

ADMINISTRATIVE PARTICIPATION OF SEVERAL LEVELS OF GOVERNMENT

Attention was drawn in the introduction to this chapter to the fact that administrative problems have been rendered more complex by the participation of two or more agencies at different levels of government in the administration and operation of specific programs. These resulting relationships are of various types depending upon the respective responsibilities of the administrative partners. In this section attention will be directed to two major types of Federal-State relationships: That in which a federally operated program requires the participation of other units of government in the capacity of sponsor, and that in which State programs operate with the assistance of a Federal grant-in-aid. A third division of the section will discuss the relationships between the States and their political subdivisions in regard to State-supervised, locally operated public-aid programs.

Federally Operated Programs Sponsored by States or Localities

Two public-aid programs are operated by the Federal Government and sponsored by States or localities: the Work Projects Administration and the National Youth Administration.

Work Projects Administration

The WPA program involves the administrative participation of the Federal and other levels of government in two ways: through the sponsorship principle, and through utilizing the local relief agencies to certify to the existence of need among applicants for project employment. Only the first of these relationships will be considered at this point.¹⁸

In many ways the sponsorship relationship can be regarded as a new and flexible type of grant-in-aid, calling for a high degree of cooperation between the Federal and the sponsoring agency of government. The Federal office issues general guides to project eligibility, but the sponsorship device presents the great advantage of ensuring that the federally operated work projects should be of a character acceptable to and needed by local communities.¹⁹ Although it has

not always been possible to draw a sharp line between projects which were initiated by the sponsor and those (especially of a nonconstruction character) which were sponsored after stimulus by the WPA in the exercise of its responsibility for ensuring project work to the needy unemployed,²⁰ the fact remains that the final decision lies with the sponsoring government agency. The role of the WPA appears to have embraced rather general stimulation of the exploration of project possibilities, clearance, and final approval of projects.²¹ In individual cities, a close and continuous cooperative arrangement for the planning of projects has been developed between the WPA officials and the city departments.²² But such continuing and long-range joint planning has not always been possible because of uncertainties as to the extent of the funds available.²³ In the actual operation of projects, the sponsorship principle has involved a variety of relationships.

On some construction activities the role of WPA was not unlike that of a contractor. It provided the supervisory force and directed all the work, with occasional inspections by the sponsoring agent. At other times the sponsor constituted the supervisory force, and took an active part in directing the conduct of the job. Between these two practices existed a wide variety of possible arrangements. In any arrangement WPA officials saw to the observance of WPA labor regulations, and checked the work for conformity to project specifications.²⁴

It is evident that, although essentially a federally operated program, the WPA has in fact called for a large measure of cooperative participation by State and local authorities. Difficulties that have arisen in the course of this relationship appear to have occurred mainly in regard to project operation when the spon-

tion for the City of New York, Advisory Council, *Reports on Public Assistance*, New York, 1939, pp. 165-66.)

²⁰ Cf. Macmahon, Arthur W., Millett, John D., and Ogden, Gladys, *The Administration of Federal Work Relief*, Chicago, Public Administration Service, 1941, pp. 309-10.

²¹ "Below the surface there was often the stimulative effect of the explorations and demonstrations that the WPA, following in the pioneering tracks of the FERA and some State relief organizations, made in novel work possibilities. In the nonconstruction fields, especially, indirect stimulation from the center was important. The specialized staff elements of the WPA played a vital part in enlisting the interest of local governments. But the process was both spontaneous and local. Many fruitful ideas were first developed in the communities, some antedating the FERA. The WPA often aided in maturing forms of activity that might otherwise have remained inchoate; it universalized what would have been sporadic without it. But the central role was in large part one of collation and clearance. Furthermore, when attention was thus called to a new type of action—a recreational program, say—the activating elements that enlisted governmental support were often voluntary groups with widespread local connections." (*Ibid.*, p. 310.)

²² This was notably the case in New York City. Cf. testimony of Col. Somervell in *Work Relief and Relief for Fiscal Year 1941*, p. 524.

²³ For an account of the effect of such uncertainty upon the development of orderly joint planning, see Works Progress Administration for the City of New York, Advisory Council, *op. cit.*, p. 167.

²⁴ Macmahon, Millett, and Ogden, *op. cit.*, p. 311.

¹⁸ For a discussion of the relations between the WPA and the local relief agencies, see below under "The Local Welfare Office as the Central Point of Intake."

¹⁹ The committee of private citizens with extensive experience of business, which studied the operation of the WPA in New York City concluded that, despite the complications to which the sponsorship system gives rise, "probably, no better system can be suggested for maintaining local control in the selection of local projects, which is believed to be essential in the success of any program for the conduct of work primarily for local benefit. It is highly essential both for the fair distribution of funds and for the efficient conduct of the work, however, that standard rules of project-eligibility applicable throughout the country be adopted and enforced." (*Works Progress Administra-*

sor had insisted on supplying the supervisory force (when problems of divided responsibility have arisen) and in regard to the disapproval by WPA of certain types of locally sponsored projects.

Although it is obvious that a program so heavily financed by the Federal Government necessarily involved a substantial measure of Federal control over the conditions under which Federal funds were to be expended, the question whether the WPA took adequate steps to assure that the federally promulgated regulations should be responsive to conditions in various parts of the country, assumes considerable importance.

In fact, various devices have been used by the WPA to embody the experience of its own State and local personnel in adjusting policy to local needs. Following the passage of each annual appropriation act, all State administrators meet with Washington officials to discuss changes required by the new legislation and methods of carrying the provisions into effect. Regional directors also meet regularly in Washington about every two months for conference with the Administrator and representatives of the various divisions.²⁵ Similarly the regional offices hold periodic meetings with State WPA officials in their regions.²⁶

It appears that these conferences have been of great value in sustaining a much more than routine interest on the part of the regional, State, and local officials in the development of the WPA program. It is evident, however, that in a national program working necessarily with detailed sets of uniform administrative regulations governing the major aspects of program operation, there are real limits to the extent to which special modifications can be permitted to meet local needs.²⁷ It is evident, too, that the adaptability of centrally promulgated policy to local conditions will be in large measure affected by the knowledge of WPA State and regional officials concerning conditions in their areas, and the extent of their interest in obtaining the viewpoints of State government officials and residents who are affected directly or indirectly by the national WPA program.

National Youth Administration

The NYA is the second program operated by a Federal agency but sponsored by States or localities.²⁸ The

Federal agency has depended upon the initiative and viewpoint of its own State administrative units and the local sponsors to a very high degree. Responsibility for the student work program has been shared between the State youth administrators and the designated officials of the participating institutions, though ultimate responsibility for the proper expenditure of funds rests with the State youth administrator. Broad general policies have been laid down in Washington (though the advice of the educators is sought), and interpretation has been left to the States, while the day-to-day operation of the program rests almost entirely with the participating institutions. Responsibility for the administration of the out-of-school work program within the States is also vested in the State youth administrators, but all nonfederal construction projects must be cosponsored by other public agencies. In practice such cosponsorship is sought for all projects.²⁹

When the NYA was first created, it was an outstanding example of a Federal organization which was highly decentralized with a considerable amount of discretion being left to the State administrators. For example, the character of administrative organization within the States was determined to a large extent by the State administrators, and much initiative could be exercised by them in formulating plans for State administration. However, the nature of State organization was profoundly influenced by that of the WPA, of which it was a part until December 1938. As the agency has matured and become separate from the WPA there has been some increase in centralization of power. The practice of approving State administrative budgets in Washington has been adopted. More specific policies which are the responsibility of the Federal office to enforce have been incorporated into its legislative authority.³⁰ Nevertheless great freedom is still left to the States, especially in regard to the selection of personnel and the initiation and approval of work projects.³¹ Moreover, *although the law*

²⁵ A "public agency" may be a Federal department, a State, a political subdivision thereof, or other legally constituted public agency. In special cases, nonprofit, quasipublic agencies may cosponsor projects which are of direct and immediate benefit to the general public. Charitable, social, civic, sectarian, and trade organizations and institutions may act in cooperation with an eligible cosponsor in the prosecution of a public project. Such agencies are called cooperating agencies. Cosponsors are expected to share in the financing of projects, in cash or in kind. The latter type of contribution may include supervision, provision of materials, supplies, and equipment, space occupied by the project, transportation and handling charges, land leases, easements, and rights of way. Normally cosponsorship also implies some cooperation in the planning and development of the project.

²⁶ *E. g.*, in regard to the type of assistance, the amount of money available for administration and the items to be included thereunder, the national average labor cost, the method of distributing funds for work projects among the States, and relationships with cosponsors and personnel policies.

³¹ Although there is ostensibly a central review of all projects, since all project applications come in to Washington, the State administration has wide latitude except in regard to specified types of projects,

²⁵ Regional supervisors also come to Washington about four times a year for meetings with their respective divisions.

²⁶ These meetings are attended by the regional director, the regional advisors, and representatives of the Washington office chosen in accordance with the particular topic under discussion.

²⁷ While neither regional nor State offices have authority to modify the regulations sent out by the central office, they enjoy a limited area of autonomy in deciding how to make these regulations fit State situations.

²⁸ The NYA also to some extent utilizes the local relief agencies as referral or selecting agencies. For a discussion of the problem to which this relationship has given rise, see below under "The Local Welfare Office as the Central Point of Intake."

requires that youth must be in need to be eligible for the program, only the most general definitions of what constitutes need have been given and interpretation is very largely left to each State administration.

The decentralized nature of the administration is further reflected in the administrative organization. The regional offices appear to have played a relatively unimportant role. Although by 1940 they had been strengthened by additional personnel, the regulations stipulated that the State administrators might communicate directly with the central office instead of through the regional representative. The State administrators were usually consulted informally regarding a pending change in policy. This was done through conferences of State administrators, either regionally or nationally, or through consultation between regional representatives and State administrators or members of their staff in charge of certain aspects of the program. Indeed it appears that the genesis of a change in policy was just as likely to be in a State or States as in Washington. Through conferences the advisability of using proposed procedures was discussed until they finally became part of established policy.³² However, *the Washington office does not appear to have made strenuous efforts to supply leadership to the States by undertaking and disseminating the results of continuous surveys of the nature of the problem of unemployed youth, and of the quality of the NYA program in the country as a whole.*³³

which require the approval of the Federal Security Agency or the central office of the NYA.

Prior to July 1, 1940, all work projects except the following might be initiated upon approval by the State youth administrator: "all projects involving the construction of new buildings or major additions to existing buildings, where the cost of materials, exclusive of equipment but including materials contributed by cosponsors, equals or exceeds \$1,000; all resident projects, whether full-time or part-time; all research, statistical and survey projects; projects for the restoration of sites and structures of archaeological or historical importance, including commemorating markers, tablets and memorials, and projects for archaeological and historical research." All projects of these types required approval by the Washington office, and projects of the first type required Presidential approval as well. (National Youth Administration, *Preliminary Manual of Work Project Operations*, Washington, December 29, 1939, ch. I, pt. II, sec. 13.)

After July 1, 1940, projects of the following types might not be initiated without approval by the Division of Work Projects in the Washington office: "all projects involving construction where the total cost, both Federal and cosponsor, exceeds \$5,000; all projects involving the construction of new buildings or major additions to existing buildings, where the cost of materials exclusive of equipment but including materials contributed by cosponsors, equals or exceeds \$1,000, regardless of whether or not the total cost is under \$5,000; all Federal construction projects; all resident projects, whether full-time or part-time; all research, statistical, and survey projects; projects for the restoration of sites and structures of archaeological and historical importance, including commemorating markers, tablets, and memorials, and projects for archaeological and historical research." The first type required the approval of the Federal Security Administrator as well. (National Youth Administration, *Manual of Work Project Operations*, Washington, February 20, 1941, ch. II, sec. 13.)

³² This happened, for example, in regard to the development of the resident center program.

³³ In recent months, however, a more or less systematic effort has been made to exchange information of successful experiences in program operation in the various States through bulletins circulated from

The Division of Finance and Statistics has not hitherto been equipped to perform these functions. It is indeed doubtful whether the division has been adequately staffed even to supply the data which the agency might be expected to need in evaluating its own policies and administrative arrangements.

It is thus evident that the NYA is highly decentralized. The major problem is indeed not whether the officials in the State and local branches of the administration have an adequate opportunity to influence policies and procedures, but rather whether adequate authority is exercised by the central office. The present arrangement has made for adaptability of the program to local conditions and community needs and has permitted experimentation in methods and techniques. It may have had the further advantage of placing responsibility more squarely upon the State administrator. On the other hand, it has resulted in a marked lack of uniformity in program and methods and wide diversity in achievements. This situation would appear to be particularly serious in view of the national significance of the problem of unemployed youth, and the fact that so large a proportion of the young unemployed population is concentrated in areas where both social and economic conditions are likely to inhibit the development of appropriate projects if reliance is so largely placed upon local initiative.³⁴

Federally Aided State Programs

Two important groups of public-aid programs operate on a grant-in-aid basis which calls for close cooperation between the Federal Government and the States. These are the special public assistances and unemployment compensation, together with the employment service. Both types of programs are operated and initiated by States, but to secure Federal aid the States must conform in certain respects to Federal requirements. The respective responsibilities of the Federal Government and the States for these two groups differ somewhat because of the differing character of the financial and legal responsibilities carried by the Federal Government.

In the special public assistances the Federal Government contributes 50 percent of the costs of payments to individuals up to a certain maximum and also participates in the costs of administration. The Social Security Board "is responsible not only for the initial approval of a State plan as meeting the requirements of the act for grants of Federal funds but also for con-

Washington. Special efforts have been made to improve the quality of the student work program, notably since June 1940, through the establishment on both the National and State levels of student work councils, composed primarily of educators. (See ch. IX.)

³⁴ For further discussion of the effects of local sponsorship upon the character of the projects developed, see ch. IX.

tinuing certification of the amounts to be granted for the operation of the plan, for review of any changes in the plan, and for review of administration to ensure that there is no failure to comply substantially with any requirement of the act."³⁵

In unemployment compensation programs the Federal Government pays all of the costs of administration and permits employers in States with approved unemployment compensation laws to claim an offset up to 90 percent of the taxes levied under the Federal Unemployment Tax Act. In consequence, it is the responsibility of the Social Security Board to certify that State laws conform with the provisions of the unemployment tax law and the conditions for the payment of costs of administration. At the same time the Board administers the matching grants to State employment offices under the Wagner-Peyser Act, in the course of which it has to certify that State plans are in conformity with the provisions of the act and reasonably appropriate and adequate to carry out its functions.³⁶

Supervisory Functions of the Social Security Board

The Social Security Board, as the Federal agency responsible to Congress for the administration of Federal funds, thus exercises certain supervisory functions in regard to the content and operation of State public-assistance and unemployment compensation laws. In ensuring conformity with the standards laid down in the Federal law, serious and continued departures from the legal requirements leave the Federal agency no alternative but to impose sanctions. Charges of "Federal autocracy" may thus arise. *In fact, however, the Board has been sparing in its application of the drastic sanctions involved in withdrawal of grants or of approval, and has endeavored, wherever possible, to secure conformity by conference and negotiations or by the carrying through of special administrative surveys where noncompliance is suspected.* On occasion minor irregularities are even overlooked.³⁷

³⁵ *Fifth Annual Report of the Social Security Board, 1940, p. 93.*

³⁶ As already stated, after January 1, 1942, the employment service was federalized.

³⁷ The Social Security Board has never refused to approve a State unemployment compensation law formally submitted to it. Conformity questions have often been raised and States have been warned, but the difficulty has eventually been removed either by amendment and other State action, or in some cases by acceptance by the Board of the offending provisions. Grants for the administration of unemployment compensation have been definitely withdrawn in only one State, although grants have often been delayed pending the adoption of corrective measures. (Cf. Atkinson, Raymond C., *The Federal Role in Unemployment Compensation Administration*, Washington, Committee on Social Security, Social Science Research Council, 1941, pp. 40-41 and 95-99.)

Similarly the Board has made sparing use of its power to withhold grants in connection with the special public assistances, grants having been discontinued temporarily only in four States. The Attorney General's Committee on Administrative Procedure reports that "the

Where grants have been withheld by the Social Security Board, the inquiry of the Attorney General's Committee on Administrative Procedure has concluded that hearings have been conducted with impartiality, although minor improvements in procedure have been suggested.³⁸ *It seems probable, however, that the present method of holding hearings in Washington, rather than in the State concerned, results in less publicity in the State affected and fails to ensure full local understanding of the issues at stake.*

Services Rendered to States by the Social Security Board

In fact, the relations between the Federal Government and the States have not been restricted to the relatively negative relationship implied in the above description. For the Social Security Board has necessarily been concerned with the furtherance of the broad objective of the Federal legislation and has in addition a specific mandate to study and make recommendations as to the most effective methods of providing economic security through social insurance and related measures. It is, therefore, not surprising that, in developing its relationships with the States, *the Board has not limited its functions to a mere automatic approval or disapproval of State plans.*³⁹ Furthermore, because refusals to certify State plans would involve loss of Federal funds and entail suffering to the very persons the legislation was designed to aid, the Board has promoted a consultative and cooperative relationship in the development of State policies and plans which would

Board devotes very considerable effort to eliminating the necessity for proceedings looking toward cessation of Federal grants. The benefit of every doubt is given State administrations, and over fairly lengthy periods of time the Board will tolerate unsatisfactory conditions if there is any evidence of desire by the State to terminate them." (The Attorney General's Committee on Administrative Procedure, *Administrative Procedure in Government Agencies*, pt. 3, *Social Security Board*, Senate Document No. 10, Washington, 1941, p. 29. For an account of procedures, see pp. 25-32.)

The Children's Bureau has also preferred negotiation to drastic withdrawal of grants under Title V of the Social Security Act. Failure of States to meet requirements for the administration of child-welfare services has led to brief lapses in the cooperation of the Bureau in these programs in three States. In four cases also, approval of plans and therefore grants for crippled children's services were made for a limited period (6 months), during which time the State agencies were expected to make the necessary improvements in the State plans. Grants for maternal-and-child-health services have been withheld in one case, in order to comply with the act.

³⁸ These suggestions have related mainly to the preparation of evidence, the nature of the evidence presented, and the role to be played by Congressmen attending the hearings. (*Ibid.*, pp. 29-32.)

³⁹ The Board stated in 1939 that "all changes in basic legislation affecting the operation or authority of State public-assistance agencies, were reviewed during the year in the light of their conformity with the letter and spirit of the Social Security Act." [No italics in original.] It pointed out that "Federal concern with the unemployment compensation program is not limited to the legal conformity of State laws and the formal certification of administrative grants. The Board is concerned that State programs be so operated that financial solvency, administrative standards, operating efficiency, and equity to claimants may be promoted." (*Fourth Annual Report of the Social Security Board, 1939*, Washington, 1940, pp. 80 and 41.)

avoid the necessity for such drastic action.⁴⁰ Finally, the role of the Federal agency in the development of State programs has been all the greater because of the novelty of some of the federally aided programs in many States. In the first years of its operation the Board was continually being asked by the States for assistance in framing legislation that would conform to Federal requirements. This was particularly the case in regard to unemployment compensation. The unfamiliarity of the majority of the States at the time of the passage of the Social Security Act with the nature of unemployment compensation placed the Board in a *de facto* position of leadership, and through its draft bills it exercised a very real influence over the nature of unemployment compensation legislation in most parts of the country.

In these circumstances the development of public-assistance and unemployment compensation programs in the States has been the result of a cooperative activity on the part of the Federal and State governments. The Federal role, in addition to purely supervisory functions, has included the enunciation from time to time of broad general policies which the Board believes should be followed,⁴¹ together with the rendering to the States, on request, of a variety of services.

Through its Bureau of Public Assistance, the Board aims "to provide the technical assistance needed by State agencies, not only to meet present or future requirements of Federal and State laws but also to effect the optimum development of their programs within the limits of their resources. Services to State agencies

⁴⁰"Because the withholding of certification of a State law * * * entails formidable hardship to workers, employers, and others within the State, the Social Security Board, as a general policy, extends all advice and assistance possible to avoid such contingencies and to improve the State programs." (*Ibid.*, p. 41.)

⁴¹Thus in 1936 the Board urged upon the States the need for competent public-assistance administrators and for minimum objective standards of training and experience and stressed the need for interstate agreements to protect the rights of persons unable to satisfy State residence requirements. (*First Annual Report of the Social Security Board, Fiscal Year Ended June 30, 1936*, Washington, 1937, pp. 34 and 36.) In 1937 it recommended that each State develop a family-budget plan to be used in all localities to help determine the amounts to be granted to individuals and recommended the integration of the assistance programs in a single agency at both the State and local levels. (*Second Annual Report of the Social Security Board, 1937*, Washington, 1938, pp. 43 and 48.) From 1938 onwards, the Board has stated its general and specific policies in regard to public assistance in a special section of its annual report. (See *Third Annual Report of the Social Security Board, Fiscal Year Ended June 30, 1938*, Washington, 1938, pp. 106-110; *Fourth Annual Report, Fiscal Year Ended June 30, 1939*, pp. 120-121; *Fifth Annual Report, 1940*, pp. 98-99 and 115-119.)

In unemployment compensation fewer specific statements of policy have been made. In 1938 the Board stressed the necessity for simplification of benefit formulas, methods of payment, and waiting-period provisions but made no specific proposals. From 1939 onwards, it urged extensions of coverage and liberalization of benefits. (*Third Annual Report of the Social Security Board* * * * 1938, pp. 67-68; *Fourth Annual Report* * * * 1939, pp. 75-76; *Fifth Annual Report*, * * * 1940, pp. 88-89.) On the other hand, in the disputed issue of experience rating, the Board has stated no specific policy although expressing guarded cautions. (*Fourth Annual Report* * * * 1939, p. 68; *Fifth Annual Report*, * * * 1940, p. 86.)

have included consultation on general problems of social-welfare administration and technical advice on such topics as legislation, research and statistical reporting, public information, personnel standards, and constructive accounting and other aspects of finance."⁴² At the request of the States, field surveys are made of situations which present special problems in a given State or general problems common to many or all States, while current information regarding State operations and experience is made generally available. Moreover, the Bureau of Accounts and Audits provides a constructive accounting service to advise States, at their request, as to accounting methods and procedures.⁴³ Contact with the States is maintained through the regional and field staffs, supplemented by technical consultants who visit the State agencies on request.⁴⁴

Similar services are rendered to the State unemployment compensation agencies. Through its Bureau of Employment Security the Board "provides information and technical assistance requested by the State in connection with general policy decisions, legislation and many aspects of administration, among them cost analyses and standards, accounting and fiscal practices, and other operating standards and procedures."⁴⁵ This assistance is rendered through the continuing services of representatives in the regional offices and in the field, through correspondence with the staff in Washington and through technicians assigned from the Board; through special conferences in the field or in Washington and individual studies on administrative surveys; and through technical memoranda and reports made available to all State agencies.

Problems of Federal-State Cooperation

While it is thus evident that the development of both public-assistance and unemployment compensation programs in recent years has involved a high degree of cooperation between the Federal Government and the States, it would be idle to pretend that these relationships have always been harmonious or that there has always been agreement between the Federal

⁴²*Ibid.*, p. 97. For a more detailed account of the character of these services see especially *Fourth Annual Report* * * * 1939, pp. 82-85; and *Fifth Annual Report* * * * 1940, pp. 97-100. For the activities of the Board in regard to personnel, see ch. XIV.

⁴³In 1937 agencies in 28 States and the District of Columbia requested this service. (*Third Annual Report* * * * 1938, p. 114.)

⁴⁴"Regional representatives of the Board visit the State agencies; discuss with State administrators the major problems involved in administration and reporting; interpret the requirements of the Federal act and the Board's regulations; * * * and make suggestions and recommendations with respect to State problems of administrative organization, policies and procedures, legislation, finance, and related matters." (*Ibid.*, pp. 89-90. See also p. 106.)

⁴⁵*Fifth Annual Report* * * * 1940, p. 62. For a more detailed account of these services see *Ibid.*, pp. 62-67. and *Fourth Annual Report* * * * 1939, pp. 45-46.

and State agencies as to their respective spheres of action.

Cooperation in unemployment compensation.—In the field of unemployment compensation three major objections to the activities of the Federal partner have been urged by the States. It is claimed that the Federal agency has failed to consult the States adequately in the setting of standards and the promulgation of regulations; that it has adopted too minute and detailed a system of controls; and finally that it has exceeded its authority and impinged upon State freedom of action to determine the content of State laws.

Among the complaints made by State administrators at professional meetings, none is more frequent than the assertion that the Federal agency promulgates rules and regulations without adequate attention to the viewpoints and experience of State administrators. While the precise truth of this charge is difficult to determine, there is some evidence to suggest that, particularly in the years immediately following the passage of the Social Security Act, it was not entirely unfounded. It is, however, encouraging to note that the practice of consulting with State unemployment compensation administrators prior to the promulgation of standards and regulations is increasing⁴⁶ and that State administrators have testified to the improvement of Federal and State relations that has resulted.⁴⁷ In this connection special mention should be made of an interesting institution, the Interstate Conference of Employment Security Agencies, which was created by the State administrators in 1936 in recognition of the need felt both by the Board and the States for uniformity in handling certain problems and for a medium for interchange of experience.⁴⁸ While the purpose of the organization was thus primarily to provide a medium of interchange of State experience and to

⁴⁶ *E. g.*, proposed amendments to State laws to achieve coverage of national banking associations, and proposed amendments to the Social Security Act, as well as the personnel standards promulgated in November 1939, were discussed and developed with committees of the Interstate Conference of Employment Security Agencies. Other joint committees have been appointed by the Interstate Conference to deal with such matters as administrative costs, junior placement and counseling, special applicant problems, and interstate cooperation on audits and contributions.

⁴⁷ The president of the Interstate Conference of Employment Security Agencies reported to the fourth annual conference a "marked improvement in the degree of cooperation between the Social Security Board and the Conference and also notable advance in the degree of recognition accorded by Washington both to the point of view of State administrators and to the necessity for giving to State laws the interpretation and effect which those laws receive in the State in which they are in force." (*Fourth Annual Meeting of the Interstate Conference of Employment Security Agencies, Washington, D. C., October 1940, pp. 97-98.*)

⁴⁸ For an account of the origin and functions of the Conference, see *Second Annual Report of the Social Security Board * * * 1937*, pp. 64-55. In 1937 the Conference was known as the Interstate Conference of Unemployment Compensation Administrators. In 1938 it became the Interstate Conference of Unemployment Compensation Agencies. The present name was adopted in 1939.

promote a uniform approach to common State problems, it has served to channelize the relationship between the Federal Government and the States in regard to many issues and has at times brought the point of view of the States forcefully to the notice of the Board.⁴⁹

It cannot be disputed that friction between Federal and State authorities over budget and personnel matters and other administrative problems has had an adverse effect on the over-all operation of the unemployment compensation program. Objections have been raised by the States both to the lack of clear lines of authority within the Board's own organization and to the minuteness of the controls exercised by the Board.⁵⁰

The administrative controls originally developed by the Board in connection with Federal grants for administrative costs were extremely rigid and detailed and proved to be a source of great inconvenience to the States.⁵¹ The Board as administrator of these grants

⁴⁹ The Conference holds national and regional meetings attended by State and Federal administrators and is serviced by a secretary who is an employee of the Board. Standing committees consider organization, employment service, legal affairs, personnel standards, research and statistics and accounts, records, and reports. In addition, special committees are appointed to study topics of common interest to State administrators, such as experience rating, and interstate and other benefit payment procedures. The conference developed a plan for the treatment of interstate claims, which was subsequently accepted by all States, and has also cooperated with the Board in the simplification of unemployment compensation provisions in 1938 and in framing benefit statistical reporting requirements in 1939.

⁵⁰ "Prior to 1939 each unit of the Board dealt directly with the States on matters which fell within its field of activity. Three divisions of the Bureau of Unemployment Compensation (now the Bureau of Employment Security) carried on direct relations with State agencies and sent members of their staffs into the field. Likewise, the Bureau of Research and Statistics, the Bureau of Accounts and Audits, the General Counsel's Office, and the State Technical Advisory Service had personnel in the field visiting States. An effort was made to coordinate these disjointed operations by a central clearance of mail, but with only limited success. States were annoyed by overlapping requests for information and inconsistent advice and instructions and were confused by the multiplicity of Federal units with which they had to deal. The number of persons sent into the field on limited missions created heavy travel expenses for the Board and encroached unduly on the time of State officials." (Atkinson, *op. cit.*, p. 24.) There is also some evidence that the minuteness of the Federal review of State unemployment compensation budgets at the regional and Federal office levels and the number of different units through which budgets passed had at one time contributed to delay in making grants. This delay has since been greatly reduced by placing greater reliance on the regional review of budgets. (*Ibid.*, p. 59.)

⁵¹ Cf. *ibid.*, p. 47: "It is significant that no other Federal agency exercises as close supervision over the administration of Federally aided State activities as does the Social Security Board in the field of unemployment compensation." The Board initially decided to base grants on itemized State budgets and prescribed forms and regulations governing their content and the procedure for submission and review. The grant fixed the sum which might be expended within each category, and States were required to adhere strictly to the details of their approved budgets and were not even permitted transfers as between items. Budgets were submitted quarterly. (*First Annual Report of the Social Security Board, 1936, p. 42.*)

The high degree of detail required of submitted budgets, and the necessity of securing Federal approval for transfers among classes or items of expenditure has proved cumbersome and unduly restrictive in operation. For an account of experience with the itemized grant see Atkinson, *op. cit.*, pp. 61-71. The necessity for quarterly budgeting was also time consuming and inhibited long range State planning.

was, however, in a difficult position. The programs were new in all States, and there was no basis of experience on which to draw. It was required to determine standards of administration for laws over whose content it has limited legal control and whose character could vitally affect administrative costs. Nor was there any automatic check to tendencies to extravagance, since the States pay no part of the costs. Finally, until 1939 the Board had no legal control over the quality of the State administrative personnel.

The Board is aware of the undesirability of retaining these detailed requirements, and, as experience has been gained and as the merit system has become general, various concessions have been made.⁵² However, as the Federal agency comes to concentrate on the supply of technical aid and broad over-all controls, it will become especially important to ensure that Federal officials spend a larger proportion of their time in the field to avoid remoteness from the scene of operations. This fact has been increasingly recognized by the Board.⁵³

Finally, the charge has frequently been made that the Board has unduly interfered in matters which are properly a State concern.⁵⁴ There appears to be some justification for the charge that on occasion the Board has attempted to expand its powers to assure legal or technical conformity.⁵⁵ Yet the present legal distribution of responsibilities between the Federal Government and the States places the Board in a dilemma. For, were it to remain indifferent to developments

within the States which may endanger the basic objectives of the Federal legislation,⁵⁶ it would expose itself to a charge of formalism and lack of leadership. Inevitably too, as indicated above, its responsibility for the payment of the costs of proper administration impels the Board to take account also of the character of the State laws. *Here, the difficulties that have arisen between the Federal agency and the States appear to be a consequence of a failure of the legislation to implement the Board with specific powers commensurate with the broad responsibilities which it must necessarily exercise if the objectives of the Federal legislation are to be secured.*

Cooperation in the special public assistances.—The cooperative relationship between the Federal Government and the States appears to have given rise to less friction in the case of the special public assistances. From the first, the relationship of the Board to the States was somewhat different from that in unemployment compensation because of the fact that public-assistance programs were in existence in certain States prior to the passage of the Social Security Act. Moreover, as shown above, in many States, when such legislation was adopted, administrative responsibility was often placed in an existing welfare agency rather than in one newly created and wholly financed with Federal funds.

Even in the field of the special public assistances, however, the cooperative relationship has not always worked smoothly. In the years immediately following the passage of the Social Security Act, the task of State administrators was on occasion made more difficult by a lack of organizational clarity within the Board. Conflicting instructions were given by the Bureau of Public Assistance and the Bureau of Accounts and Audits. Some of these difficulties, which were undoubtedly attributable in part to the rapidity with which the national organization had to develop, have since been eliminated. However, there appears still to be some uncertainty as to the precise responsibilities of the regional offices and those of the national office.⁵⁷ Until 1940, complaints were also made by the States of the character of the detailed field audit carried out by the Board with respect to the eligibility of recipients under State plans.⁵⁸ In response to this situation, the

⁵² Toward the end of the fiscal year 1938 the Board began to develop administrative standards to form a more scientific basis for the appraisal of budgetary requests so as to afford State agencies greater flexibility in their operations. In 1939 the Board began to approve grants on a categorical basis: in States with a well established merit or civil-service basis and a full year of benefit-paying experience, it approved categorical amounts for wages and salaries. Further relaxations of the line-item budget control were reported in 1940. (*Third Annual Report of the Social Security Board, 1938*, pp. 43-44; *Fourth Annual Report * * * 1939*, p. 44; *Fifth Annual Report * * * 1940*, p. 64.) Experienced State agencies were also gradually permitted to budget on a semiannual basis and by 1940 nearly all States were so operating. The ultimate adoption of an annual basis has been held desirable.

⁵³ Cf. Atkinson, *op. cit.*, p. 112.

⁵⁴ In 1938 the Interstate Conference of Unemployment Compensation Agencies adopted a resolution protesting against the extent of the supervisory authority exercised by the Board. (*Second Annual Meeting of the Interstate Conference of Unemployment Compensation Agencies*, October 22, 1938, p. 10.)

⁵⁵ Cf. Atkinson, *op. cit.*, p. 41. "Because the Social Security Act conferred no specific authority for the issuance of Federal regulations and standards, the conformity provisions have been stretched by interpretation to cover problems which might more appropriately have been treated by regulation, if indeed they should be made the subject of definite Federal requirements at all. Furthermore, there has been a tendency for the Federal staff to confuse examination of State actions for soundness with review for conformity to Federal law. There has been a temptation to try to find conformity issues in situations where the real question has been one of policy rather than of law." Discussions of Federal "interference" and "infringements on the administrative authority of the States" consumed a substantial portion of the time and attention of State administrators at the annual meetings of the Interstate Conference in 1939, 1940, and 1941.

⁵⁶ See ch. XI, above, regarding the effects of experience-rating development upon the benefit-paying functions of State unemployment compensation laws.

⁵⁷ Complaints regarding the administrative organization of the Board have frequently been expressed at the annual meetings of the American Public Welfare Association.

⁵⁸ This method involved a detailed review of individual grants and not only caused irritation to the States but also resulted in a large volume of work for the Federal authorities. During the fiscal year 1939 approximately 30 million payments under 135 State plans were subject to audit. (*Fourth Annual Report of the Social Security Board, 1939*,

Board adopted a new procedure in December 1939 which involved a sampling administrative review.⁵⁹ This new procedure will call for an expansion of the field staff of the Bureau of Public Assistance which is still small in relation to the needs of a cooperative Federal-State relationship.⁶⁰

The more difficult problem of ensuring that the national agency in formulating standards and procedures will adequately take into account State experience and points of view, will call for continuing cooperation on the part of both Federal and State administrators. From this point of view the American Public Welfare Association performs for the public-assistance and certain service programs functions similar to those carried out by the Interstate Conference of Employment Security Agencies. For, in addition to serving as a clearinghouse for State experience, the Association acts as a channel of communication between the Federal and State administrators. The annual meetings of the Association are attended and addressed by representatives of various Federal agencies, including those of the Social Security Board. These meetings present an opportunity for a frank interchange of opinion and for the expressing of points of view. They are frequently followed by the appointment of special committees to discuss outstanding problems, either common to all States or peculiar to some, with the Federal agencies concerned. The Association has also organized a special national council of State public-assistance and welfare administrators.

State-Local Administrative Relationships

The Social Security Act requires that a single State agency shall be responsible to the Board for the operation of federally aided public-assistance programs. Hence, in those States in which the special public assistances are not operated directly by the State agency, a supervisory relationship is established between the responsible State agency and the agencies in the various political subdivisions. The establishment of smoothly operating and effective relationships is still in process of development. *In certain States, progress has been impeded by such factors as the limited legal powers*

possessed by the State agency, the inadequate development of field staffs, failure by the State office to devise effective methods of taking into account local experience in developing policies and procedures, and undue emphasis on detailed and minute controls.

Not all of the States, in the years immediately following the passage of the Social Security Act, were prepared to vest in State agencies the legal authority necessary to exercise adequate supervisory responsibilities. There is, however, evidence of a growing recognition of the desirability of strengthening the supervisory authority of the State agencies.⁶¹

As with the Federal-State relationship, the development of the programs on a cooperative basis within such States calls for a competent and adequate State field staff, including such specialists as are needed for various types of consultation service and staff training programs. The field staff should be in a position to visit the localities regularly, advise them on questions of policy and procedure, and serve in general as a link between the State and local units.⁶² Not all of the States have as yet recognized the vital importance of an adequate staff of field representatives.⁶³

In some instances the States have attempted to exercise unnecessarily minute and detailed supervision. Thus in a number of States the local units were required to obtain the approval of the State department before each individual case could be certified for assistance. During the fiscal year 1938, many of these States largely decentralized this responsibility, a step which tended to strengthen local administration and left the State agency free to develop improved organization and procedure in local offices, to assist local agencies with specialized advisory services, and to take a broader view of the development of the programs in relation to the total needs of the State.⁶⁴

The exercise of supervisory functions by State agencies in regard to general relief appears to have been attended by even greater difficulties. As was shown above, in only 21 States is the entire locally adminis-

⁵⁹ Notably, in the fiscal year 1939, when several States extended the legal authority of State agencies to establish and require State-wide standards of assistance, conformity to rules and regulations on detailed methods of administration, and enforcement of standards of personnel. For an account of these and other instances of the increased authority given to State agencies, see *Fourth Annual Report of the Social Security Board* * * * 1939, pp. 107-108.

⁶⁰ *Second Annual Report of the Social Security Board* * * * 1937, p. 31, and *Third Annual Report* * * * 1938, p. 94. For a discussion of the influence of the Social Security Act in emphasizing the central position of State governments and agencies and directing attention to the strategic value of the field representative in implementing the State's supervisory or administrative function, see Brown, Josephine C., *Field Work with Public Welfare Agencies*, Chicago, American Public Welfare Association.

⁶¹ Cf., *Second Annual Report of the Social Security Board* * * * 1937, p. 31, and *Fourth Annual Report* * * * 1939, p. 107.

⁶² *Third Annual Report of the Social Security Board*, 1938, p. 95.

p. 129.) For a discussion of the difficulties to which the detailed field audit gave rise, see Lansdale, Robert T., "Some Observations on the Federal Audit," *Social Service Review*, XII (September 1938), 440-450.

⁵⁹ The new procedure involves, for a representative group of localities in each State, a review of a sample of case records of recipients and of persons whose applications are pending or have been denied, an examination of the policies and practices used in these localities with respect to certain important aspects of the program, and an evaluation of the general administrative operation and of special problems disclosed in the review of each local unit. (*Fifth Annual Report of the Social Security Board*, 1940, p. 96.)

⁶⁰ In 1940 the field staff of the Bureau of Public Assistance numbered only 39. (*Ibid.*, p. 160.)

tered general-relief program subject to State supervision. The extent of the supervisory powers of the State vary widely and on occasion are little more than nominal, and in general are less extensive than those over the special public assistances. In addition, the task of the State agency supervising locally adminis-

tered general relief has often been rendered more difficult by the large number of units with which it has had to deal.⁶⁵

⁶⁵ As shown in table 90, in Illinois the State supervises 1,455 local units; in Wisconsin, the corresponding number is 1,028; in New York, 903; and in New Jersey, 451.

ADMINISTRATION OF DIVERSIFIED PROGRAMS BY SEVERAL LEVELS OF GOVERNMENT

The full complexity of the problem of devising a well-organized and smoothly operating series of public-aid programs can be appreciated only when the combined effects of both diversification and multiple governmental participation are taken into account. The following pages deal with four of the major difficulties to which contemporary public-aid policies give rise; namely, the great variety and complexity of the resulting administrative relationships, the excessive number of points of intake faced by the applicant for public aid, the number and variety of the demands made upon employers and other members of the public for information and statistical data, and finally the absence of any over-all evaluation and coordination of policy.

Variety and Complexity of Administrative Relationships

The problem of coordinating public-aid programs both horizontally in terms of agency relationships at any one level of government and vertically as between agencies of the Federal, State, and local governments is likely to challenge administrative ingenuity over a long period. The organizational arrangement which may be most logical and effective for the State government, for example, may differ from that which is appropriate and convenient for the Federal and local administrators. In consequence the number and variety of relationships which administrators in one unit of government may have to maintain with those in other units may be very great.

It has already been stated that in certain of the federally aided programs a single State agency is responsible to the Federal Government for the administration of the program in question, whether it is operated by the State or a locality. In such cases administrative relationships are simplified, and the prospects for a balanced and well-planned development of the program in the State as a whole are enhanced. This type of relationship does not, however, characterize all programs. Thus in the WPA program there is in many cases a direct Federal-local relationship which places difficulties in the way of orderly planning within the

State as a whole⁶⁶ and may even stimulate financial policies and commitments on the part of municipalities which are at variance with those which the State has previously fostered. That a certain amount of "bypassing" of the State has occurred seems undeniable. Nevertheless, as one authoritative observer has pointed out, "the relations themselves seem to be a symptom of a deeper problem: the failure of the States to cope adequately with the problems of the municipal government for which they are constitutionally responsible. The indifference to the problems of vast metropolitan communities exhibited by predominantly 'rural' legislatures * * * is but the most spectacular of the many ways in which the States themselves have precipitated the 'bypassing' they so vehemently condemn."⁶⁷

In the case of programs in which the Federal partner deals exclusively with a single State agency, the coordination of related programs operating in any given State has been fostered by the fact that many of the States have adopted a more integrated organization of public-aid program than has the Federal Government.⁶⁸ This development has made it possible for the majority of Federal agencies to deal with one central State agency and has promoted a relatively high degree of coordination of the various Federal and State services. But the burden of this coordination is concentrated very largely upon the State public-welfare agency.

In addition to operating programs of its own and establishing workable relationships with State agencies operating other public-aid programs within the State, the State public-welfare agency must often supervise

⁶⁶ For example, the New Jersey Unemployment Relief Commission in 1938 drew attention to the fact that " * * * the municipalities are placed in the position of competing with each other for Federal work grants with no supervision by the State government over the types of projects or the necessity for their construction. * * * In planning and applying for Federal work grants, local governments ought to consult with the State and act through it. In this way, a better spread of the work could be obtained to appropriate sections and a check could be maintained by the State upon the kinds of projects deemed most advisable for local areas." (New Jersey Unemployment Relief Commission, *First Report* * * * 1938, pp. 32-33.)

⁶⁷ Benson, George C. S., *The New Centralization*, New York, Farrar & Rinehart, Inc., 1941, pp. 99-100.

⁶⁸ See figure 25.

the activities of local agencies administering either relief or the special public assistances. At the same time it is responsible to the Federal Government for State compliance with the provisions of the Social Security Act regarding the special public assistances. It must also maintain contacts with those other Federal agencies, such as the WPA, the CCC, the Surplus Marketing Administration, and on occasion the NYA and the Farm Security Administration, for whom it has undertaken to perform or supervise the performance of specific functions. Finally the State agency, as part of the administrative organization of its own State, must comply with prevailing State standards applicable to fields other than public aid, in regard to budgetary and personnel requirements and other matters.⁶⁹

Administrative relationships between the State and the local units are facilitated when each unit of gov-

⁶⁹ Although Utah is unusual in that funds for the State board of health are channeled through the welfare agency, the following statement of functions performed by the Utah State Board of Public Welfare serves to show the pivotal position of the State agency and the variety of its relationships. In addition to supervising the administration of general relief and the special public assistances, the board has a cooperative financial relationship with the following State agencies:

"The State treasurer, who is the legal custodian of the funds of the department of public welfare;

"The State auditor, legally charged with the authorization of expenditures and the audit of the accounts of the department of public welfare;

"The State board of supplies and purchase, legally responsible for the handling of purchases of administrative supplies and equipment requisitioned by the State department of public welfare, and for approval of salary schedules formulated by the State department;

"The State board of health, for which the State department is the legally designated agency through which Federal appropriations may be obtained, and matched in the required ratio, to participate in the following services as provided in titles V and VI of the Social Security Act: public health work, maternal and child health services, and services for crippled children; the State-wide public health nursing service which is conducted by the State board of health is also financed largely from the funds of the department of public welfare; and the department certifies to the crippled children's division and to the mobile dental unit applicants unable to pay for the services available through these agencies;

"The State board for vocational education, for which the State department matches Federal funds for supplementing vocational rehabilitation of physically handicapped adults, as provided in title V of the Social Security Act;

"The State self-help cooperative board, to which annual grants to match Federal appropriations for cooperative enterprises are required by statute from funds of the State department of public welfare.

"Other agencies having an advisory or cooperative relationship with the State department of public welfare are:

State commission for adult blind;

Juvenile court and probation commission;

Child-placing agencies;

Federal Works Program for which the State department of public welfare is the agency responsible for certification of eligible workers to WPA and NYA;

Federal Surplus Commodities Corporation, from which the State department of public welfare receives commodities and accepts responsibility for their distribution;

Farm Security Administration * * for which the State department of public welfare is one of the referral agencies which determines the dependency status of farm households;

Civilian Conservation Corps, for which the State department of public welfare is the selection agency for enrollees."

(State of Utah, Department of Public Welfare, *First Biennial Report, July 1, 1936-June 30, 1938*, Salt Lake City, 1939, pp. 23-24.)

ernment exhibits a comparable measure of integration and coordination of public-aid programs. In such instances, a single local administrative unit is responsible at the local level for the public-aid programs which are supervised by a single agency at the State level. This is not always the case, however. Often a State agency must deal with more than one local unit in a particular jurisdiction.⁷⁰ In other situations a single local agency may have responsibility for programs supervised by a State agency, such as the special-assistance programs, and also for a program not supervised by a State agency, such as a local general-relief program. This state of affairs also creates real problems for local administrators.⁷¹ The local agency may well encounter difficulty and confusion in applying Federal and State standards for personnel and for other agency policies and practices to one part of its activities and not to another.⁷² In addition, local units operating programs which have no State supervision or only a minimum amount of such supervision are apt to experience some difficulty in relating their activities to those of other local agencies operating under State and Federal auspices.⁷³

⁷⁰ However, even where this is not the case, other factors may create problems of an interagency character. For example, in Illinois the State emergency relief commission provides limited supervision for local agencies administering general relief, including the Chicago Relief Administration, 17 county boards of commissioners, and 1,437 township relief administrations. Old-age assistance is administered by the State department of public welfare through county departments of public welfare, while locally administered programs for aid to the blind are administered under the county clerks and mothers' pension programs under the county judges. This means that in most instances the general-relief program is being operated in an administrative area which is not comparable to that used for the public-assistance programs. Also, the fact that one of these programs is State-administered, two are locally administered, while general relief is locally administered but State-supervised, creates problems of interagency coordination.

⁷¹ For description of typical administrative problems as well as interagency and community relationships experienced by a local relief administrator, see Glassberg, Benjamin, *Across the Desk of a Relief Administrator*, Chicago, American Public Welfare Association, 1938.

⁷² For example, in California the local agency which administers general relief for unemployable persons without State supervision also administers the public assistances under State supervision. In Massachusetts, local agencies administer old-age assistance, aid to dependent children, and general relief to unsettled cases under State supervision, but there is no supervision for general relief to settled cases, which is administered by the same agency. In Florida and Georgia, the general-relief program is a local responsibility, but in some counties its administration has been integrated with the public assistances.

⁷³ In those States where general relief is a purely local responsibility such a situation is apt to prevail. The situation in one city in Texas is illustrative:

"There are twenty different public relief programs or services administered by two local agencies, three State departments and four Federal agencies. Some of these services are identical in purpose and operation, many of them are so closely interrelated that they should be programs of the same administrative agency. Only a few of them should be the responsibility of separate agencies. * * *

"These factors have their origins in more than a decade of unplanned growth and a continuous transition from one temporary and emergency program to another without any fundamental reorganization of the basic local and State public welfare structures until after the Federal Government had assumed direct responsibility in certain specific areas. It is naive to assume that these developments are solely the products of the last decade. The patterns, the techniques and the basic limitations have existed for over three decades, and the problems with which

Differing Federal Policies and Requirements

The difficulties faced by the State administrator have been enhanced by the differing policies, methods of reporting, and the other requirements of the Federal agencies which converge upon the State or local administration, and by the lack of uniformity in the regional organization of the Federal agencies concerned with related programs.

In those States in which the State public-welfare agency acts as the central State agency for the great majority of public-aid programs, compliance with Federal statistical and other reporting requirements and speedy preparation of budgetary statements and the simplification of accounts for auditing purposes are impeded if the supervising or cooperating Federal agencies fail to agree upon uniform standards for those aspects of the supervised agency's work which are a matter of common concern. The Federal agencies are increasingly aware of the importance of simplifying the administrative problems of the State authorities by such unification and standardization, but much appears still to be done.

In 1936 the Social Security Board and the Work Projects Administration entered into an agreement to utilize the personnel and facilities of both agencies in the collection of coordinated and unified current statistics of general public relief.⁷⁴ The action of the

the present programs attempt to deal were growing steadily prior to 1930. The social and economic developments of the last decade have merely accelerated, accentuated, and revealed the total effect of these problems upon the local community." (*American Public Welfare Association, Public Welfare Survey of San Antonio, Texas*, Chicago, 1940, p. 66.)

In another county, the same lack of coordination prevails:

"McLennan County and Waco have been and are almost entirely dependent upon Federal and State programs for assistance to their people who are in need. * * * For March, 1940 * * * Federal and State programs together assisted thousands of people while less than 400 were cared for by the programs locally financed. * * *

"In spite of this dependence on Federal and State aid, the community has not been cooperative with Federal and State agencies, has resented State supervision of intake for NYA, CCC and WPA as carried on by the United Charities and has objected to the WPA wage scale." (*American Public Welfare Association, What is Happening to People in McLennan County, Texas*, Chicago, 1940, ms., p. IV-34.)

Similar difficulties have been pointed out in one township in Indiana:

"A mere recitation of all the agencies investigating and granting public assistance in this community gives testimony to the need for and wisdom of a central agency for consolidating investigations of relief applicants and recipients and maintaining only one staff of investigators to do this work. At the present time, public assistance is given by the county department of public welfare in the form of old age assistance, aid to the blind, and care of dependent children of various classifications; by the Work Projects Administration as one form of unemployment relief, and by the township trustees as another form of unemployment and general relief. Other public agencies granting various forms of assistance include the city hospital, dispensary, and special clinics giving medical aid; social service department of the public schools giving special help for school children; and the county tuberculosis hospital, county infirmary, and orphans' homes, giving institutional care." (*Indianapolis Chamber of Commerce, Bureau of Governmental Research, A Review of Poor Relief Administrative Procedures in Center Township, and Suggested Changes for Improvement*, Report No. 15, Indianapolis, 1940, pp. 8-9.)

⁷⁴ *First Annual Report of the Social Security Board, 1936*, pp. 58-59.

several agencies affected by the Social Security Act Amendments of 1939 regarding personnel requirements also tended to simplify the problems of State administrators. Not only did the Social Security Board issue joint standards for the State employment security and public-assistance agencies in November 1939, but the Bureau of Public Assistance has consulted closely with the Children's Bureau in order to ensure, so far as possible, uniformity and consistency in the standards required of State administrators by both agencies.⁷⁵ Similar close collaboration has been maintained in regard to personnel requirements between the Children's Bureau and the Federal Public Health Service.⁷⁶

Where a given State or local agency undertakes to determine eligibility on the basis of need, not only for general relief and public assistance, but also for certain federally operated programs, *real difficulties arise because of the lack of uniformity among the Federal agencies in regard to the standards to be applied in determining need, and the divergence of these standards from those applied in the administration of general relief.*⁷⁷ The work of both the supervising or operating State agency and the locally operating agency is greatly complicated by such differences in the measure of need. Unification of the State agency's own record keeping is no longer possible because the measure of need differs for each separate program. Unless the operating local agency organizes its work so that specialized units or personnel deal exclusively with the clientele of each supervising agency, the efficiency of the case worker who deals with applicants for the special assistance or for general relief, and who certifies clients as eligible for WPA and for surplus commodities, will be greatly impaired by the necessity of consulting bulky manuals embodying the differing requirements and regulations of each agency. In any

⁷⁵ Thus in 1940 the Board reported that "close relationships were also maintained with the Children's Bureau. * * * There has been extensive joint planning of policy, joint consideration of problems of allocation and reporting of administrative costs, and continuous collaboration with respect to the application of merit-system standards." (*Fifth Annual Report of the Social Security Board, 1940*, pp. 127-128.)

⁷⁶ These agencies have also on occasion agreed to adopt parallel forms for reporting purposes. Thus in 1936 a plan (revised in 1940) for the tabulation of health department activities was approved by the State and territorial health officers, the Public Health Service and the Children's Bureau, and was adopted in regard to quarterly reporting.

⁷⁷ Thus, for example, in New Jersey where the greater proportion of local welfare directors are in this position, the budget adopted for determining the extent of need of applicants for WPA employment ranges from \$28.50 per month for a single person to \$140 per month for a family of 10 persons. In addition certain types of family income may be disregarded in whole or in part in the computation of family resources. On the other hand, the corresponding budget for the NYA applicants ranges from \$30 per month to \$190, while the regulations developed by the States for CCC applicants include a standard budget which ranges from \$45.90 per month for a family of 2 persons to \$139.15 per month for a family of 11. (Stafford, Paul T., *Government and the Needy*, Princeton, Princeton University Press, 1941, pp. 218, 224, and 228.)

case such specialization of staff is possible only for the larger agencies and has been rejected as a matter of policy even by some of these in the interests of reducing to a minimum the number of agency contacts with the individual family.

Relationships between the administrative personnel and the applicant are not improved because of the latter's difficulty in appreciating the differences between, and still more the justification for, the various measures of need applicable to the different programs. Finally, the administrative work of the local agency as administrator of the general-relief program is increased because of the divergence between Federal and State or between State and local measures of need. For when a person who has been certified for a Federal program and has either failed to secure aid from this program or has been dropped from its rolls applies for general relief, he cannot be accepted by the latter agency without reinvestigation.⁷⁸

Differing Regional Organization of Federal Agencies

The smoothly functioning administration by different levels of government of a series of common or related programs is further impeded by the absence of uniformity of policy on the part of the Federal agencies in regard to the selection of regional areas and offices and in the responsibilities assigned to regional officials.

The Social Security Board has established 12 regional offices, each in charge of a regional director who is the official representative of the Board within that region and who is responsible to the executive director in Washington. To the staff of each regional office are assigned representatives of the operating bureaus, who have general responsibility for the several programs, and representatives of the bureaus and offices which maintain services on behalf of the whole organization in the fields of law, research and statistics, accounting, and public information. In the fields of public assistance and employment security the special functions of the Board are carried out by respective bureau representatives.⁷⁹

⁷⁸ "When a general relief case is transferred to a Federal work relief project the local transferral officer must make an investigation and report to the Federal authorities. The latter not infrequently then conduct a reinvestigation. If the case is subsequently returned to general relief the local relief authorities must again make another investigation. Likewise, when a general relief case is transferred to the categorical relief authorities the latter must conduct a wholly new investigation of the case. Transfers from categorical to general relief are infrequent, but whenever they do occur a reinvestigation is again required." (*Ibid.*, p. 270. See also *ibid.*, ch. IX.)

⁷⁹ The regional representatives under the supervision of the regional director are responsible for serving as the administrative representatives of the respective bureaus in regard to general problems of legislation and administration in the States. They are responsible for (1) maintaining field contact with State agencies within the region, (2) assisting the States in regard to planning and fiscal problems, (3) consultation

In the case of the old-age and survivors insurance program, which is federally operated, the specific administrative functions are carried out by Federal officials through State and local offices located within the several States as well as by regional offices. The Bureau of Old-Age and Survivors Insurance of the Social Security Board as of July 30, 1940, maintained 477 field offices. The staffs of these offices are immediately responsible for the day-to-day administration of the program and are in personal contact with the covered population.⁸⁰ They operate under the technical direction of the regional representative of the Bureau.

Similarly, the Railroad Retirement Board as of August 1940 had 10 regional offices, 43 district offices, and 102 base points. The 10 regional offices receive and adjudicate claims for unemployment insurance benefits and certify claims for payment to the disbursing office of the Treasury which is located in the same city. They operate the regional employment offices for railroad workers, supervise the agencies designated as claims agents, and arrange for hearings of appeals for unemployment benefits. They also receive claims for retirement benefits and forward them to Washington headquarters for adjudication. Furthermore, they make periodic and special reports to the Board in Washington. The director of the regional office is also charged with the supervision of the district offices within the region.⁸¹

The Farm Security Administration maintains an extensive system of offices within the States, charged with various aspects of the administrative work of the program. As of August 1940, there were 12 regional

with regard to the formulation of policies and procedures, (4) reporting on progress and conformity to the Social Security Board, (5) giving advice to State officials on request, (6) developing public relations, and (7) assisting in the coordination of other aspects of the Board's work and other Federal programs.

⁸⁰ They assign Social Security numbers on request, verify wage reports referred to them by the central record office in Baltimore, assist claimants in developing their claims and transmit them to Washington for adjudication, and carry out public-relations functions. The functions of the regional offices in regard to old-age and survivors insurance correspondingly reflect the fact that the program is wholly Federally operated. They are not merely responsible for maintaining contacts with officials of other Federal agencies and of State governments and covered employers and for the efficient operation and coordination of the field offices within their own regions, but are also required to keep the Bureau of Old-Age and Survivors Insurance in the Social Security Board informed as to all aspects of administration of the program and to recommend improvements in practices and procedures. The specific activities of the field staff are, however, under the technical supervision of the Bureau and specifically its Field Division, which coordinates activities of the regional representatives of the Bureau, serves as a liaison between Washington and the field staff, maintains the field office management, and prepares instructions to field personnel.

⁸¹ District offices and their field agents (working from so-called base points) investigate and help in adjusting unemployment insurance claims which are filed with so-called claims agents (about 42,500 who are employees of railroads, not of the Board) and are checked by so-called countersigning agents (about 5,250, also not employees of the Board). Field agents at base points, district offices, and regional offices accept retirement claims and forward them to Washington.

offices, 43 State offices, 235 district offices, and 2,160 county offices.⁸²

The WPA and the NYA also maintain regional and local offices, although the functions of the local offices of both differ somewhat from those of agencies administering the three Federal insurance programs and from the Farm Security Administration. As of December 1940 the WPA maintained 8 regional offices, 53 "State" offices (including one each in northern and southern California, New York City, the District of Columbia, Hawaii, and Puerto Rico), and 260 district offices.⁸³

The NYA maintains five regional offices, 51 "State" offices, and an unknown number of district and area offices. The administration of the NYA program is an exclusive Federal responsibility, but this responsibility is delegated to subordinate Federal officials known as State youth administrators. The actual operation of the program is carried out on the local level.⁸⁴

The regional offices involved in the CCC program are the regional offices of the bureaus of the Depart-

⁸² Each regional office has full charge of the rural work in several States that have similar conditions and problems. The State offices coordinate the work of the county and district supervisors, their main function being to link the FSA program with that of other agencies in the State and to secure the educational material made available by the State agricultural colleges, the experiment stations, and the Extension Service. District supervisors coordinate the work of county supervisors and work out the particular problems of county personnel. Finally, the county office undertakes all direct contacts with families assisted by loans or grants. See Farm Security Administration, *Report on Financial Status from Inception to June 30, 1939*, Washington, p. 2.

⁸³ The general responsibilities of the regional directors and their staffs are to direct and coordinate WPA activities within their area. This does not imply intimate control over administration of the program. The aim is rather to furnish supervision in a broad sense over policy—to interpret Washington rules and regulations when necessary. Regional directors have full powers to issue orders to State administrators in accordance with Federal regulations and to assist in interpreting and adapting such regulations to the particular region.

In addition, regional directors are responsible for submitting recommendations to the Commissioner of the Work Projects Administration regarding appointment or change in status of the key personnel of the State WPA offices, for proposed action on projects presenting special difficulties, for apportionment of employment within the States, for the amount of funds to be allocated to each State to meet monthly operations costs, and recommendations on general policy.

⁸⁴ In the case of the student work program, the work is both planned and operated by the participating educational institutions, whose officials deal directly with the State NYA officials. The regional offices are responsible for the supervision and coordination of all phases of the program in the designated region. By periodic review and technical advice, the regional officers (of which there are 5 in addition to the director) assist the State youth administrators in meeting national standards. The State office is responsible for the organization and administration of the State NYA program in accordance with the policies and regulations prescribed by the National Administrator. Where the size and scope of the NYA program warrants, the field supervisory personnel representing the State administrator and the various divisions of that office may be assigned to cover prescribed geographic areas within the State with their official headquarters established at specific locations within the State. These officials act in purely supervisory capacities or as liaison between the State and area offices. The operating functions, such as the actual prosecution of the work projects, the selection and employment of youth, and the discharge of field finance functions are the direct responsibility of the area offices. * * * During the fiscal year 1941-42 the States were asked to dispense with district offices and the area offices have been given general supervision over the student work program also.

ments of Agriculture and the Interior which are responsible for the details of planning and operating the work projects in the camps⁸⁵ and the corps area offices of the War Department, which is responsible for the operation of the camps and the welfare of enrollees.

The Children's Bureau has also adopted a regional basis of organization for the purpose of field contacts in the administration of services for crippled children, and for maternal-and-child-health and child-welfare services. There are five regions, three with headquarters in Washington, D. C., one with headquarters in New Orleans, and one with headquarters in San Francisco.

The Vocational Rehabilitation Division of the Office of Education has four regional agents but maintains no regional offices. The Vocational Education Division likewise has regional agents in charge of each of the four educational fields it covers—agriculture, trades and industry, home economics, and business. These agents operate out of the central office in Washington.

It is evident from this account that *there is little uniformity in regard to the regional organization of this series of related programs. The regional organization of the various agencies reveals a lack of common regional boundaries.*⁸⁶ *There is also variation in the cities designated for regional offices in those few cases in which regional boundaries are roughly the same.*⁸⁷

The geographical distribution of the occupational clientele which are the exclusive concern of certain agencies such as the Railroad Retirement Board and the Farm Security Administration may justify the selection of different regions and minimize the inconvenience resulting therefrom. But the absence of uniformity in the selection of regions and the location of regional offices in the case of programs which are as closely interrelated as those administered by the Social Security Board, the WPA, the NYA, and the CCC greatly complicate the problems of State administrators. The difficulties experienced vary with the differing degrees of authority delegated to the regional

⁸⁵ Some of the regional offices are located in the same city as the Corps area headquarters of the Army, but a good number of them are not. A system of 10 liaison officers, 1 chief liaison officer in Washington, and 1 at each Corps area headquarters is designed to coordinate the activities of the Army and the technical services (Departments of Agriculture and Interior). All of these officials, however, are on the pay roll of the Department of Agriculture.

⁸⁶ The Children's Bureau, however, has assigned its consultants to regions which are with one exception identical with those assigned to consultants of the Public Health Service.

⁸⁷ There is a considerable clustering of regional offices serving the western area in San Francisco and in Denver. Such clustering exists in a lesser degree in Boston, Chicago, and Cleveland. But Texas is the seat of 5 regional offices distributed among 3 different cities, and there are no less than 15 cities in the country which are the seat of 1 regional office only.

offices by the Federal agencies concerned. But, as the existing tendency to devolve more authority (especially of a coordinating nature) on regional officials continues, the necessity for working closely with regional offices in widely separated areas imposes an additional burden upon the State administrator.⁸⁸ Not only is unnecessary travel required of State officials for attendance at regional conferences, but the opportunity to consult simultaneously with the regional offices of different programs is materially reduced. The non-conformity in regional areas and regional offices is further an impediment to the maintenance of close contact among regional and field representatives of the different Federal agencies operating in identical States. State officials have commented upon the fact that not infrequently Federal representatives of related programs have met for the first time in local or State offices.⁸⁹ Finally, and most importantly, *the lack of coincidence of the geographical areas falling within the responsibility of the regional offices of the several Federal programs introduces obstacles to both the evaluation of, and the coordinated planning for, the improvement of the public-aid programs operating within a given region.*

Considerable inconvenience is avoided for the State administrator dealing with more than one Federal agency when the Federal officials concerned with closely related problems can arrange for joint conference or field visits. Such arrangements are made by the Children's Bureau and the Public Health Service, but appear to be less common with other agencies.⁹⁰ More recently, however, the Committee on Rehabilitation established within the Federal Security Agency, which includes the Office of Education, the National Youth Administration, the Public Health Service, the Bureau of Employment Security, and the Bureau of

⁸⁸ Wisconsin, for example, is in Social Security Board Region VI (office, Chicago) WPA Region 7 (office, St. Paul), and NYA Region II (office, Cleveland); Oklahoma is in Social Security Board Region IX (office, Kansas City), WPA Region VI (office, New Orleans), and NYA Region IV (office, Denver); North Carolina is in Social Security Board Region IV (office, Washington), WPA Region V (office, Atlanta), and NYA Region III (office, Memphis); while Mississippi is in Social Security Board Region VII (office, Birmingham), WPA Region VI (office, New Orleans), and NYA Region III (office, Memphis).

⁸⁹ Some Federal agencies (e. g., the Bureau of Public Assistance of the Social Security Board) have encouraged informally in Washington and in the regional offices consultation with the field representatives of other Federal agencies on subjects of mutual concern.

⁹⁰ The Crippled Children's Division and the Maternal and Child Health Division cooperate closely with the Public Health Service in holding joint conferences with State and territorial officers and in the discussion of their respective programs. Regional medical consultants and public health nursing consultants clear and develop itineraries with similar representatives from the Public Health Service, and joint field visits are frequently undertaken. The Bureau of Public Assistance of the Social Security Board and the Children's Bureau have developed procedures concerning the joint planning of field activities and the holding of joint conferences in Washington with State officials.

Public Assistance, has begun to develop some concrete plans for experimentation in local coordination of welfare and health activities.⁹¹

Multiplicity of Points of Intake

All welfare administration, whether directly administered by the Federal Government or a State government or on a cooperative Federal-State or Federal-State-local basis, must provide local offices where those eligible for assistance can make application and receive aid. It will be recalled that the Work Projects Administration, the Farm Security Administration, the National Youth Administration, and the Bureau of Old-Age and Survivors Insurance all have systems of offices extending into the States and localities. Less extensive are the local offices of the Railroad Retirement Board. State employment services under Federal supervision maintain local offices for the registration and placement of the unemployed seeking work and for the receipt of claims for unemployment compensation. Local offices under State supervision or operating as units of a State administration deal with applicants for old-age assistance, aid for dependent children, and aid to the blind. Finally, in almost all localities there are local offices providing general relief.

In view of these numerous intake agencies, it is not surprising if the applicant for public aid is dismayed by what must seem to him the incomprehensible array of agencies and offices or if, on occasion, he finds himself being shunted from one to another. *There is no single information center to which the applicant can go to learn where his case can be handled and to be placed in touch with the agency or agencies who are able to assist him.* In many areas little has been done to facilitate the problem of the applicant except through the avenues of general publicity.⁹² In some cases, however, workers are continuously informed as to their rights under the social-insurance programs. Thus, the Railroad Retirement Board furnishes annually to each covered worker a statement of his earnings from covered employment. The Social Security Board furnishes records of earnings of covered workers on request only.

The problem of the applicant is all the greater in that *by no means all the local agencies are well informed concerning the duties and responsibilities of others operating in their own area.* There is therefore no certainty that the applicant who is told by one agency that he is ineligible under its program will be

⁹¹ The U. S. Housing Authority and the Bureau of Public Assistance have also commenced a joint exploration of common problems in the field of housing and public assistance.

⁹² For an account of information services developed by the various agencies, see ch. XV below.

directed by that agency to others who are legally able to provide for his needs.⁹³

The number of points of access to public aid not only is a source of confusion or inconvenience to the applicant, but also impedes smooth and efficient administration of public aid and, on occasions, the attainment of the objectives of public policy.

The Local Welfare Office as the Central Point of Intake

To some degree there is a single source of entry to the vast majority of forms of public aid through the local welfare office. For, as already shown, in addition to acting as the intake office for general relief and as a rule the special assistances, in 19 States this agency serves also as the certifying agency for a number of the Federal programs of which the WPA, the CCC, and the Surplus Marketing Administration are the most important.⁹⁴

But this local centralization of points of intake to public aid is at best incomplete. All the social insurances are administered by separate agencies, and there is no central point of intake for the social insurances as a group. The Railroad Retirement Board has indeed made it possible for claims for retirement annuities to be taken by the field staff administering railroad unemployment insurance. But no such unification is possible in regard to the old-age and survivors insurance and unemployment compensation, since the former is administered directly by the Federal Government while the latter is State-administered.

Effects upon the objectives of Federal programs.— There are, moreover, a number of reasons why reliance upon the local public-welfare office as the single or major source of entry to public aid cannot be regarded as entirely satisfactory at the present time. In the first place, it obviously involves use of the welfare agency as co-ordinator of a number of Federal or federally aided programs. Yet, with the exception of the special-assistance programs, the Federal Government has little or no control, either directly or through a State agency, over the manner in which these agencies carry out their functions. If they choose to interpret them in a way contrary to the spirit of the Fed-

⁹³ In particular the recency of the development of the social-insurance programs and the necessity of inculcating the view that no stigma is involved in taking advantage of accrued rights has led in some instances to a refusal on the part of local insurance administrators to recognize that there was any relationship at all between their own and other public-aid programs, to participate in local efforts to consider the nature of public provision as a whole, or even to inform themselves of the availability of other public services. It is, however, encouraging to note that the Bureau of Old-Age and Survivors Insurance is endeavoring to ensure that its local officials shall familiarize themselves with the functions of other public-aid programs in their areas.

⁹⁴ For a fuller description of the extent of this coordination, see above under "State and Local Demarcations of Responsibilities."

eral programs, there is little that the Federal authority can do.⁹⁵

It is obvious, for example, that the Federal policy of providing work for needy employable persons will be vitally affected by the interpretation placed by local relief agencies on the term "need." When the WPA was originally set up, all except five States agreed to act as certification and referral agencies, despite general complaints regarding the financial costs of this new responsibility, an attitude that was strengthened by the contrasting fact that the Social Security Board was contributing toward administrative expenses for special-assistance programs.

In July 1938, by Administrative Order No. 65, the WPA assumed a general responsibility for assuring the maintenance of standards of eligibility for referral and defined need in general terms. In July 1939, it became the duty of each State WPA administrator to designate and approve a State public-welfare agency to act as certifying agent. For the first time, formal agreements were drawn up between the authorized State representative and the State WPA administrator.⁹⁶

Nevertheless, there are and have been wide variations in the practices of relief agencies in determining need for the purposes of referral to the WPA. Quite apart from differences in local costs of living, wage rates, and concepts of need, referral has in various areas and at different times been affected by political considerations, by the degree of availability of funds for general relief, and by the adequacy of staffing and local administrative funds. There has also been a tendency for local relief agencies to apply to WPA applicants the restrictive policies (especially those relating to residence requirements) applied to applicants for general relief.⁹⁷

It is evident that the extent of the control that can be exercised by the Federal agency to insure that the

⁹⁵ The CCC does not even attempt to exercise any control over the policies of the local agencies. Though the office of selection, attached since May 1939 to the Director's office, established the procedure for selecting junior enrollees, it does not review the selections made by the State selecting agencies nor does it prescribe policies or procedures for designating local selection agencies or for establishing local quotas. Certain other minor matters of policy are left to State decision, e. g., whether or not more than 1 person in a family may be selected for the same enrollment period.

⁹⁶ The acceptance or rejection of standards used by local public-welfare agencies is largely decentralized and is the responsibility of State and regional WPA offices. Such acceptance or rejection is, of course, subject to review and approval by the Federal office. It is a regular function of the Intake and Certification Section of the Employment Division of the WPA in each State to work with State public-welfare agencies in establishing mutually satisfactory standards of eligibility and to see that such standards are maintained.

⁹⁷ See above chs. VI and IX. See also the testimony of Col. Harrington, *Work Relief and Relief for Fiscal Year 1941*, pp. 442 and 628-629.

terms of the agreements are in fact complied with, is very limited. It has little authority over the State and local agencies and no funds which may be granted to assist in meeting referral costs on condition that Federal standards are met.⁹⁸ Where the evidence suggests that local agencies are interpreting the concept of need in such a way as to deny access to WPA employment to significant numbers who would seem to be eligible according to Federal standards, the only recourse of the WPA is to refuse to accept any referrals from the relief agency and to assume responsibility for its own intake by conducting its own investigations.⁹⁹ The effectiveness of the latter course is limited by the possibility that local sponsors may refuse to participate in new projects if the WPA standards are at variance with local relief standards. In general, also, the fact that the WPA program has never been able to provide employment for all needy persons weakens the efforts of the Federal agency to raise unduly restrictive local eligibility standards. During 1938 the WPA contributed funds for personnel in several States where need certification was impeded by insufficient staff. In January 1940 the administrator of the Work Projects Administration requested Congress to grant an appropriation of 5 million dollars for grants to be made to State and local certifying agencies.¹ However, the appropriation was not incorporated in the act.

⁹⁸ The WPA has always reserved the right to accept or reject referrals, and the degree of control exercised over intake varies with the standards of the referral agency, in so far as these are known to it. The WPA specifically investigates for discrimination upon specific complaint and where there is reason to believe (because of the small number of referrals submitted, or for other reasons), that persons applying for certification are either discouraged or are refused certification. In general, if standards are thought to be good, the control exercised is slight or nonexistent, and referrals practically constitute certification of eligibility. Where standards of relief or investigation are suspected of being poor, greater control is exercised; cases are returned for more information or rejected for various reasons. By the early part of 1939, in 20 States all referrals were carefully checked and screened; in 2 States, referrals were never questioned; in the remaining States, referrals were checked in varying degrees.

⁹⁹ In 1938 the WPA took over the entire responsibility for investigation of need and certification of eligibility in South Carolina, New Mexico, and Oklahoma. In the District of Columbia, the WPA conducted its own need certifications until July 1940 when responsibility for initial determination of need was delegated to the District Department of Public Welfare. At the same time the WPA ceased making initial determinations of need in South Carolina, but the local welfare department did not assume responsibility until the end of August. In the fall of 1939, the WPA ceased making initial determinations of need in Oklahoma, and up to October 1940 the State had not assumed the responsibility.

¹ It was proposed that the Federal grant should not exceed 33½ percent of the estimated costs of certification, and was to be paid subject to satisfaction of the following requirements: (a) The assurance of adequate State-wide service in determining need and ability, (b) the maintenance of a reasonably uniform level of certification standards throughout the country, (c) the simplification and acceleration of procedures for investigating, referring, and certifying persons eligible for Work Projects Administration employment. (*Work Relief and Relief, Fiscal Year 1941*, pp. 443 and 453.)

The National Youth Administration is another Federal agency whose objectives have been jeopardized to some extent because of the intake policies of local relief agencies over which it had no adequate control. Until 1938 all certification for NYA out-of-school work projects was performed by the local relief agencies. As eligibility for NYA employment has been broadened so as to embrace not merely young persons certified as eligible for relief or any form of public assistance but also young members of families "whose income is insufficient to provide the basic needs of all members of the family including the youth member regardless of whether the family is receiving any form of public assistance," the disadvantages of reliance upon local relief offices as the certifying agents have become more obvious.

Even prior to formal adoption of the wider eligibility criteria in 1939, difficulties had been experienced because of the tendency of certain local relief agencies to limit certification to persons from families actually in receipt of or declared eligible for relief or WPA employment. The attempt to overcome these difficulties by the creation of a special category of youth to be certified for NYA only, regardless of the relief status of their families, did not wholly overcome this tendency.

With the establishment of the Division of Employment in the National Youth Administration in July 1939, the Federal agency began more extensive preparations for handling its own certification.² By June 1940 most of the State youth administrations were directly certifying some youth to employment on work projects. In about 25 States, 85 percent or more of the youth employed were certified in this way.³

But, while assumption by the Federal agency of direct responsibility for certification has in most parts of the country overcome the danger that the purposes of the Federal program might be distorted by local denial of access to the program, it has not removed another danger with which the NYA has had to contend. In keeping with its emphasis upon the young worker as an individual whose self-respect and sense of independence is to be maintained so far as possible while he is in receipt of public aid, the NYA has promulgated a rule that not more than 25 percent of the monthly earnings of the young worker may be considered as a resource for his family when its budget-

² Even before July 1939, the NYA was directly certifying in a few States.

³ Information supplied by the NYA. The local relief offices could, of course, continue to refer applicants to the NYA certifying agency.

any deficiency is calculated by a relief agency.⁴ There is, however, some evidence that local relief authorities have departed from this requirement, thereby negating this objective of the Federal program.⁵ Even when instances of this practice are brought to its attention, the NYA has available only the drastic coercive measure involved in a refusal to sanction further projects in the area.

The Surplus Marketing Administration is a third Federal agency which runs the risk of a negating of one of its major objectives because of its reliance upon nonfederally controlled State and local bodies for administrative purposes. The major objective of this program is to promote an increase in the consumption of various food commodities which are at any time declared to be surplus. The selection of persons to receive the surpluses under both the direct distribution and the stamp plans is mainly in the hands of the local relief agencies. While various precautions are taken to ensure that the surplus commodities are given in addition to relief that would otherwise be granted,⁶ the fact that so many needy people receive surplus commodities only (see Chapter VI), indicates that in many parts of the country the existence of surplus commodities has served only to relieve State and local relief authorities of a burden that local pressure might otherwise have compelled them to assume.⁷ Nor does the SMA have any satisfactory assurance that in other areas relief grants are not cut below what they otherwise would be because of the known availability of surplus commodities.

⁴ NYA Letter No. Y-119 to all State administrators, November 22, 1939.

⁵ It should be noted that this policy causes real difficulties for relief administrators, who may find themselves applying two different policies with regard to the responsibility of young people to contribute to the support of their families—one policy for families with young members on NYA, and the other for families with young members in private employment.

⁶ When the commodities arrive at the State destination they become the property of the State Public Welfare Department, and their distribution is made in accordance with State laws and rules, and regulations of the State public-welfare agency. The SMA does not dictate the method of distribution except in broad terms as to the general classes of eligibles, and the rates of distribution. Otherwise, the State agency has sole jurisdiction. The State and local welfare agencies are responsible for the certification of persons eligible to receive the commodities. With the exception of occasional field trips by various SMA officials from the Washington office, the only means that the Administration has of checking up on the States through actual contacts are investigations made by its nine regional directors or field representatives. The problem is especially acute in those States where the State department of welfare exercises little or no supervision over local relief agencies.

⁷ In reply to a questionnaire circulated by the American Public Welfare Association in October 1938, 9 States admitted that, despite regulations to the contrary, commodities were being used more or less regularly as a substitute for relief, and throughout most of the other replies suspicion was voiced that they were probably influencing the amount of relief. Reference was specifically made to the fact that local efforts to increase inadequate budgets were often defeated because of the knowledge that surplus commodities were available.

It is true that the stamp plan offers a greater guarantee against this distortion of a major objective of the surplus commodities program. But even here there is evidence that in some areas (particularly in the South) the requirements of the Federal program are being circumvented.⁸

Thus the first objection to use of the local welfare or relief office as the major single source of entry to the various public-aid programs is the fact that, being beyond direct Federal control and receiving no financial aid from the Federal Government in respect of these additional duties,⁹ its policies may impede the attainment of the objectives of certain Federal programs of which it is, in effect co-administrator.

Administrative burdens of the local welfare office.—Furthermore against any advantages which may arise from the present method of using the local welfare agency as the major instrument for centralizing access to the various public-aid programs, must be set the serious repercussions of such centralization upon what is after all the major function of the agency; namely, the administration of the special and general public assistances and welfare programs.

The work which the welfare agencies have been required to perform on behalf of the various Federal programs constitutes an increasingly large proportion of their total administrative work and expenditures. Information from States where separate costs are available indicates that expenditures for certification in connection with the Federal programs equal or ex-

A survey of the Federal Surplus Commodities Corporation's operations made by the staff of the *Survey Midmonthly* magazine in March 1939 (which included off-the-record comments by some 40 welfare officials and social workers "in whose judgment *Survey Midmonthly* has full confidence") reported that "only a few places claim to observe the full spirit" of the Corporation's requirement that surplus commodities be distributed in addition to, and not in substitution for, other forms of relief. "A rich and populous mid-western city with a direct relief program running into millions cut its relief budgets 15 percent and the popular answer to protest was, 'But look at all that Federal food they're getting!'" In fact, there is abundant evidence that only the exceptional community, no matter what is said officially, does not lean heavily on surplus commodities in figuring its relief budgets." (*Survey Midmonthly* (March 1939), p. 68.) In some localities it is said that surplus commodities distributed to borderline recipients help such cases "remain independent when they might otherwise have to apply for home relief." ([New York] State Charities Aid Association, Washington County Public Welfare Committee, *Public Welfare in Washington County*, New York, 1939, p. 47.)

⁸ In those areas where persons receive "surplus commodities only" through the stamp plan, welfare agencies are responsible for investigations of WPA "awaiting-assignment" cases and for cases eligible for the special public assistances and general relief who are not receiving such assistance. The lack of adequate staff in those areas where there are large waiting lists has made it increasingly difficult for the SMA to maintain its primary objectives, inasmuch as persons receiving free blue stamps can be declared eligible for them only after individual investigation has determined their lack of ability to purchase. See also ch. VI.

⁹ In many States, however, at least part of the cost of certifying for and distributing surplus commodities is met by the assignment of WPA workers to do this work.

ceed the total administrative costs of general relief.¹⁰ In those States for which detailed breakdowns are available the largest proportion of the certification costs was for the Work Projects Administration followed by those for the Surplus Marketing Administration except in North Dakota, where certifications to the Farm Security Administration were predominant.¹¹ Although in some of the Southern States the disproportionality may be due to the lack of availability of general relief, the burden of certification for Federal agencies is clearly apparent. Moreover, as the following analysis of the operations performed by the Philadelphia County Board of Assistance in the fall of 1940 indicates, operations in connection with Federal programs bulk large even in an agency administering a well-developed relief and assistance program:¹²

Work performed

	Estimated monthly number of cases
Certification of eligible workers to WPA and NYA; for the WPA programs includes the obtaining of affidavits of citizenship and of nonmembership in Bund and Communist organizations, and the designation of priority members in family.....	3,500
Notification to WPA of all cases discontinued for relief, changes in address, family composition, and amount of grant, to permit maintenance of WPA files on a current basis.....	15,700

¹⁰ In the period July 1 to December 1931, 1939, the relative administrative costs of general relief and certification to Federal programs in a number of selected States were as follows:

State	Reporting agency	Expenditures for administrative expense of general relief	Expenditures for certification to all Federal programs
Arizona.....	State Department of Social Security and Welfare.	\$39,280	\$40,345
Georgia.....	State Department of Public Welfare.	55,457	91,464
Idaho.....	do.....	19,370	47,029
Montana.....	do.....	46,753	71,232
North Carolina.....	State Board of Charities and Public Welfare.	72,970	173,891
North Dakota.....	Public Welfare Board.....	75,208	114,934

Information supplied by the Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board.

¹¹ A time study undertaken in North Carolina in October 1938, for example, showed for 8 counties that the allocation was as follows: old-age assistance, 24.5 percent; aid to dependent children, 13 percent; aid to the blind, 3 percent; WPA, 22 percent, NYA, 2 percent; CCC, 2.5 percent; general relief, 10 percent; other financial assistance, 2.5 percent; surplus commodities, 4.6 percent. (Reported at the American Public Welfare Association's 1939 Conference on Federal-State Relationships. See proceedings for afternoon meeting, December 7, 1939, ms., p. 5.)

In 1940-41, the staff of the Tennessee State Department of Institutions and Public Welfare devoted 62.2 percent of their time to activities in connection with the special public assistances and 37.4 percent to such other activities as CCC selections, certification for surplus commodities, WPA and NYA employment, and "investigations for other agencies including the selective service boards." (Stone, B. Douglas, "Four Years of Public Assistance in Tennessee," *The Tennessee Planner* [Tennessee State Planning Commission], II (September-October 1941), 240.)

¹² Data supplied by the agency.

Work performed—Continued

Estimated
monthly
number
of cases

Certification to WPA of cases eligible for WPA but not eligible for local relief because of nonresidence.....	100
Issuance of relief to workers assigned to WPA for three weeks after assignment (until receipt of first WPA check)	1,700
Acceptance of CCC applications from members of relief families and persons referred by other agencies ¹³	700
Certification to SMA of eligible assistance recipients for food-stamp plan.....	50,000

At the time of reporting, this city agency carried a load of 50,000 general-relief cases and 35,000 recipients of the special public assistances, roughly half of which were reviewed each month.

The local welfare agency which serves as a point of intake for Federal programs suffers not only because no compensation is received for this additional work. Perhaps even more serious is the fact that it must adapt its organization and staffing to the requirements of programs whose eligibility and other requirements change from time to time and over which it has no control. Thus, for example, every change in the WPA quota or in eligibility requirements involves additional administrative work for the cooperating local welfare agency.¹⁴ It is therefore in no position to develop an efficient administrative machine, since it does not know, not only from year to year but often from month to month, how much administrative work it will be called upon to perform.

The Local Employment Office as a Central Point of Access

There is one final objection to the use of the local relief agency as the major route for entry to contemporary public-aid programs. *It is highly questionable whether the local welfare agency is the appropriate*

¹³ Service includes personal interviews with applicants, special investigations, referrals for medical examinations, and responsibility for approval or rejection. Visiting staff of agency also advises relief families of advantages of the program.

¹⁴ If the change in WPA quotas is in an upward direction, more workers must be certified to WPA. If it is in a downward direction, a proportion of those laid off will seek general relief and require investigation. Moreover, changes in the eligibility requirements of the special programs, even when the total quota remains unchanged or changes but slightly, increase the administrative task of the general-relief agency. From July 1, 1939 to February 1, 1940, 1,089,000 certified project workers were dropped from their WPA jobs in accordance with the 18-months rule. During July and August 1939, dismissals for this reason amounted to nearly one-third of the total employed on July 1. To the local relief agency this policy involved the necessity of certifying immediately some other workers to fill gaps in the then existing quota, of recertifying those who again applied for employment on the expiration of 30 days, and of investigating those who were not reassigned and were compelled to seek public aid during the period between dismissal and reassignment. Although at first reassignments were impeded by the inability of the relief agencies to handle the large numbers applying and by simultaneous cuts in the WPA quotas, figures from representative areas suggest that by March 1, 1940, 77.3 percent of those dismissed during July and August 1939 had been recertified and 57.8 percent had been reassigned to WPA projects. A survey in 23 large and representative cities in February 1940 indicated that of the workers laid off in July and August, 11.6 percent were receiving relief. (*Work Projects Administration, Effects of the 18-Months Provision (Section 16 (b)) of the 1939 Relief Act*, Washington, June 20, 1940, pp. 1-2, and table II.)

unifying local agency for all programs. This is especially the case in regard to those programs such as the WPA, the CCC, and the NYA, eligibility for which is wholly or in large measure based upon the need for work or training. It would seem more logical with such programs to select as the central local certifying or referring agency one which could evaluate the needs of employable applicants by reference to labor-market conditions and their own experience and aptitude—the public employment office.

The situation has been all too common in which the relief agency, in directing young people to one or the other of the two Federal work programs for youth, was at least in part influenced by the consideration that, if enrolled in the CCC, a boy would contribute \$22 of his monthly \$30 to the support of his family, whereas, if employed on an NYA out-of-school work program, only 25 percent of his monthly earnings (which were in any case lower than those of the CCC) might be regarded as a resource of his family.

Not since 1936 have the employment offices played an important role in regard to the WPA. It might have been expected, since eligibility is restricted to employable persons and an attempt is made to assign workers so far as possible to tasks consistent with their previous work histories and capacities, that the determination of employability and the occupational classification of workers would be performed by the employment offices. For on the one hand their continuous contact with employers provides them with certain standards by which to determine employability, while on the other hand they have developed as a necessary adjunct to their own placement activities elaborate occupational classifications which are continually being corrected as a result of these employer contacts. Furthermore, since the function of the work programs is officially to maintain and provide work opportunity for the unemployed pending their reabsorption into private industry, it might be supposed that every effort would have been made to ensure that project workers were continually in touch with the public placement authorities.

In fact, however, as indicated above, the role of the employment service in relation to the major governmental work program is insignificant. Since 1936 the local offices have not served to any large extent as referral agencies for project employment.¹⁵ They do not classify workers occupationally with such employment in view, nor do they keep a continuous contact with workers engaged in project employment.

As the public-aid programs have expanded, and as increasing emphasis has come to be placed upon the

provision of something more than maintenance (specifically, upon employment opportunity and training for those who are normally dependent on wages), it is indeed surprising that so little use has been made of the public employment service as a local coordinating body.¹⁶ In consequence of the failure to utilize the agency in this manner, there is today no one center to which an employable applicant can turn to learn not merely of the availability of private employment but also of the various public services such as training and employment by the WPA, the CCC, and the NYA. Furthermore, since access to these work and training programs is not normally through the employment office, there is no inducement for many of the unemployed to maintain continuous registration. In consequence the employment service as a whole is unable to contribute as fully as would be desirable to the accumulation of knowledge concerning the supply of and demand for labor of different types and in different areas. For it is not today brought in contact with the entire work-seeking population.

Finally, under the present arrangement there is no assurance that referral to the various available "maintenance-plus" programs for the unemployed are made by reference to labor-market criteria rather than on the basis of need. Needy workers are not referred to training or various types of work programs by reference to their employment histories and to the need for developing or restricting the supply of certain occupational skills. It cannot be expected in these circumstances that decisions regarding the expansion and contraction of different types of program and the assignment of workers thereto will be made in the light of knowledge of the work experience and work needs of the unemployed and the nature of the demand for labor.¹⁷

Many reasons can be advanced to explain this failure to utilize fully an obviously appropriate public agency. In the first place, the Employment Service has not yet undergone the physical expansion that would enable it to fulfill this function in all parts of the country.

employment service in placing workers on work relief or other special projects has declined sharply, as indicated by the following table:

Fiscal year:	Workers placed on relief or other special work projects
1934	4, 204, 890
1935	402, 910
1936	2, 867, 531
1937	284, 930
1938	42, 546
1939	32, 474
1940	33, 414

Source: Information supplied by the Research and Statistics Division, Bureau of Employment Security, Social Security Board.

¹⁵ For some indication of the expanded role of the employment service since 1940, see ch. XII.

¹⁷ See ch. IX for a more detailed discussion of this situation in regard to the allocation of youth between available work programs.

¹⁵ Since the conclusion of the Civil Works Administration program, which was in operation from November 1933 through June 1934, and since the end of the first year of WPA operations, the role of the

There are still districts which are inadequately served by employment offices, and some which are not served at all.¹⁸ Secondly, at the time the WPA was getting under way, the Employment Service was in an evolutionary stage and was clearly unable to carry through the task of adequately classifying applicants for project employment and certifying to their employability with sufficient speed to meet the needs of the WPA. Hence it is not surprising that the latter agency found it necessary to develop its own machinery for this purpose.

Thirdly, since 1938 the Employment Service has been preoccupied with the pressing problems involved in administering the new unemployment compensation programs. This, however, is a reflection of the fact that the major part of the funds which have made possible the expansion of the Service since 1937 have been provided under the Social Security Act specifically for unemployment compensation purposes rather than under the Wagner-Peyser Act.

Finally, there is some evidence to suggest that part of the present inadequate exploitation of the coordinating potentialities of the Employment Service in connection with governmental work programs is attributable to a failure on the part of the local administrators of the programs concerned fully to appreciate the wider objectives of the two services and to develop adequate techniques of cooperation.¹⁹

Although historical reasons may thus account for the present situation, it is difficult not to conclude that *a major weakness in the administrative organization of public-aid programs is the failure to utilize the public employment service as the major coordinating body at the local level for all programs providing work opportunity or training for the employable unemployed.*

Burdens Upon Reporting Employers

The existence of a number of public-aid programs often administered by different agencies creates difficulties not only for administrators and applicants but also for the general public and especially for employers who are directly or indirectly touched by these programs. Good administration requires that employers who must make pay-roll tax returns or those who must be called upon to supply information essential to the evaluation of public policy and to the development of sound planning for public aid should be spared the annoyance of unnecessary or multiple reporting.

At the present time employers may well feel that

this objective has not been attained. Certainly the position of those who are subject to the old-age and survivors insurance and unemployment compensation tax provisions is not enviable. Because the former is operated on a Federal basis and the latter is a Federal-State program, employers must necessarily make at least three separate tax returns. Those who operate in more than one State must, in addition, make returns for unemployment compensation purposes in each such State. There is no possibility of simplifying their Federal tax reporting by making returns in duplicate, because the coverage of the Federal old-age and survivors insurance and the Federal unemployment compensation tax is not identical; the latter in turn is not identical with the coverage of the various State unemployment compensation laws. Even employers in the railroad industry are compelled to report for tax purposes to two separate agencies, since the Treasury collects taxes for the retirement program while the Railroad Retirement Board collects for railroad unemployment insurance.

In old-age and survivors insurance arrangements have indeed been made to relieve employers of direct reporting to two Federal agencies because the Treasury is responsible for tax collecting and the Social Security Board for keeping records of wage credits.²⁰ Nevertheless, difficulties may yet arise for individual employers, for although the legal definitions of coverage governing both agencies are identical, the two agencies have not always adopted identical interpretations of the law. Thus one agency may claim that an employer is in covered employment, and the other may rule that he is not. Nevertheless, although this possibility exists in regard to employers subject to both the old-age and survivors insurance taxes and to railroad employers, confusion from this cause appears to have been generally avoided through adequate clearance between the Federal agencies.²¹ Differences between the Treasury and the individual States in regard to interpretations of the coverage provisions relating to employers subject to State and Federal unemploy-

²⁰ Employers report only to the Treasury, which forwards a copy of the return to the Social Security Board in order that the appropriate credits may be posted to the accounts of covered workers.

²¹ In the case of old-age and survivors insurance reporting "the harmonizing of the decisions of the Board and of the Bureau of Internal Revenue has proved to be a delicate task—and success in it has been achieved in the main only by the Board's modest subordination of its views to those of the Bureau." (The Attorney General's Committee on Administrative Procedure, *op. cit.*, pt. 3, *Social Security Board*, p. 11.)

In regard to Railroad Retirement coverage, "although in one instance in the past, there was some difficulty when one agency reached a determination without consulting the other, and inconsistent decisions resulted which were harmonized only after a year's discussion, it is now the practice of each agency to submit its tentative conclusion to the other. Neither agency ordinarily issues its determination until an agreement has been reached (although neither agency has committed itself to this extent)." (The Attorney General's Committee on Administrative Procedure, *op. cit.*, pt. 8, *Railroad Retirement Board*, Washington, 1940, p. 46.)

¹⁸ See ch. IX.

¹⁹ See above under "Administrative Arrangements for Defining Clientele."

ment compensation taxes have been more numerous and less readily settled.

Employers as a group are called upon today by public agencies to provide a vast amount of data. In addition to routine reporting for tax collection and benefit computing purposes in connection with the social insurances, they are required at various times to furnish a variety of data incidental to the routine administration of other public-aid programs or to the compilation of statistical data essential for the evaluation of public policy. Questions as to the accuracy of reported earnings in connection with disputed insurance benefit claims or reports to workers of wage credits standing to their account may involve requests from Federal or State administrators for additional information from employers. A considerable number of the issues involved in the administration of disqualifications or disallowances under unemployment compensation laws involve employer participation. Many programs in which aid is given on proof of need also require reports from employers as to actual or suspected earnings of applicants or members of their households.²² Thus employers may receive such requests from the local welfare agencies in regard to applicants for public assistance, general relief, or WPA project employment and from the Work Projects Administration in pursuance of its annual check upon the continuing eligibility of persons employed on work projects. Even the old-age and survivors insurance program may necessitate the securing of this type of information from employers in connection with the determination of the dependency of aged parents.

Employers may also be requested by a variety of agencies to furnish information on their labor demands. It is quite possible for an employer to be interviewed or circularized for this purpose not only by the employment service but also by officials from the local welfare agency, the WPA, the Youth Personnel Division of the NYA, the CCC, local education authorities (either high-school or vocational-education), and more recently the Occupational Outlook Division of the Department of Labor.²³

When it is recalled that the furnishing of these data is additional to requirements arising out of Federal and State minimum wage and labor relations legisla-

tion, or in connection with the laudable attempt of Federal and State labor departments to compile a series of estimates relating to a variety of aspects of the labor market, such as the trends in employment and pay rolls, it is evident that our social legislation, including public-aid measures, makes heavy demands upon the cooperation of employers.

Absence of Over-All Policy Evaluation and Coordination

The existence of diversified programs for which responsibility is divided in different ways between the various levels of government has created one final problem of major importance. *It has become increasingly difficult to evaluate the various measures and to assure a coordinated and balanced development of policies and programs for the Nation as a whole.*

Few persons would probably dispute the desirability of ensuring that the various public-aid measures now in operation should be consistently and logically related both to one another and to a general over-all objective. Because the series of measures which form the subject of the present study has not yet been resolved into a rational whole, some needs are inadequately met, and some programs contain elements of contradiction with others. The reconciliation of conflict in major objectives and the strengthening and implementation of measures aiming to attain objectives decided upon, represent a fertile field of activity for those concerned with the formulation of over-all policy in the future. Added to this is the necessity for constant reexamination of objectives in the light of economic and social change. *The present administrative arrangements fail to provide adequately for this type of broad policy evaluation.*

A survey of agencies contributing to the formation of over-all policies reveals the inadequacy of our existing machinery. The social-security programs were indeed launched after a comprehensive study by the Committee on Economic Security, although, as pointed out earlier, the Committee had little to do with the planning of the works program. Since that time, however, the operating agencies have themselves been largely responsible for recommending changes in their programs. *No single body has been responsible for evaluating the composite of policies and programs operating at all levels of government.* The Bureau of the Budget has, it is true, the function of passing upon agency needs from the fiscal point of view. Where the President has enunciated definite and comprehensive policies, the functions of the Bureau are relatively clear-cut. The controlling factor in budget decision is then the extent to which requests made coincide with the announced or presumed policy of the President. But this is unfortunately not the case with regard to

²² In some localities (e. g., Pennsylvania) the obligation is compulsory through specific legislative requirement.

²³ Yet another agency should be added to the number visiting employers. In the United States Civil Service Commission, *Letter of September 1940*, (pp. 1-2) the 5,000 local representatives were instructed to study the Commissions' Consolidated List outlining positions for which "there is a particularly urgent need and are reminded that in many communities there are industrial plants whose managers can be consulted concerning available workmen of the type needed in defense agencies—each local agent representative would do well to canvass his local situation and set a quota for himself which he is determined to fill." No mention was made in the letter of the existence of the Employment Service.

the present conglomeration of public-aid measures. The absence of an adequate framework of national policies then forces a judgment which, although nominally made on fiscal grounds, necessarily reflects in part the social or political predilections of the review officer, and cannot take into account the long-run problems of policy upon which judgment is needed prior to its expression in fiscal terms.

The appropriations committees in the Congress must likewise make judgments based largely upon political and fiscal considerations. Valuable information is gained through the device of committee hearings in which legislators are enabled to obtain information from administrators and other experts upon the needs and purposes of the separate programs, but the objectives of this procedure are necessarily limited. The appropriations committee set-up does not permit a systematic and thorough examination of related programs directed toward meeting the common problem of economic insecurity by an expert body capable of dealing with the many complicated problems involved. It is unreasonable to suppose that a Congressional committee acting in a temporary capacity, with the chief purpose of passing upon proposals submitted to it, could probe adequately into the economic and social background to determine whether any given program is, in view of the existence of all other programs, the one which should be adopted. Nor are the appropriations committees today supplied with the necessary staffs and facilities to check up on the administration of legislation to determine whether the administrative machinery is actually realizing the objectives of the legislation.

It is true that under Title VII of the Social Security Act the Social Security Board is given responsibility for 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 and accident compensation, and related subjects. But the Social Security Board is an operating agency, which would face peculiar difficulties if it undertook to appraise the effectiveness of programs operated by others. It is indeed doubtful whether this function can properly and objectively be performed by any operating agency.

Within the special field of health, the Interdepartmental Committee on Health and Welfare has contributed toward the evaluation of Federal policies and directed attention to the existence of unmet needs.²⁴ It is, however, composed of representatives of operating agencies.

²⁴ See above under "Administrative Arrangements for Dealing" with Potentially Overlapping Functions.

The difficulties faced by the Executive and the Congress are enhanced by the lack of comparability of available statistical and other information pertinent to the evaluation of achievements in the field of public aid. There has been no single Federal agency which could put into effect even an approximation to uniform national reporting systems covering the entire public-aid field. The proliferation of public-aid programs and administrative agencies at all levels of Government has indeed been paralleled by a proliferation of data. But each agency collecting data has as its primary responsibility its own particular program or programs, and the data to be collected, the research undertaken, and the definitions employed have of necessity been determined primarily by the needs of each agency. In consequence, despite improved separate reporting systems, not only is there a lack of comparability between the different types of data collected but also, as this study has repeatedly shown, certain types of information essential to the evaluation of all the programs regarded as component parts of a whole have been neglected.²⁵

Much has been done, notably by the Work Projects Administration and the Social Security Board, to reduce the noncomparability of statistical series by cooperative action between the agencies. Moreover, the Division of Statistical Standards of the Bureau of the Budget (formerly the Central Statistical Board) has endeavored to avoid duplication and to promote greater comparability. But the present arrangements fail to achieve the desired objective in two ways. The Division, by its very nature is not a body possessing coercive power, and the arguments which the agencies can adduce for adherence to their own series and definitions are often compelling.²⁶ More important, however, is the fact that the influences which operate today are largely negative. Even if overlapping, noncomparability, and inconsistency in currently reported data were entirely eliminated, the problem of securing data relative to those aspects of public-aid policy which are not as yet a responsibility of any existing department, or which cut across the fields of operation of a number of agencies, is still largely unsolved. Only through continuous study of the whole picture will the existence of these gaps become evident and statistical data about them secured. At the present time no agency or body is charged with this function.

²⁵ For an account of some of the more important deficiencies in data regarding the number, location, and characteristics of public-aid recipients, as well as the level of living which public aid affords them and the extent of unmet need, see Somers, Herman M., "Adequacy of Data in the Field of Public Aid," *Journal of the American Statistical Association*, XXXVI (March 1941), 81-90. Cf. also ch. V above.

²⁶ For an account of the work and achievements of the Central Statistical Board in the period 1932-36, see Reynolds, *op. cit.*, pp. 94-106.