth H Chief, eds), 1977 For a detailed summary of each State plan, see the full report

tion to the standard of need and subtract income from that reduced standard Other States subtract income from the full standard, obtaining a "budgetary deficit" figure, and pay a percentage of the deficit Several States also have a statutory limit on the amount that may be paid to a family of a given size regardless of the cost of the standard of need for a family of that size

The cost of basic needs in each of the States and the amount that a family of four with no countable income may expect to receive are shown in table 3 (To make the data more comparable, the cost of identifiable special-circumstance items is not included) Where the figure in both columns is the same, the State is said to meet its full need standard Where the figure in the "amount payable" column is less than the figure in the "cost" column, the State has used one of the ways described above to reduce or limit the money payment to the family These figures include any amount that is deducted from the cash payment for the family's allotment of food stamps In some States, the family receives a check with an amount deducted for food stamps, which are included in the same mailing with its check In other States, the family receives its check for the amount of the money payment and makes its own purchase of food stamps

TABLE 3.—State standard of assistance for basic needs and amount actually payable to family of four[1] with no other income

State[2]	Cost of basic needs[3]	Amount payable
Alabama	$240 00	$170 00
Alaska	400 00	400 00
Arizona	282 00	197 00
Arkansas	291 00	189 00
California	422 00	379 00
Colorado	276 00	276 00
Connecticut	349 00	349 00
Delaware	287 00	287 00
District of Columbia	349 00	314 00
Florida	230 00	182 00
Georgia	227 00	148 00
Guam	306 00	306 00
Hawaii	514 00	514 00
Idaho	395 00	344 00
Illinois	300 00	300 00
Indiana	363 00	250 00
Iowa	376 00	357 00
Kansas	306 00	306 00
Kentucky	235 00	235 00
Louisiana	203 00	158 00
Maine	349 00	297 00
Maryland	314 00	242 00
Massachusetts	347 00	347 00
Michigan	418 00	418 00
Minnesota	385 00	385 00
Mississippi	277 00	60 00
Missouri	365 00	170 00
Montana	252 00	252 00
Nebraska	330 00	294 00
Nevada	342 00	250 00
New Hampshire	221 00	221 00
New Jersey	356 00	356 00
New Mexico	239 00	206 00
New York	448 00	448 00
North Carolina	200 00	200 00
North Dakota	347 00	347 00
Ohio	431 00	254 00
Oklahoma	284 00	284 00
Oregon	396 00	360 00
Pennsylvania	373 00	373 00
Puerto Rico	126 00	50 00
Rhode Island	359 00	359 00
South Carolina	217 00	117 00
South Dakota	333 00	333 00
Tennessee	217 00	131 00
Texas	187 00	140 00
Utah	433 00	333 00
Vermont	499 00	364 00
Virgin Islands	166 00	166 00
Virginia	272 00	245 00
Washington	385 00	385 00
West Virginia	332 00	249 00
Wisconsin	466 00	424 00
Wyoming	270 00	270 00

[1] Represents one needy adult and three children

[2] Only 25 States pay the AFDC family of four an amount equal to the State s own standard of need, the others make a payment based on a percentage reduction of the total standard of need or on the deficit between the standard and the income a family has to meet need

[3] Cost calculated by State for all items of basic needs such as food, clothing, shelter and utilities, household supplies, usually this is the eligibility level

Source Office of Family Assistance, *Characteristics of State Plans for AFDC, October 1, 1976*

THE APPLICATION PROCEDURE

The steps that an individual follows to apply for assistance are generally the same in all States They may vary, however, in important details from State to State or locality because each jurisdiction determines its own administrative process

Needy families usually begin the application process by getting in touch with the local welfare office to learn if they are eligible and how to apply Some applicants have been alerted to the possibility of aid and referred to a local office by other Federal, State, or community service offices Families are encouraged to come to the local office where the details of their situation can be discussed and instructions can be given both orally and in writing if necessary

An appointment usually follows within a short period (or immediately in an emergency situation) The family is asked to return with such documents as rent receipts, employment records, birth and marriage certificates On occasion, the application form is mailed in advance so that the applicant can complete as much of it as possible at home Where the applicant is ill or unable to come to the office, the agency will arrange to send someone to the home to complete the application

Visitors to a local welfare office are met by a receptionist who directs them to the proper person to help complete an application While they wait to see one of these "intake workers" to discuss their need for assistance, they may be asked to complete as much of the application form as they can In some agencies, applicants may be brought together with an agency staff member to guide them as a group in filling out their forms

The meeting of the family with the intake worker provides the opportunity for family members to describe their situation in their own words The worker also has the opportunity to describe the eligibility requirements Where it is immediately apparent that the family does not qualify under the agency rules, the family is informed The reasons can be explained and the applicant is told how to request that the decision be reviewed or appealed if he disagrees

If the case is approved, the intake worker is responsible for making certain that the family understands all of the agency's requirements In some local agencies, the family may be asked to sign a statement acknowledging that such instructions have been given and that they are understood The intake worker also provides information on the availability of medical care, food stamps, and various social services (To maintain an effective system of referrals, workers must be particularly alert in the interview to any indications that a social service is needed and make the required referrals) The family is told how the monthly assistance budget is determined and how and when they will receive payment

Should a home visit be necessary (many agencies require such a visit to verify the residence, presence of children, or absence of the father), an appointment is arranged Most agencies provide copies of published information, including an instructional booklet, for each family Such booklets may differ in content from agency to agency, but they generally contain detailed information about applicants' rights and obligations and the eligibility requirements Throughout the application process, the applicant has the right to be accompanied, assisted, or advised by a friend, legal advisor, or relative

CONCLUSION

The Federal-State arrangement is the keystone of the AFDC program and a dominant factor in how public welfare operates in the United States today The divergence characteristic of administrative procedures and payment levels in these programs is an inherent consequence of the law's mandate for shared Federal-State responsibility

The effects of interstate variation are perhaps complicating and sometimes confusing Yet in the broad area of social policy, where unanimity of purpose is easily enough recognized but consensus on methods difficult to achieve, the loose multilevel governmental partnership appears to have been instrumental in the public welfare advances of the past two generations

National commitment of economic support has been assured each State and locality through the matching formula and the open-ended appropriation by which the public assistance program costs are financed The immediate questions of payment levels and administrative technique have been left to the States along with the ultimate responsibility for matching available resources to needs within the State