

PUBLIC WELFARE SYSTEMS
Report of the
VIRGINIA ADVISORY LEGISLATIVE COUNCIL
To
THE GOVERNOR
And
THE GENERAL ASSEMBLY OF VIRGINIA



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Public Welfare Systems
Report of the
Virginia Advisory Legislative Council

Richmond, Virginia

January 9, 1974

TO: HONORABLE MILLS E. GODWIN, JR., *Governor of Virginia*

and

THE GENERAL ASSEMBLY OF VIRGINIA

I. INTRODUCTION

In 1971, the General Assembly became concerned over the direction of welfare programs and expressed this concern by the adoption of House Joint Resolution No. 29 calling for a thoughtful study of the welfare system in the Commonwealth. This study was to determine what changes were to be made to strengthen the programs of public welfare and make these programs accountable to the people of the State. Because it was not possible to complete this study at its 1972 Session, the General Assembly of Virginia by House Joint Resolution No. 51, directed the Virginia Advisory Legislative Council to make a study of the public welfare system and the financing of public welfare programs. The text of the resolution is as follows:

HOUSE JOINT RESOLUTION NO. 51

Directing the Virginia Advisory Legislative Council to study the public welfare system and the financing of public programs.

Whereas, the General Assembly heretofore directed a study of welfare programs under House Joint Resolution No. 29 of the 1971 Session, but it was not possible to complete this study because the State on January one, nineteen hundred seventy-two would relieve the counties and cities of the cost of public assistance in certain specified programs; and

Whereas, it is of the utmost importance to provide adequate public assistance for Old Age Assistance, Aid to the Blind, Aid to the Permanently and Totally Disabled, Aid to Dependent Children and General Relief in order that those who are unable to provide for their own needs may be assisted by the cost of public welfare services is a major factor in State and local budgets, and these costs have tripled in the past decade and continue to rise at a rapid rate; and

Whereas, it should be the policy of the State and its localities to provide public assistance to the unfortunate, the poor and the sick and at the same time prevent abuses so as to control the cost of such assistance; and

Whereas, the time has come for a consideration of whether the requirements of the federal government in the field of public welfare are so burdensome as to make the operation of a proper welfare program well nigh impossible and attention should be given to how the State would fare should it decide to finance a public welfare program free of the controls of the federal government and of the funds that bring on such controls but avoid injustice and adverse effects upon the unfortunate; and

Whereas, it may be feasible and desirable for the State and localities to fund and administer a public welfare program without the funds and control of the federal government; now, therefore, be it

Resolved by the House of Delegates, the Senate concurring, That the Virginia Advisory Legislative Council is directed to make a study and report on welfare programs. It shall consider ways and means to provide the most effective public welfare programs and the feasibility and desirability of operating a public welfare program independent of federal funds and control. The Council may further consider all other matters in connection with the funding and administration of public welfare and public assistance programs and policies as it may consider pertinent: All officers and agencies of the Commonwealth and of its political subdivisions shall assist the Council in this study upon request.

The Council shall conclude its study and make its report to the Governor and the General Assembly not later than September one, nineteen hundred seventy-three.

The Council selected Senator James C. Turk, of Radford, a member of the Senate of Virginia and a member of the Council, to serve as Chairman of the Committee to make the initial study and report to the Council. Senator Turk later resigned from the Senate during the course of study and consequently participated no longer in the deliberations of the Commission. Senator Joseph V. Gartlan, Jr., of Fairfax, a member of the Senate of Virginia and a member of the Council, was appointed Chairman of the Committee by the Council to fill the vacancy created by Senator Turk's resignation. Selected to serve as members of the Committee with Senator Gartlan were Senator Howard P. Anderson of Halifax, Delegate Wyatt B. Durette, Jr., of Vienna, Mr. Ray C. Goodwin of Arlington, Dr. Edward W. Gregory, Jr., and The Reverend Carl L. Howard of Richmond, Delegate Thomas J. Michie, Jr., of Charlottesville, Mrs. Maude B. Shelor of Floyd, Delegate Frank M. Slayton of South Boston, Senator William A. Truban of Shenandoah, Senator Charles L. Waddell of Loudoun, and Senator Lawrence Douglas Wilder of Richmond.

The Committee organized and elected the Honorable Thomas J. Michie, Jr., Vice Chairman.

Early in its deliberations, the Committee concluded that, whatever the difficulties created by federal laws and administrative regulations in the efficiency and accountability of welfare administration, State laws, regulations and administrative policies presented ample opportunities for improvement in the public welfare system.

Unlike other similar studies, the Committee began to work with the Director of the Department of Welfare and Institutions and his staff to implement those changes which could be accomplished administratively and that would restore credibility to welfare administration in Virginia.

In keeping with the approach of seeking the involvement of those in the field, the Committee decided to create six special task forces composed of administrative and supervisory experts from local welfare departments around the State. These task force participants represented the geographical and population characteristics of the State, from rural Southside and Southwest to the urbanizing metropolitan areas of Virginia.

The Virginia Advisory Legislative Council and the Division of Legislative Services made staff and facilities available to carry out this study; they assigned the necessary employees to assist the individual members and the study group at all times. Mr. Robert W. Bendall was assigned by the Division of Legislative Services to serve as Committee Counsel.

Mrs. Karen C. Kincannon, Assistant Attorney General, aided the Committee in its work.

The Committee asked the Human Affairs section of the Division of State Planning and Community Affairs to assist in the study. With the support of Mr. Charles A. Christophersen, Director, Mr. Earl H. McClenney, Jr., Associate Director in charge of the Human Affairs section, served to coordinate the independent study of the six special task forces. Members of the Division of State Planning and Community Affairs coordinating staff were:

Ms. Linda Mays, State Planner and Task Force Coordinator

Mr. Steve Biehn, State Planning Assistant

Ms. Brenda Clarke, State Planner

Ms. Valerie Emerson, Senior State Planner

Mrs. Gail Nottingham, Community Affairs Representative

Mr. Robert Soter, Senior State Planner

Each of the six task forces was chaired by a recognized expert in the field of public welfare. The chairpersons were Mrs. Ann Carbaugh, Warren County Department of Social Services; Mrs. Frances Elrod, Virginia Beach Department of Social Services; Ms. Mary Hale, Richmond Regional Office, Department of Welfare and Institutions; Mrs. Dorothy Jordan, Wytheville Department of Social Services; Mr. Guy Lusk, Bureau of Financial Services, Department of Welfare and Institutions; and Mrs. Mary Alice Roberts, Roanoke Regional Office, Department of Welfare and Institutions.

During the Committee's fifteen months of study, the members spent considerable time and effort acquainting themselves in detail with the problems of trying to administer effective and efficient programs for those citizens of the Commonwealth who need financial assistance and social services to assist them in moving towards a better and more responsible quality of life.

Simply stated, the Committee's goal has been to get a bridle on the welfare monster so that in the discharge of our duties to the people of the Commonwealth we can assure them, as far as it is possible to do so in an imperfect world, we are helping the truly needy with maximum cost effectiveness.

It was recognized early after the Committee was established that the cooperation and support of the federal government would be necessary if improvements were to be made in the existing system. Because of this realization, a series of conferences have been held in Washington with the Secretary of The Department of Health, Education and Welfare and members of his staff.

As a result of the conferences with Department of Health, Education and Welfare officials, the Committee anticipates that the Department of Welfare and Institutions will be able to apply for and obtain waivers of federal administrative regulations which govern State welfare operation in the following three areas:

1. Use of one uniform standard of eligibility for participation in the public assistance and food stamp programs, thereby helping to eliminate program duplication, reduce errors by caseworkers, and improve the availability and accessibility of the program to the recipient.
2. Permission to delete certain administrative requirements related to the services programs, thereby reducing amount of administrative time and money consumed preparing these reports to send to Washington.

3. Opportunity to obtain from the Department of Health, Education and Welfare certain administrative waivers to allow for a Statewide test and demonstration of the "Lynchburg Project" which relates to uniform reporting, tracking and improved social services delivery.

The Committee also met with the Governor, who was instrumental in arranging meetings with officials in Washington, D.C., and his cabinet to make suggestions regarding areas that needed prompt attention to restore the confidence of the people of Virginia in the credibility of welfare administration.

The administration of welfare in the State of Virginia is closely tied to the performance of other agencies in the Commonwealth which affect persons who are a part of the welfare system. In many instances, the persons served by the Department of Welfare and Institutions are also served by the Department of Health, Department of Vocational Rehabilitation, Commission for the Visually Handicapped, Council on the Deaf, and the Department of Mental Health and Mental Retardation. It became obvious to the Committee that the full cooperation of the Office of the Secretary of Human Affairs would be necessary. A request was made to Otis Brown, Secretary of Human Affairs, to have his office present to us proposals that relate to the overall condition affecting his Human Affairs agencies and how they might be more closely coordinated and directed to provide the full range of services to those citizens in need, especially those on welfare. The Committee is still waiting the full report from the Secretary of Human Affairs. This report will be an important part of the on-going study of the Committee because it should relate quite closely to anticipated federal action in the area of Human Affairs.

Several years ago, the Department of Health, Education and Welfare initiated and sponsored legislation called the Allied Services Act. The purpose of this legislation, which has not yet become law, is to promote planning, coordination, and interagency funding of human services by strengthening the ability of the Governor's Office and the State Legislature to make decisions affecting these services which cut across agency lines. In order to accomplish this task, the proposed Allied Services Act permits the Governor to transfer federal funds from one State agency to another pending the recommendation of his department heads and the concurrence of the Legislature as appropriate within the existing State laws. The full report we expect to receive from the Secretary of Human Affairs might set the tone and outline the framework upon which the State of Virginia could begin responding to and implementing certain parts of the proposed Allied Services Act under the Human Resource concept.

The Committee held public hearings in the cities of Norfolk and Richmond and in the town of Abingdon. Many interested individuals, officials and representatives of organizations concerned with public welfare programs appeared before the Committee on these occasions and made suggestions and presented valuable information.

The Council considered the information and material before it, and now makes its report.

II. RECOMMENDATIONS AND RATIONALE

1. *THE COUNCIL RECOMMENDS* THE ESTABLISHMENT OF A WELFARE CLIENT INFORMATION SYSTEM. THIS SYSTEM PROPOSES COMPUTERIZATION OF THOSE ACTIVITIES PERFORMED BY LOCAL WELFARE OFFICES NECESSARY TO PROCESS APPLICATIONS AND MAINTAIN RECIPIENT RECORDS, AND REQUIRED DATA FOR THE ADMINISTRATION OF PUBLIC WELFARE, SOCIAL SERVICES AND MEDICAID PROGRAMS. THE WELFARE CLIENT INFORMATION

SYSTEM WOULD BE AN ON-LINE SYSTEM USING VIDEO DISPLAY TERMINALS LOCATED IN DESIGNATED CENTERS TO COLLECT DATA, VALIDATE ELIGIBILITY, CALCULATE BUDGET AMOUNTS, AND MAINTAIN A CENTRAL CLIENT DATA BASE. THE SYSTEM WOULD ALSO INCLUDE CENTRAL ISSUANCE OF CHECKS AND A CENTRAL PREPARATION OF MOST REPORTS. WHERE APPROPRIATE, LOCAL AGENCIES WOULD RETAIN PROVISIONS FOR MANUAL WRITING OF PUBLIC ASSISTANCE CHECKS ON AN EMERGENCY BASIS.

RATIONALE - A Statewide computer system would lend itself toward a more uniform and comprehensive reporting and retrieval system. It would also enhance the credibility of welfare programs, as a more accurate, responsive, and error-reducing accounting system would be possible. Cost data indicates a \$2,990,000.00 saving in operating costs under the centralized computer system versus operating under the current system. Cost reimbursement for Statewide computer information systems is handled in two different ways by the federal government under their rules and regulations. For the administrative side of the computer system, the cost reimbursement by the federal government is on a 50/50 basis, 50 percent State dollars and 50 percent federal dollars. For the other portion of the client information tracking system, that portion which relates to services, the reimbursement is on a 75/25 basis. Additional cost analysis of the above recommendation is found in Appendix C.

The Council is also assured that the Department of Welfare and Institutions will take the necessary steps to provide total and absolute security and confidentiality to all the data relating to the clients and to individuals in the implementation of this recommendation. This includes security and confidentiality both with regard to access from outside the system and with regard to internal access by employees and other persons authorized to receive or process data generated by this system.

2. *THE COUNCIL RECOMMENDS* THAT THE SECRETARY OF HUMAN AFFAIRS AND SECRETARY OF COMMERCE AND RESOURCES CREATE A TASK FORCE TO DEVELOP A COMMUNITY INTAKE SYSTEM WHICH WILL ALLOW FOR THE USE OF ONE OR TWO PERSONS TO RECEIVE AND/OR PROCESS ELIGIBLE APPLICANTS FOR ALL LOCAL AND STATE HUMAN SERVICES.

RATIONALE - Recipient contact for various services provided by human affairs and certain commerce and resources agencies (VEC) generates the duplication of eligibility and other intake data. This duplication is such that the recipient is shuffled physically from one geographical location to another. This is both costly and time consuming for agencies, and inconvenient for the recipient, especially where the intake procedures and office hours are different. Therefore, the administration of one intake process would eliminate cost, time, and inconvenience factors. In addition, it would simplify and perhaps eliminate some of the many forms required. The benefit in this case would be the cost avoidance obtained by reducing the number of staff needed to process the same recipient for the same data.

3. *THE COUNCIL RECOMMENDS* THAT THE SECRETARY OF HUMAN AFFAIRS AND THE SECRETARY OF COMMERCE AND RESOURCES AND THEIR APPROPRIATE AGENCIES DEVELOP COOPERATIVE INTERAGENCY CONTRACTS AIMED AT STRENGTHENING THE PROGRAMS CURRENTLY AVAILABLE FOR EVALUATING A WELFARE RECIPIENT'S CAPACITY FOR WORK AS WELL AS THOSE SERVICES DESIGNED TO ASSIST THE RECIPIENT IN OBTAINING EMPLOYMENT.

RATIONALE - Currently several State and local departments are involved in evaluating the welfare recipient's capacity for work. The individual recipient, shuffled from department to department, is never seen as a whole person with total needs. The recipient often loses interest in pursuing the service and "falls between the cracks" because of differing agency requirements. Service agreements between local and State departments delineating the roles of each agency involved would reduce the duplication of services and provide a channel for coordinated evaluation of recipient capacity. Such an evaluation would also serve as the basis for developing a training or work plan with that individual's capacity. Because the departments concerned have existing staff capacity, there will be no additional net cost involved in implementing this recommendation. Provision for purchase of services from other agencies as a package and/or under separate contracts is one way of arriving at a unified approach for evaluating recipient capacity for seeking and obtaining work. Additionally a well coordinated and thorough evaluation of client potential could provide:

- a. A data base for planning welfare and supportive programs;
- b. Data for interpretation to the public regarding the welfare population;
- c. Clear and factual knowledge of the individual characteristics of persons who apply for or receive assistance;
- d. A resource for communities wishing to develop work opportunities compatible with capability of Public Assistance applicants and recipients.

4. THE COUNCIL RECOMMENDS THAT EACH LOCAL DEPARTMENT OF PUBLIC WELFARE DEVELOP WITH EACH RECIPIENT A MUTUALLY AGREED UPON PLAN AIMED AT OBTAINING EMPLOYMENT FOR THE RECIPIENT OR FOR IMPROVEMENT IN HIS FAMILY RELATIONSHIPS. FAILURE ON THE PART OF THE RECIPIENT OR THE LOCAL DEPARTMENT TO MEET THE TERMS OF THE PLAN WOULD BE EVALUATED BY THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS FOR CORRECTION OF DEFICIENCIES AS PART OF THE COMPREHENSIVE EVALUATION BY THE DEPARTMENT OF WELFARE AND INSTITUTIONS OF EACH LOCAL DEPARTMENT OF PUBLIC WELFARE.

RATIONALE - Local departments of public welfare need to strengthen their emphasis on the recipient's responsibility to use all the resources available to improve his life situation. A simple plan stating both the local agency's and the recipient's mutually agreed upon expectations would take into account the individual recipient's capabilities for work and the agency's capacity to provide assistance in obtaining employment for its recipients. Furthermore, such plans are an integral part of the management review of service delivery programs provided by each local welfare department.

5. THE COUNCIL RECOMMENDS THAT THE DEPARTMENT OF WELFARE AND INSTITUTIONS, AT ITS REGIONAL LEVEL, DEVELOP A STATEWIDE INFORMATION AND TRAINING PROGRAM FOR MEMBERS OF LOCAL WELFARE BOARDS PRIOR TO AND DURING THEIR APPOINTMENT.

RATIONALE - The task force members, most of whom are local administrators, expressed the very urgent feeling that many of their board members were overwhelmed by the complexities of State and federal regulatory and administrative procedures. It was felt that the State Department of Welfare and Institutions through its regional offices would sponsor and carry out an ongoing seminar and workshop training program for

local boards. The Department of Welfare and Institutions anticipates no cost to carry this out, since their budget request for 1974-76 asks for two training officers who could carry out this responsibility in cooperation with the locality.

6. **THE COUNCIL RECOMMENDS THAT THE CODE OF VIRGINIA, SECTION 63.1-39, BE AMENDED TO SET THE MANDATORY AGE LIMIT OF 70 YEARS OF AGE FOR APPOINTMENT TO OR SERVICE ON A LOCAL WELFARE BOARD.**

RATIONALE - The Council noted that a number of local welfare board members are of advanced age. While the Council recognizes that age does not always determine the ability to serve, there is a need to continue to bring in new persons in the community and allow them the chance to serve and contribute to the improved operation of local departments of public welfare.

7. **THE COUNCIL RECOMMENDS THAT THE BOARD OF THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS, THE DEPARTMENT OF WELFARE AND INSTITUTIONS, AND THE STATE DIVISION OF THE BUDGET WORK JOINTLY TO INITIATE REVISIONS TO THE BUDGET PROCEDURES FOR LOCAL DEPARTMENTS OF SOCIAL SERVICES AND THE DIVISION OF GENERAL WELFARE. THE GOAL OF REVISION IS TO CREATE A BUDGETARY PROCESS WHICH WILL ESTABLISH A PLANNING BASE FOR PUBLIC WELFARE PROGRAM OPERATIONS IN VIRGINIA.**

Revision should include the following:

(1) *Current program assessment*: A narrative and statistical summary of operations in local departments and the State Department should be completed for review by the appropriate office at the local or State level.

(2) *Statement of goals and of objectives*: To support budget preparation, local departments and the State Office should be required to develop specific and measurable goals and objectives placed in priority order for utilization in budget preparation. Development of Statewide program goals and objectives should be a joint effort of local and State personnel.

(3) *Program reduction*: Each local department and the State Department should be required to review in writing all programs in which personnel or funding might be reduced.

(4) *State budget preparation instruction letter*: This letter should be prepared utilizing information obtained from steps identified above and distributed to local departments in time for use in preparation of local budgets not later than December 15, preceding the next fiscal year.

(5) *Budget content*: Budgets prepared for presentation to local governing bodies and the State Division of the Budget should include the following:

- (a) A statement of goals and objectives by program in priority order.
- (b) A breakdown of personnel and fund allocations by program or activity (e.g. Child Protective Services).
- (c) A description of the program or activity budgeted for.
- (d) A detailed statement of additional personnel or funds which are required. Included as a part of the justification for new personnel or additional funds should be a statistical and narrative description of what is being accomplished with existing personnel or funds and what the impact of additional personnel or funds will be.

RATIONALE - The Council felt that the budget process as now practiced by the local and State governments did not provide adequately for the budget's use as a program planning base. Further, it did not provide any planning guidance since most large localities prepare local budgets prior to receipt of any instructions from the State Department of Welfare and Institutions. A revised and coordinated budget preparation would assist local and State administrators in planning efforts. In addition, information outlined above would enable local governing bodies and the Legislature to more effectively deliberate on welfare program needs in Virginia.

8. *THE COUNCIL RECOMMENDS* THAT THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS MAKE PERIODIC COMPREHENSIVE REVIEWS OF THE TOTAL LOCAL WELFARE DEPARTMENT PROGRAM, LEADING TO STATE SUPERVISORY ACTION IN REQUIRING THE LOCAL ADMINISTRATIVE AUTHORITY TO COMPLY WITH STATE STANDARDS FOR BOTH PUBLIC ASSISTANCE AND SERVICES PROGRAMS AS WELL AS LOCAL AGENCY ADMINISTRATION.

RATIONALE - In a locally administered State supervised program it is highly important that there be a periodic comprehensive study of all local welfare departments as to their effectiveness and compliance with laws and State standards. To assure Statewide program effectiveness this should be a carefully structured process carried out throughout the State on an ongoing basis and not just when specific weaknesses come to light. There needs to be assurance that quality services are being administered and rendered for the consumer regardless of geographical location or size of agency. The Department of Welfare and Institutions has requested staff in its budget for the 1974-76 biennium that will enable the Department to carry out the federal-State mandate to effectively supervise and monitor local operations. Cost involved in this program amounts to approximately \$219,000.00.

9. *THE COUNCIL RECOMMENDS* THAT THE STATE BOARD OF WELFARE AND INSTITUTIONS DIRECT THE DEPARTMENT OF WELFARE AND INSTITUTIONS TO DEVELOP A PROCEDURE WHEREBY THE DEPARTMENT SHALL FORWARD TO ALL LOCAL DEPARTMENTS OF PUBLIC WELFARE (1) PROPOSED STATE POLICIES PRIOR TO CONSIDERATION BY THE BOARD AND (2) STATE ADMINISTRATIVE INTERPRETATIONS OF POLICY ISSUED BY THE DEPARTMENT. PROPOSED POLICIES SHOULD BE SENT OUT WITHIN A REASONABLE TIME IN ADVANCE OF CONSIDERATION BY THE BOARD. STATE ADMINISTRATIVE INTERPRETATIONS SHOULD BE DISTRIBUTED WITHIN A REASONABLE TIME AFTER ISSUANCE. THE COUNCIL WOULD SUPPORT ANY PROPOSAL THAT WOULD GIVE LOCALITIES A WAY TO RESPOND TO PROPOSED CHANGES IN STATE POLICY OR REGULATIONS WITHIN A SET NUMBER OF DAYS (e.g. 30 DAYS). THE COUNCIL WOULD ALSO SUPPORT AN AMENDMENT TO THE ADMINISTRATIVE AGENCIES ACT (TITLE 9, CHAPTER 1.1 OF THE CODE) WHICH WOULD REQUIRE PUBLICATION PROCEDURE PRIOR TO IMPLEMENTATION OF NEW WELFARE POLICIES.

RATIONALE - As decisions are now made, there is no mechanism which allows local departments of public welfare a chance to respond to State policies and procedures. It is felt that if local departments of welfare had the opportunity to study and respond to proposed policies prior to implementation that deficiencies in such would be detected earlier. It is also imperative that there be a procedural mechanism for distributing State administration interpretations to localities as soon as possible after issuance.

10. *THE COUNCIL RECOMMENDS* THE ADOPTION OF A NEW WORK RULE REQUIRING WELFARE CLIENTS TO REGISTER FOR

WORK AND ACCEPT EMPLOYMENT. BEFORE A WORK RULE IS ENFORCED, ADEQUATE TRANSPORTATION AND DAY CARE MUST BE PROVIDED WITHIN THE EXISTING FINANCIAL CAPABILITIES OF THE COMMONWEALTH. LEGISLATION SHOULD ALSO BE REFINED TO MANDATE THE VIRGINIA EMPLOYMENT COMMISSION TO LOCATE EMPLOYMENT FOR WELFARE RECIPIENTS. THE LOCAL DEPARTMENT OF WELFARE SHOULD THEN BE RESPONSIBLE FOR INSURING THAT THE RECIPIENT FOLLOWS THROUGH WITH THE EMPLOYMENT PLAN.

RATIONALE - In 1967, the State Department of Welfare and Institutions implemented a state work rule for public assistance recipients. The federal district court in 1971, in the case of *Woolfolk v. Brown*, enjoined the State from enforcing this work rule and from implementing any substantially similar requirement. The basis for the holding was that the federal Work Incentive Program is preemptive of any State work rule. That case was appealed to the Fourth Circuit Court of Appeals which upheld the lower court's decision; petition for certiorari to the United States Supreme Court was denied.

In 1972, the Legislature passed Senate Bill 84, an amended State work program. The Department of Welfare and Institutions proceeded to implement these provisions. Plaintiffs again brought suit under the *Woolfolk* holding, and the federal district court extended its prior injunction to prohibit enforcement of Senate Bill 84 and any other similar provisions. It also found the State official defendants in civil contempt in violation of its former ruling.

Following these two decisions, the United States Supreme Court handed down the *Dublino* decision, involving a work rule in New York State. There, the Court held that the WIN program is *not* preemptive of a state work program. It remanded the case to the lower court to determine whether the provisions of the particular New York rule were consistent with the Social Security Act. That case is still in progress in the district court, but no objections to the New York rule have yet been raised and the New York Attorney General's Office is prepared to move for summary judgment.

The holding of this case is obviously inconsistent with Judge Merhige's ruling in the *Woolfolk* case and, at least in part, overrules that decision. On this proposed legislative action, the State is in a position to return to court under *Woolfolk* with another work rule proposal and to seek to have that injunction removed in order to implement such a program.

An alternative solution to Virginia's work rule dilemma would be to develop a new work program patterned after the New York legislation. This the Council recommends. Therefore, based on the attached legislation for a new work rule, the Committee further recommends that the State Department of Welfare and Institutions return to the Federal District Court with a new work rule and seek to have the current injunction removed which enjoins the State from enforcing a work rule.

11. *THE COUNCIL RECOMMENDS THAT THE DIRECTORS OF THE DEPARTMENT OF WELFARE AND INSTITUTIONS AND THE DEPARTMENT OF HEALTH STUDY THE FEASIBILITY OF AND COST FACTORS INVOLVED IN THE INCLUSION OF THE STATE LOCAL HOSPITALIZATION PROGRAM IN THE VIRGINIA MEDICAL ASSISTANCE PROGRAM WITH COMPARABLE ADMINISTRATIVE AND ELIGIBILITY CRITERIA FOR THOSE FORMERLY ELIGIBLE FOR STATE LOCAL HOSPITALIZATION.*

RATIONALE - The State Local Hospitalization is a program for the medically indigent who are not currently eligible for the Virginia Medical Assistance

Program. Funding for State Local Hospitalization is 50% State and 50% local dollars with State dollars distributed on a population basis. Current administration of the program is so arbitrary that localities are permitted great latitude in establishing standards of eligibility. In some localities, no local funds are appropriated, hence the program is not available. If the program were made available on a uniform and equitable basis across the State, it would prevent many persons who are considered "working poor" from having to rely initially upon the public welfare system to alleviate their medical problems in a time of crisis. This would save the State money and would potentially reduce the dependency of a large number of people on the public welfare system.

At the same time this disparity provides a disincentive to persons already on welfare. Specifically, when a person gets off welfare, he loses the Medicare benefits. The client therefore knows that the State Local Hospitalization program is not as good as the Medicare program and will, given the most practical economic alternative, choose to stay on welfare.

12. *THE COUNCIL RECOMMENDS* IMPLEMENTATION OF A STATEWIDE FLAT ALLOWANCE PAYMENT SYSTEM FUNDED AT 100% OF NEED WITH A CEILING PLACED ON THE MAXIMUM GRANT AFTER FOUR CHILDREN. ALSO INCLUDED IN THE STATEWIDE FLAT ALLOWANCE SYSTEM WOULD BE REGIONAL VARIATIONS FOR SHELTER.

RATIONALE - A flat allowance system provides for a single dollar amount which represents the total needs of a family of a particular size. From this total dollar amount of need is subtracted the individual's income in order to arrive at the amount of payment. Since the cost of living, primarily as reflected in the cost of shelter, varies so markedly from one part of the State to another, we are proposing that the flat allowance not only reflect the size of the family but the cost of shelter in the particular locality.

For approximately two years, consideration has been given to the possibility of adopting flat allowances, in lieu of individualized circumstance items, in determining eligibility for public assistance as a means of simplifying the eligibility process and thus reducing errors. Under the present system of determining eligibility for public assistance, an eligibility technician is required to develop an assistance plan for each assistance unit. Developing the assistance plan is complicated because the State regulations specify at least fourteen (14) special circumstance items which must be evaluated and then excluded or included on a case by case basis in determining the amount of the public assistance grant to be awarded.

This calculation requires the eligibility technician to make determinations based on judgment and regulatory guidelines, which involve over one hundred decisions relating to needed items such as telephone, laundry, household furniture, and other items. See Appendix D.

The likelihood of errors is obvious and it is in this area that the greatest numbers of errors are found. *The flat allowance eliminates the necessity of determining needs on an individual basis and thus reduces errors.*

Errors which can be expected to be eliminated or drastically reduced amount to approximately 18% of all overpayment errors and 44% of underpayment errors disclosed through quality control reviews. It is natural to assume that further reductions in errors will take place because the flat allowance system will permit more time for concentration on other eligibility factors.

The cost of going from the present system of determining the public assistance grant to the proposed flat allowance system has to be viewed in this

light. If the Legislature appropriates sufficient funds, based on Departmental requests, to meet 100% of the stated need, the flat allowance would increase the individual recipient's grant by about \$16.00 (i.e. from \$48.15 to \$64.64). This increase would be offset by the anticipated savings resulting from computerization and reduction of the error rate.

If the Legislature does not appropriate sufficient funds to meet the Department's request, then the flat allowance will essentially accomplish the goal of reducing errors and overpayments, but will do nothing for the recipient in meeting the cost of living and housing as explained in the recommendation and in the appendix of this report.

There will be increases and decreases in the amount of money received by a recipient whether or not the Legislature appropriates sufficient funds based on the Department's request. If the appropriation is less than requested, the amount of increase will be less.

13. *THE COUNCIL RECOMMENDS THE ESTABLISHMENT OF A CHILD SUPPORT INVESTIGATION AND ENFORCEMENT UNIT WITHIN THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS. THIS UNIT WOULD BE STATE-ADMINISTERED, HAVING A CENTRAL OFFICE AND SEPARATE STAFF LOCATED IN THE STATE DEPARTMENT, WITH FIELD OFFICES THROUGHOUT THE STATE ON A REGIONAL BASIS AND IN LARGE METROPOLITAN AREAS. THE FUNCTIONS OF THIS UNIT ARE: TO INVESTIGATE THE POTENTIAL FOR CHILD SUPPORT IN ALL AFDC CASES WITH AN ABSENT PARENT; TO LOCATE ABSENT PARENTS WHOSE WHEREABOUTS ARE UNKNOWN; TO SECURE VOLUNTARY SUPPORT WHEREVER POSSIBLE, WITH PROPER AUTHORITY TO COMPROMISE CHILD SUPPORT CLAIMS WITH AN INDIVIDUAL'S ABILITY TO PAY; TO ADMINISTRATIVELY ENFORCE SUPPORT BY CIVIL PROCEDURES SUCH AS GARNISHMENT AND ATTACHMENT, WHERE VOLUNTARY SUPPORT IS NOT OBTAINED; TO PREPARE AND REFER APPROPRIATE CASES TO THE COMMONWEALTH'S ATTORNEYS FOR PROSECUTION; TO FOLLOW UP ON ALL CASES TO DETERMINE IF THAT SUPPORT AGREED UPON VOLUNTARILY BY THE PARENT OR ORDERED BY THE COURT IS BEING MADE. THE PAYMENT OF PUBLIC ASSISTANCE SHALL CONSTITUTE A DEBT TO THE COMMONWEALTH, AND THE STATE SHALL BE SUBROGATED TO THE RIGHTS OF THE CHILD TO ENFORCE THE PARENTS' OBLIGATION OF SUPPORT. SUPPORT PAYMENTS SHALL BE PAID DIRECTLY TO THE DEPARTMENT RATHER THAN THE FAMILY, AND THE FAMILY WILL RECEIVE A FULL PUBLIC ASSISTANCE GRANT REGARDLESS OF THE AMOUNT OF SUPPORT*

TO ASSIST THIS UNIT, THE COUNCIL RECOMMENDS THE ESTABLISHMENT OF FOUR ADDITIONAL POSITIONS OF SPECIAL ASSISTANT ATTORNEY GENERALS LOCATED IN THE REGIONAL OFFICES OF THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS.

RATIONALE - Under the present system, minimal attention is paid to the enforcement of support obligations by absent or deserting parents. Non-support represents a low priority for the courts, Commonwealth's Attorneys, police, and welfare agencies, but a major problem State and nation. One of the reasons for this situation is that none of the agencies previously mentioned is properly staffed to perform this task. Furthermore, the burden that is placed on the caseworkers of the social service agency by having them try to enforce non-support petitions is onerous and puts them in a conflicting

role. On the one hand they are the helpers, and on the other they investigate and punish.

The objective of this recommendation is to provide the Department of Welfare and Institutions with an effective means of investigating and enforcing the responsibilities of absent parents to support their children in order that the Department will not solely carry that responsibility in the future. Federal law requires the Department to maintain a program of securing support from absent parents and of establishing paternity of children receiving assistance. This is presently being done largely at the local level by the individual caseworker who has neither the skills nor the tools to undertake this task. Thus, many non-support cases are never pursued. Those cases which are pursued are inadequately prepared and frequently never prosecuted. Follow-up of cases in which support has been ordered is minimal unless the recipient brings this matter to the agency's attention. In addition, assistance must be adjusted periodically based upon the actual amount of support received by the family.

In the Springs of 1971 and 1973, the Bureau of Research and Reporting of the Department of Welfare and Institutions conducted sample characteristics studies for the Department of Health, Education and Welfare of the January AFDC caseloads throughout the State. In January, 1971, 82.5 percent of all AFDC families had the father absent from the home, with 39.8 percent not married to the mother and 18.1 percent having deserted the family. The 1973 study indicates that 59.6 percent of the fathers could not be located. No paternity data is available from either study. Only 12.5 percent of all AFDC families in January, 1973, received any support payments from the absent father.

Under this proposal, the Child Support Unit removes all responsibility for the collection of child support from the local agency. A full grant is paid the recipient, who assigns her support rights to the State, and the State assumes responsibility for collection. Each case with an absent parent is referred to the Child Support Unit for investigation, location of the parent, voluntary collection and administrative enforcement, or, as a last resort, court action; and for monitoring of all payment records. The Honorable Caspar W. Weinberger, Secretary of the Department of Health, Education and Welfare, has reported that the amount of support collected by this method in other states has far offset the cost of collections, which ranged from 6 cents per \$1 collected to a high of 22 cents per \$1 collected. It appears clear that the returns will, at a minimum, be sufficient to cover the on-going costs of operating such a unit. The value is inestimable in terms of enforcing the parents' duty to support his child rather than merely having the State assume his responsibility for him through taxpayer dollars.

Because the issue of non-support is a very controversial one, the Committee felt that it was absolutely essential to compile as much data on this subject as possible. Members of the staff to the Committee had an opportunity to visit with welfare officials in California to review in some detail the operations of the system there and more importantly to judge the experience and the opinions of many of those who have responsibility for carrying out the California welfare program. It was observed that significant emphasis is placed on the number of cases which produce a substantial return for the effort expended.

Several members of the Virginia Welfare Study Committee noted that among the Commonwealth's Attorneys in Virginia, the prosecution of non-support cases frequently takes a low priority. A similar experience occurred in California until such time as the California law was amended to

allow the local district attorney's office in that state to receive partial reimbursement for its efforts. Because California is a heavily-populated state, when the local district attorney vigorously pursued non-support cases, he found that the return permitted by the state for the prosecution of these cases frequently allowed him to pay for the operation of his office.

The Committee has examined the California system and has analyzed the material on file. In the course of its future work, the Committee may wish to consider additional recommendations in line with the California approach to the non-support issue.

RECOMMENDS THAT LEGISLATION BE ENACTED TO REPEAL SECTION 63.1-237 OF THE CODE OF VIRGINIA, RELATING TO THE FINAL ORDER OF ADOPTION.

RATIONALE - This Code section allows the validity of any final order of adoption to be subject to attack in any proceedings, collateral or direct, for six months next following the entry of such order. Prolonged court cases can greatly affect the emotional stability of the child, the natural parent, and the adoptive parent. Eliminating the six month waiting period after the final order of adoption should save the time of local and State personnel and court costs.

15. THE COUNCIL RECOMMENDS THAT THERE BE PROVISION FOR A STATISTICAL REGISTRY OF ALL CASES OF NEGLECT OR ABUSE OF CHILDREN AND ADULTS TO BE LOCATED IN THE STATE DEPARTMENT OF WELFARE AND INSTITUTIONS.

RATIONALE - Cases of neglect and abuse of children and adults are not always reported because there is no coordination of reporting. In their present situation localities cannot get information as to whether or not a particular case of neglect or abuse has been reported any place within the State or with another agency. By having one centralized reporting place in the Department of Welfare and Institutions, the Committee feels that there would be (1) more recording of cases and (2) accumulation of information relative to neglect and abuse cases could be filtered down to the other human resource agencies working with these cases.

16. THE COUNCIL RECOMMENDS THAT LEGISLATION BE ENACTED TO AMEND SECTION 63.1-123 OF THE CODE OF VIRGINIA TO PROVIDE A MEANS TO WITHHOLD FUNDS FROM LOCALITIES WHICH FAIL TO PROVIDE STAFF TO RENDER SERVICES AS REQUIRED BY STATE AND FEDERAL STANDARDS.

RATIONALE - Over the past several years, a number of study commissions, including the Rural Affairs Study Commission and the Virginia Housing Study Commission, have found and evidenced data that there are disparities in services, income and resources between the metropolitan and rural areas of the State. It was also the finding of this Committee through its public hearings and the combined experience of the task force members from both rural and urban departments that the ability to pay for social and welfare services created a disparity with regard to the availability of monies to carry out federal and State standards required by the Social Security Act.

It was also noted that people would move from rural areas to metropolitan areas where the payments received and the services rendered were greater in total than those provided by many of the rural localities. In many cases, it was found that the lack of available services in non-metropolitan areas resulted from the fact that local boards and local administrators were not carrying out to the extent possible the minimum requirements of federal and State legislation. Therefore, many persons who would have remained at home, had there been adequate services and income payments, moved to the metropolitan

areas where there was a greater effort being made to provide services and income payments.

The combined impact of the decision by some localities not to provide the minimum level of services is that persons often reach a state of need and dependency that is likely to be more permanent and of longer duration than if they had received the necessary services and income payments at the time they applied. Data from the Department of Welfare and Institutions suggests that persons normally stay on AFDC caseloads on an average of two and a half years. It would follow then that if we could encourage more non-metropolitan localities to meet the minimum federal and State standards as required by law we might further prevent and thus reduce the dependence of these clients upon public welfare programs.

In addition to creating a situation of equity in services and income payments throughout the State, this Committee feels the implementation of this recommendation will develop a more uniform base with regard to the prevention of dependence and would consequently help to save State money by keeping people off welfare.

17. THE COUNCIL RECOMMENDS A SUBSIDIZED ADOPTION PROGRAM FOR CHILDREN WITH SPECIAL NEEDS.

A "CHILD WITH SPECIAL NEEDS" SHALL MEAN ANY CHILD WHO HAS SPECIAL NEEDS BECAUSE OF A HANDICAP TO PLACEMENT FOR ADOPTION BY REASON OF HIS PHYSICAL, MENTAL OR EMOTIONAL CONDITION, RACE, AGE, OR MEMBERSHIP IN A SIBLING GROUP.

RATIONALE - Many handicapped and disabled children stay in foster care their entire lives. In many cases, the foster home parents and others, who would like to adopt these children, are not financially able to pay for the heavy cost of caring for an additional child. Experience has shown that when there is a stable environment where the child belongs, then many of the mental and physical problems are reduced. Furthermore, the average foster care payment for board is \$108.00 a month or \$1,296.00 a year per child. Since many children remain in foster care for many years or their entire lives, foster care is presently an expensive program. Their board payment does not include the cost of providing casework services, clerical services, and travel expenses. Twenty-six states now have subsidized adoption. All states which have a subsidized adoption program pay no more than foster care rates and the subsidy tends to be less and for a shorter period than foster care. Subsidized adoption does not require the expenditure for casework services. Additionally, the administrative costs are considerably less than foster care.

18. THE COUNCIL RECOMMENDS THAT THE VALC COMMITTEE TO STUDY PUBLIC WELFARE CONTINUE IN EXISTENCE TO STUDY FURTHER MATTERS RELATING TO THE ADMINISTRATION OF PUBLIC WELFARE WITH A VIEW TOWARD MAKING RECOMMENDATIONS FOR ADDITIONAL IMPROVEMENTS AS NEEDED.

RATIONALE - The scope and complexity of the problems confronting the Committee prevented a thorough examination of every facet of the public welfare system. Extremely important areas which require further examination include issues in personnel administration, merger of small local departments of public welfare, the possible separation of the Department of Welfare and Institutions into two separate agencies, the provision of a single Statewide licensing agency, more uniform applicability of the General Relief program, improvement of the different types of administrative structure for local departments of welfare, provision of protective services program for adults unable to protect themselves, and a more thorough examination of the

feasibility of a Statewide human services delivery system involving all State human service agencies.

The human service approach is particularly important in light of our discussions with the officials of the Department of Health, Education and Welfare in Washington. The Office of Management and Budget and the Social and Rehabilitation Service Administration have expressed their intentions to re-submit to Congress for consideration the Allied Services Act which was explained earlier. This is particularly important to the Commonwealth of Virginia as we have had the opportunity during the last three years to receive funds from the Department of Health, Education and Welfare to test and evaluate the planning concepts embodied in the Allied Services Act, specifically the development of capacity in the Governor's Office to respond to human service agency problems, issues and needs in a more coordinated way at both the State and local level. Throughout this process, the primary goal in Virginia has remained the same: achievement of improved human affairs policy development and program coordination in the Governor's Office and in the legislative arena. Therefore, it is of utmost importance to continue exploring this and other approaches to improving human affairs policy throughout the Commonwealth.

While we feel that our recommendations, if implemented, will significantly improve the administration of public welfare, further consideration of these related areas is demanded. This Committee should be continued in existence to pursue its study and to supervise the implementation of its recommendations.

IV. CONCLUSION

The study of public welfare is a very complex task. The Committee has reported what it believes to be a very important first step in the long and continuous task of studying the system of public welfare in Virginia. As our facts continuously revealed, public welfare is not and cannot be seen as a separate system. It is totally interrelated with other governmental activities and with the general economic climate of the State.

The Committee uncovered a substantial amount of material that explodes or at least alters some of the myths which surround the public welfare program and its recipients. The fact remains that, clichés notwithstanding, the restoration of public confidence in the welfare system, which this Committee perceived as the objective of its recommendations, is vitally essential to the preservation of the system itself.

The bulk of the recommendations represents a very hard and difficult look at the responsibility of the State and the welfare recipient. This approach is important because the Committee felt a deep responsibility to the citizen/taxpayer, as well as to the recipient. Our recommendations provide for an acceptable accountability of the public welfare system to the citizen/taxpayer, as well as the truly needy recipient.

The Committee heard evidence that supports a major theme: the development of the recipient's capability for seeking and obtaining work as a most acceptable solution to the welfare problem. This finding is reflected in the recommendation mandating the provision of a work rule, and is strengthened by other recommendations calling for the necessary supportive and coordinative services from the Secretary of Human Affairs and the Secretary of Commerce and Resources.

The Council felt the compelling necessity to restore public confidence in the administration of its public welfare system. The recommendations dealing

with computerization and flat allowance will increase substantially the savings to the Commonwealth and her taxpayers through a reduction in the rate of errors.

In its continuing study the Council wishes to pay close attention to the numerous and complex problems of medical and health services, personnel administration, licensing and management improvement and client responsibility. To this end the Committee makes this first report and urges its full adoption.

We wish to thank the members of the Committee and all those who gave so much of themselves for contributing their time, efforts and talents to the conduct of this study.

Attached is the necessary legislation to carry out the recommendations contained in this report, and we respectfully urge passage thereof by the General Assembly.

Respectfully submitted,

Lewis A. McMurrin, Jr., *Chairman*

Willard J. Moody, *Vice Chairman*

Russell M. Carneal

Joseph V. Gartlan, Jr.

Jerry H. Geisler

Arthur R. Giesen, Jr.

Edward E. Lane

C. Hardaway Marks

Stanley A. Owens

William V. Rawlings

D. French Slaughter, Jr.

James M. Thomson

Lawrence Douglas Wilder

Edward E. Willey

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APPENDIX A

Senate Joint Resolution No.....

Expressing the sense of the General Assembly to encourage the Department of Welfare and Institutions to establish a computerized welfare client information system.

Whereas, computerization of those activities performed by local welfare offices necessary to process applications and maintain recipient records, and required data for the administration of public welfare would greatly improve the current system; and

Whereas, a statewide computer system would lend itself toward a more uniform and comprehensive reporting and retrieval system; and

Whereas, a computer system would enhance the credibility of welfare programs, as a more accurate, responsive, and error-reducing accounting system; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the sense of the General Assembly is one of supporting the establishment of a statewide computer system on welfare client information by the Department of Welfare and Institutions.

#

A BILL to amend and reenact §§ 63.1-92 and 63.1-120, as amended, of the Code of Virginia, relating to reimbursement to localities by the State for administrative expenditures incurred by the localities in connection with the providing of assistance grants; how public assistance grants paid.

Be it enacted by the General Assembly of Virginia:

1. That §§ 63.1-92 and 63.1-120, as amended, of the Code of Virginia are amended and reenacted as follows:

§ 63.1-92. Reimbursement of localities by the State for assistance paid to or on behalf of applicants.—Such funds as are received from the United States and agencies thereof as grants-in-aid for the purpose of providing assistance grants shall monthly be paid by *order of* the Commissioner to each county and city as reimbursement of the federal share of to persons eligible to receive such grants as have been paid by each county and city under the provisions of this law. Within the limits of the appropriations of State funds, the Commissioner shall also reimburse monthly each county and city to the extent of sixty-two and one-half per centum of the balance of such assistance grants as have been paid by each county and city, after crediting them with the reimbursement made from federal funds; provided, however, that on and after January one, nineteen hundred seventy-two, within the limits of the appropriations of State funds, the Commissioner shall make such reimbursements for the entire balance of such grants as have been paid by each city and county after such federal fund credits. Within limitations of State funds the Commissioner or the Director of the Virginia Commission for the Visually Handicapped shall reimburse monthly each city and county to the extent of sixty-two and one-half per centum of such expenditures incurred in connection with assistance provided under §§ 63.1-25.1, 63.1-85 and 63.1-106 of the Code of Virginia.

Administrative expenditures incurred by the localities in connection with the providing of assistance grants and other related services, including child welfare, shall be ascertained by the State Board, and the Commissioner shall, within the limits of available federal funds and State appropriations, monthly reimburse each county and city therefor out of such federal and State funds in an amount to be determined by the State Board not less than fifty per centum of such administrative costs.

The Commissioner also shall reimburse monthly, to the extent of funds available for such purpose, each county and city out of State and federal funds, to the extent provided in the ~~next to last sentence of the~~ preceding paragraph, for monthly rental charges for office space provided the department of public welfare or social services in publicly owned buildings, for charges which are based on the cost of initial construction or purchase of a building or a reasonable amount for depreciation of such building, and/or the cost of repairs and alterations to either a privately or publicly owned building, provided, however, that no monthly rental charge shall exceed a reasonable amount as determined by the Commissioner.

Claims for reimbursement shall be presented by the local board to the Commissioner, and shall be itemized and verified in such manner as the Commissioner may require. Such claim shall, upon the approval of the Commissioner, be paid out of funds appropriated by the State and funds received from the federal government for the purposes of this law, to the treasurer or other fiscal officer of the county or city. Wherever two or more counties or cities have been combined to form a welfare district pursuant to § 63.1-44, reimbursements by the Commissioner under this section shall be paid to the district fiscal officer or other person designated to receive such funds by the governing bodies of such counties or cities. Provided, however, effective

July one, nineteen hundred seventy-two, the State shall reimburse ~~each county and city~~ the full amount of assistance grants ~~provided for old age assistance; aid to the blind, aid to the permanently and totally disabled, and aid to dependent children.~~ On or before January one, nineteen hundred seventy-two, the commissioners of welfare and institutions and visually handicapped shall make or cause to be made a plan for the State to assume the administration and full funding necessary to carry out all provisions of Title 63.1 of the Code of Virginia. *Notwithstanding any other provision of this section, the Commissioner may at any time deemed appropriate by him issue welfare recipient checks directly from available funds. In such case the reimbursement by localities to the Commonwealth shall be apportioned according to the sharing of aid provided for in this section as amended from time to time.*

Local welfare departments shall have the authority to issue and the right to be reimbursed for public assistance grants made in emergency situations.

§ 63.1-120. How assistance paid.—Assistance shall be paid to or on behalf of the applicant monthly, or at such other time or times as the rules and regulations of the State Board may provide, by the treasurer or other disbursing officer of the county or city *or by order of the Commissioner of Public Welfare*, upon order of the local board or superintendent of such county or city, from funds appropriated or made available for such purpose. ~~by the board of supervisors, council or other governing body of such county or city. Wherever two or more counties or cities have been combined to form a welfare district pursuant to § 63.1-44, such assistance payments shall be made by the district fiscal officer.~~

#

A BILL to amend and reenact § 63.1-53, as amended, of the Code of Virginia, relating to confidential records of local boards of public welfare.

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-53, as amended, of the Code of Virginia is amended and reenacted as follows:

§ 63.1-53. Allowing access to records.—All records *and statistical registries of the State Department of Welfare and Institutions* and of the local boards and other information pertaining to assistance and services provided any individual shall be confidential and shall not be disclosed except to persons having a legitimate interest and persons specified hereinafter and in § 63.1-209. The local boards shall allow the Commissioner, the Director of the Virginia Commission for the Visually Handicapped, and duly authorized agents and employees of each, at all times, to have access to the records of the local boards relating to the appropriation, expenditure and distribution of funds for, and other matters concerning assistance and services under this title.

Except as to the Commissioner, the Director of the Virginia Commission for the Visually Handicapped, and duly authorized agents and employees of each, records shall be made available as aforesaid only on an individual basis and the person, firm or corporation shall name the individual whose record is requested. No record shall be made available except for purposes directly connected with the administration of the public welfare program. No record shall be made available to any person filing a list or lists of employment opportunities with a local board or superintendent pursuant to the provisions of chapter 6.1 (§ 63.1-133.2 et seq.) of this title. It shall be unlawful for any person, firm, corporation, or association to use any name or list of names obtained directly or indirectly through access to such records for commercial or political purposes, or to publish the name of any child receiving assistance under the provisions of § 63.1-56 of the Code of Virginia, and any person violating these provisions shall be guilty of a misdemeanor and punished accordingly.

#

SENATE JOINT RESOLUTION NO.....

Directing the Secretary of Human Affairs and the Secretary of Commerce and Resources to conduct a study on the feasibility of developing a community intake system.

Whereas, the public welfare recipient's contact for various services provided by human affairs and certain commerce and resources agencies generates duplication of eligibility and other intake data; and

Whereas, this duplication is such that the welfare recipient is shuffled physically from one geographical location to another; and

Whereas, this is both costly and time consuming for agencies, and inconvenient for the recipient; now therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the Secretary of Human Affairs and the Secretary of Commerce and Resources are hereby directed to conduct a study on the feasibility of developing a community intake system. The administration of one intake process would have as its goal the elimination of cost, time and inconvenience. The Secretaries shall study possible ways to simplify and eliminate some of the forms now necessary in the present intake system.

The Secretaries shall conclude their study and make their report to the Virginia Advisory Legislative Council Committee to Study Public Welfare not later than September one, nineteen hundred seventy-four.

#

HOUSE JOINT RESOLUTION NO.....

Directing the Secretary of Commerce and Resources, the Secretary of Education and the Secretary of Human Affairs to develop a program of implementation mandating inter-agency cooperation in providing services to Virginia's public welfare recipient.

Whereas, the lack of a comprehensive and coordinated approach to services for the public welfare recipient has meant that many individuals have been shuttled from State agency to State agency; and

Whereas, no one State agency can serve the broad range of complex individual needs; and

Whereas, services have been sporadic or nonexistent; now, therefore, be it

Resolved by the House of Delegates, the Senate concurring, That the Secretary of Commerce and Resources, the Secretary of Education and the Secretary of Human Affairs are hereby directed to develop a program of inter-agency cooperation in providing services to Virginia's public welfare recipient. The Secretaries are jointly and severally responsible for considering in their study consolidation of programs of service, uniformity of delivery of service and prevention of fragmentation and duplication of service delivery and service programs.

All agencies, officers and employees of the Commonwealth and all of its political subdivisions shall cooperate with and assist the Secretaries in the work required in developing a program of inter-agency cooperation.

The Secretaries shall conclude their study and make their report to the Governor and General Assembly not later than November one, nineteen hundred seventy-four.

#

SENATE JOINT RESOLUTION NO.....

Directing the Department of Welfare and Institutions to develop a state-wide information and training program for members of local welfare boards.

Whereas, many local welfare board members are overwhelmed by the complexities of State and federal laws and regulations dealing with public welfare; and

Whereas, these complexities create much confusion in the minds of local board members; and

Whereas, this confusion is detrimental to the operation of the entire system of public welfare; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the Department of Welfare and Institutions is hereby directed to develop a statewide program of information and training for members of local welfare boards. This program should be conducted at the Department's regional offices.

#

A BILL to amend and reenact § 63.1-39, as amended, of the Code of Virginia, relating to the continuance of existing local welfare boards; terms of office on such boards.

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-39, as amended, of the Code of Virginia is amended and reenacted as follows:

§ 63.1-39. Continuance of existing local boards; terms of office.—The local boards in existence upon October one, nineteen hundred sixty-eight shall continue as heretofore constituted and the members of such boards in office on that date shall continue in office for the remainder of their terms. The members of each such local board first appointed under the provisions of this title shall be appointed initially for terms of from one to four years so as to provide for the balanced overlapping of the terms of the membership thereon and the members of a local board representing more than one county or city shall be appointed initially for such terms, of not less than one nor more than four years, as may be determined by the governing bodies of their respective counties and cities. Subsequent appointments shall be for a term of four years each, except that appointments to fill vacancies shall be for the unexpired terms. No person shall *be eligible to be appointed to a local board or serve on a local board if that person is seventy or more years old nor may any person* serve more than two consecutive terms of office and the term of office being served on June twenty-eight nineteen hundred sixty-eight, if a full term, shall constitute the first of such terms; provided, however, that this section shall not apply where the officer in charge of a department or division of public welfare of a county or city is constituted the local board. For the purpose of succession, all appointments except those to fill a vacancy created other than by expiration of a term, shall be deemed a full term of office.

#

SENATE JOINT RESOLUTION NO.....

Directing the State Board of Welfare and Institutions, the Department of Welfare and Institutions and the State Division of the Budget to work jointly to initiate revisions to the budget procedures for local departments of social services and the Division of General Welfare.

Whereas, the budget process, as now practiced by local and State governments does not provide adequately for the budget's use as a program planning base; and

Whereas, the budget process does not now provide any planning guidance since most large localities prepare local budgets prior to receipt of any instructions from the State Department of Welfare and Institutions; and

Whereas, a revised and coordinated budget preparation system would assist local and State administrators in planning efforts; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the State Board of Welfare and Institutions, the Department of Welfare and Institutions and the State Division of the Budget are hereby directed to work jointly to initiate revisions to the budget procedures for local departments of social services and the Division of General Welfare.

A report of the results of this study shall be submitted to the Virginia Advisory Legislative Council Committee to Study Public Welfare not later than September, one, nineteen hundred seventy-four.

#

A BILL to amend and reenact § 9-6.4 of the Code of Virginia, relating to publication and filing of proposed rules under the General Administrative Agencies Act.

Be it enacted by the General Assembly of Virginia:

1. That § 9-6.4 of the Code of Virginia is amended and reenacted as follows:

§ 9-6.4. Publication and filing of proposed rules.—No rule shall hereafter be promulgated by any agency unless and until the express terms or an informative summary of the proposed rule has been published by and at the expense of the agency at least once in at least one newspaper of general circulation published in Richmond, Virginia, or, if the rule has only local application, in the locality to which it applies, and a copy has been filed in the office of the Division of ~~Statutory Research and Drafting~~ *Legislative Services*, where it shall be subject to inspection during office hours by any person. Such publication and filing must be not less than ~~fifteen~~ *thirty* nor more than ~~thirty~~ *forty-five* days prior to the day on which the public hearing on the proposal is to be held. The published notice shall include a statement of the time, place and nature of the hearing and exact reference to the authority under which the rule is proposed.

#

HOUSE JOINT RESOLUTION NO.....

Directing the Virginia Employment Commission to actively seek out and locate employment for welfare recipients.

Whereas, the Virginia Employment Commission was created by an act of the General Assembly; and

Whereas, the primary duty of the Virginia Employment Commission is to operate a statewide system of public employment offices without a fee to applicants or employers; now, therefore, be it

Resolved by the House of Delegates, the Senate concurring, That the Virginia Employment Commission is hereby directed to assume the responsibility to actively seek out and locate employment for welfare recipients.

#

A BILL to amend the Code of Virginia by adding in Title 63.1 a chapter numbered 6.2, containing §§ 63.1-133.7 through 63.1-133.12, in order to provide employment opportunities for persons receiving public assistance and to repeal §§ 63.1-133.2 through 63.1-133.6 of the Code of Virginia, relating to employment opportunities for persons receiving public assistance.

Be it enacted by the General Assembly of Virginia:

1. That Title 63.1 of the Code of Virginia is amended by adding a chapter numbered 6.2 containing §§ 63.1-133.7 through 63.1-133.12 as follows:

Chapter 6.2.

Employment Opportunities for Persons Receiving Public Assistance

§ 63.1-133.7. The local board of public welfare and superintendent of public welfare of each county or city and the Virginia Employment Commission are jointly and severally charged with the duty of attempting to locate reasonable employment opportunities for persons who are receiving public assistance. A "reasonable employment opportunity" is defined as a job opportunity not beyond the physical and intellectual capabilities of the individual and is not unreasonably disruptive of the duties owed his or her family, offers an opportunity to such person to become partially or wholly self-supporting, and provides reasonable compensation, which will aid in restoring the economic well-being of the persons so employed.

§ 63.1-133.8. No public assistance shall be given to an employable person who has not registered with the nearest office of the Virginia Employment Commission or has refused to accept employment in which he is able to engage.

Registration with the Virginia Employment Commission shall be accomplished by written execution of the proper application form in the local department of public welfare simultaneously with the recipient's application of public assistance.

A person shall be deemed to have refused to accept such employment if he:

a. willfully fails to report for an interview at an employment office of the Virginia Employment Commission, with respect to employment when requested to do so by such office, or

b. willfully fails to report to such office the result of a referral to employment, or

c. willfully fails to report for employment. Such willful failures or refusals as above listed shall be reported immediately to the local board of public welfare by such employment office.

The appropriate office of the Virginia Employment Commission shall file with the local board of public welfare at least semi-monthly a new certificate stating that such employment office has no order for an opening in part-time, full-time, temporary or permanent employment in which the applicant or recipient of public assistance is able to engage.

For the purposes of this section and § 63.1-133.9, a person receiving or applying for public assistance shall be deemed employable if such person is not rendered unable to work by: illness or significant and substantial incapacitation, either mental or physical, to the extent and of such

duration that such illness or incapacitation prevents such person from performing services; advanced age; full-time attendance at school in the case of a minor; full-time, satisfactory participation in an approved program of vocational training or rehabilitation; the need of such person to provide full-time care for other members of such person's household who are wholly incapacitated, or who are children and for whom required care is not otherwise reasonably available notwithstanding diligent efforts by such person and the local board of public welfare to obtain others to provide such care. For the purposes of this section and § 63.1-133.9 a person receiving or applying for aid to dependent children shall be deemed employable, except that a mother who is unable to work by her need to provide full-time care for her children or who is unable to work because of the unavailability of transportation, and for whom required care is not otherwise reasonably available notwithstanding diligent efforts by such mother and the appropriate local public welfare department to provide such care shall not be deemed employable.

Every employable recipient of public assistance who is not engaged in regular full-time employment shall receive his public assistance grants and allowances in accordance with § 63.1-120 and in accordance with regulations of the State Board of Welfare and Institutions.

This section shall apply to applicants for or recipients of aid to dependent children until such time as they are enrolled and participating in the Work Incentive Program.

§ 63.1-133.9. Notwithstanding the requirements of § 63.1-133.8 a local employment office of the Virginia Employment Commission may refer an employable person for participation in a program of occupational training when in the judgment of the Virginia Employment Commission the person may thereby become trained for referral to available employment, or when the person may thereby become trained for referral to skilled or semi-skilled employment. So long as the person accepts the referral to such program of training and participates in such program, the requirements of § 63.1-133.8 relating to the filing of a bi-weekly certificate from the local employment office shall be suspended.

§ 63.1-133.10. (a) A public welfare official responsible for the assistance and care of a person who, in the judgment of such official, is employable or potentially employable, may require such person to receive suitable medical care and/or undergo suitable instruction and/or work training. Any such person who wilfully refuses to accept such medical care, refuses or fails to report for or cooperate in a program of instruction and/or work training as required by the public welfare official, shall be ineligible to receive public assistance and care. However, the requirements of this provision relating to instruction and work training shall not apply in the case of a person who is not available for employment by reason of age, health or other disability.

(b) The provisions of this section shall not confer authority on a public welfare official to provide instruction which is available through the public school system, but regulations of the department may make provision for such authority when special need therefor is demonstrated.

§ 63.1-133.11. Any person who voluntarily terminated his employment or voluntarily reduced his earning capacity for the purpose of qualifying for public assistance or aid to dependent children or a larger amount thereof shall be disqualified from receiving such assistance for seventy-five days from such termination or reduction, unless otherwise required by federal law or regulation. Any person who applies for public assistance or aid to dependent

children or requests an increase in his grant within seventy-five days after voluntarily terminating his employment or reducing his earning capacity shall, unless otherwise required by federal law or regulation, be deemed to have voluntarily terminated his employment or reduced his earning capacity for the purpose of qualifying for such assistance or a larger amount thereof, in the absence of evidence to the contrary supplied by such person.

§ 63.1-133.12. If any section, subsection, sentence, part or application of this act be held unconstitutional by a court of last resort such holding shall not affect any other section, sentence, part or application which can be given effect without the part so held invalid.

2. §§ 63.1-133.2 through 63.1-133.6 of the Code of Virginia are repealed.

#

SENATE JOINT RESOLUTION NO.....

Directing the Directors of the Department of Welfare and Institutions and the Department of Health to conduct a study of the feasibility of and cost factors involved in the inclusion of the State Local Hospitalization Program in the Virginia Medical Assistance Program with comparable administrative and eligibility criteria for those formerly eligible for the State Local Hospitalization Program.

Whereas, the State Local Hospitalization Program is for the medically indigent who are not currently eligible for the Virginia Medical Assistance Program or Medicare; and

Whereas, the current administration of the program is so arbitrary that localities are permitted great latitude in establishing standards of eligibility; and

Whereas, funding for the program is fifty per centum State and fifty per centum local dollars; and

Whereas, some localities appropriate no local funds, hence the program is not available; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the Directors of the Department of Welfare and Institutions and the Department of Health are hereby directed to conduct a study of the feasibility of and cost factors involved in the inclusion of the State Local Hospitalization Program in the Virginia Medical Assistance Program with comparable administrative and eligibility criteria for those formerly eligible for the State Local Hospitalization Program.

The Directors shall report on the findings of their study to the Virginia Advisory Legislative Council Committee to Study Public Welfare no later than September one, nineteen hundred seventy-four.

#

A BILL to amend and reenact § 63.1-110, as amended, of the Code of Virginia, relating to computation of amount of public assistance grant.

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-110, as amended, of the Code of Virginia is amended and reenacted as follows:

§ 63.1-110. Determining the amount of assistance.—The State Board shall adopt rules and regulations governing the amount of assistance persons shall receive under the provisions of this law. In making such rules and regulations, the Board shall give due consideration to significant differences in living costs in various counties and cities and shall establish or approve such variations in monetary assistance standards *for shelter allowance on a regional basis*, as may be appropriate in order to achieve the highest practical degree of equity in public assistance grants.

~~In the event there is any county or city in which reasonably adequate housing cannot be secured by all local recipients of assistance within such limits as may be established on a statewide basis by rule and regulation of the State Board, the said Board may establish a higher amount or limit for rent and other housing cost for use in determining assistance payments in such county or city, and that part of the assistance grant which is the equivalent of the allowance for rent and other housing cost in excess of the statewide maximum allowance may be paid from local funds without State reimbursement.~~

The amount of assistance which any person shall receive under the provisions of this law shall be determined in accordance with rules and regulations made by the State Board with due regard to the property and income of the person and any support he receives from other sources, including that from persons legally responsible for his support, the necessary expenditures of the individual and the ~~conditions existing in each case~~ *average of cost of providing assistance statewide*. It shall be sufficient, when added to all other income and support of the recipient (exclusive of that not to be taken into account as hereinafter provided), to provide such person with a reasonable subsistence.

In determining the income of and support available to a person, the amount of income required to be exempted by federal statute, or if the federal statute makes such exemption permissive, then such portion thereof as may be determined by the State Board shall not be considered in determining the amount of assistance any person may receive under this law.

Under conditions specified by the State Board, court-ordered support payments may be disregarded in determining the amount of assistance which any person shall receive; provided, however, that in such event, such payments, when received, shall be counted as refunds with regard to such assistance payments.

#

A BILL to amend the Code of Virginia by adding in Title 63.1 a chapter numbered 13, consisting of sections numbered 63.1-249 through 63.1-274, and a chapter numbered 14, consisting of sections numbered 63.1-275 through 63.1-289, providing for care and support of dependent children; means of investigating and enforcing child support laws; providing penalties for violations.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 63.1 a chapter numbered 13, consisting of sections numbered 63.1-249 through 63.1-274, and a chapter numbered 14, consisting of sections numbered 63.1-275 through 63.1-289, as follows:

Chapter 13.

Care and Support of Dependent Children

§ 63.1-249. Purpose.—Common law and statutory procedures governing the remedies for enforcement of support for financially dependent minor children by responsible parents have not proven sufficiently effective or efficient to cope with the increasing incidence of financial dependency. The increasing workload of courts and the Commonwealth's attorneys, has made such remedies uncertain, slow and inadequate, thereby resulting in a growing burden on the financial resources of the State, which is constrained to provide public assistance grants for basic maintenance requirements when parents fail to meet their primary obligations. The Commonwealth of Virginia, therefore, exercising its police and sovereign power, declares that the common law and statutory remedies pertaining to family desertion and nonsupport of minor dependent children shall be augmented by additional remedies directed to the real and personal property resources of the responsible parents. In order to render resources more immediately available to meet the needs of minor children, it is the legislative intent that the remedies herein provided are in addition to, and not in lieu of, existing law. It is declared to be the public policy of this State that this chapter and Chapter 14 be construed and administered to the end that children shall be maintained from the resources of responsible parents, thereby relieving, at least in part, the burden presently borne by the general citizenry through welfare programs.

§ 63.1-250. Definitions.—Unless a different meaning is plainly required by the context, the following words and phrases as hereinafter used in this chapter and Chapter 14 shall have the following meanings:

(1) "Department" shall mean the State Department of Welfare and Institutions.

(2) "Director" shall mean the Director of the State Department of Welfare and Institutions, his designee or authorized representative.

(3) "Dependent child" shall mean any person who meets the eligibility criteria set forth in § 63.1-105 and whose support is required by § 20-61 of this Code.

(4) "Court order" shall mean any judgement or order of any court having jurisdiction to order payment of support or an order of a court of comparable jurisdiction of another state ordering payment of a set or determinable amount of support moneys.

(5) "Responsible parent" shall mean the natural parent or adoptive parent or stepparent of a dependent child.

§ 63.1-251. Payment of public assistance for child constitutes debt to Department by natural parents or adoptive parents or stepparents; limitations; Department subrogated to rights.—Any payment of public assistance money made to or for the benefit of any dependent child or children creates a debt due and owing to the Department by the natural parent or adoptive parent or stepparents or parents who are responsible for support of such children in an amount equal to the amount of public assistance money so paid; provided, however, that where there has been a court order or final decree of divorce, the debt shall be limited to the amount of such court order or decree. The Department shall have the right to petition the appropriate court for modification of a court order on the same grounds as either party to such cause.

The Department shall be subrogated to the right of such child or children or person having the care, custody, and control of such child or children to prosecute or maintain any support action or execute any administrative remedy existing under the laws of the Commonwealth of Virginia to obtain reimbursement of moneys thus expended. If a court order or final decree of divorce enters judgement for an amount of support to be paid by an obligor parent, the Department shall be subrogated to the debt created by such order, and said money judgement shall be deemed to be in favor of the Department.

Debt under this section shall not be incurred by nor at any time be collected from a parent or other person who is the recipient of public assistance moneys for the benefit of minor dependent children for the period such person or persons are in such status.

§ 63.1-252. Notice of child support debt based upon subrogation to or assignment of judgment; mailing; contents; action on.—The Director may issue a notice of a child support debt accrued and/or accruing based upon subrogation to or assignment of the judgment created by a court order or final decree of divorce. Such notice shall be mailed to the debtor at his last known address by certified mail, return receipt requested, demanding payment within twenty days of the date of receipt. Such notice of debt shall include a statement of the child support debt accrued and/or accruing, computable on the amount required to be paid under any court order or final decree of divorce to which the Department is subrogated or has an assigned interest; a statement that the property of the debtor is subject to collection action; a statement that the property is subject to lien and foreclosure, distraint, seizure and sale, or an order to withhold and deliver; and a statement that the net proceeds will be applied to the satisfaction of the child support debt. Action to collect such subrogated or assigned child support debt by lien and foreclosure or distraint, seizure and sale, or an order to withhold and deliver shall be lawful after twenty days from the receipt or refusal by the debtor of said notice of debt.

§ 63.1-253. Notice of child support debt based upon payment of public assistance; service; contents; warrant; hearing; filing and service of liens; bond to release liens.—In the absence of a court order or final decree of divorce, the Director may issue a notice of a child support debt accrued and/or accruing based upon payment of public assistance to or for the benefit of any dependent child or children. Such notice shall be served upon the debtor or by an officer in the same manner as civil warrants are served. The notice of debt shall include a statement of the child support debt accrued and/or accruing, computable on the basis of the amount of public assistance previously paid and to be paid in the future; a statement of the amount of the monthly public assistance payment; a statement of the name of the recipient and the name of the child or children for whom assistance is being paid; a demand for immediate payment of the child support debt or in the alternative, a demand that the debtor files an answer within twenty days of the date of service to the Director stating defenses to liability under § 63.1-251; a statement that if no answer is made on

or before twenty days from the date of the service, the child support debt shall be assessed and determined subject to computation, and is subject to collection action; a statement that the property of the debtor will be subject to lien and foreclosure, distraint, seizure and sale or an order to withhold and deliver. If no answer is received by the Director on or before twenty days of the date of service, the child support debt shall be assessed and determined subject to computation and the Director shall issue a civil warrant against the debtor. If the debtor, within twenty days of date of service of the notice of debt, files an answer to the Director alleging defenses to liability under § 63.1-251, such debtor shall have the right to a hearing. The decision of the Department in the hearing shall establish the liability of the debtor, if any, for repayment of public assistance moneys expended to date as an assessed and determined child support debt. Action by the Director under the provisions of this chapter to collect such child support debt shall be lawful from the date of issuance of the decision in the hearing. If the Director reasonably believes that the debtor is not a resident of this State, or is about to move from this State, or has concealed himself, absconded, absented himself or has removed or is about to remove, secrete, waste or otherwise dispose of property which could be made subject to collection action to satisfy the child support debt, the Director may file and serve liens pursuant to §§ 63.1-254 and 63.1-255 during pendency of the hearing or thereafter, whether or not appealed; provided, however, that no further action under §§ 63.1-256, 63.1-261 and 63.1-262 may be taken on such liens until final determination after hearing and/or appeal. The Director shall, in such cases, make and file in the record of the hearing an affidavit stating the reasons upon which such belief is founded; provided further, however, that the debtor may furnish a good and sufficient bond satisfactory to the Director during pendency of the hearing, or thereafter, and in such case, liens filed shall be released. If the decision of the hearing is in favor of the debtor, all liens filed shall be released.

§ 63.1-254. Assertion of lien; effect.—Twenty-one days after receipt or refusal of notice of debt under provisions of § 63.1-252, or twenty-one days after service of notice of debt, or as otherwise appropriate under the provisions of § 63.1-253, a lien may be asserted by the Director upon the real or personal property of the debtor. The claim of the Department for a child support debt, not paid when due, shall be a lien against all property of the debtor with priority of a secured creditor. This lien shall be separate and apart from, and in addition to, any other lien created by, or provided for, in this title. The lien shall attach to all real and personal property of the debtor on the date of filing of such statement with the county or city auditor of the jurisdiction in which such property is located.

Whenever a child support lien has been filed and there is in the possession of any person, firm, corporation, association, political subdivision or department of the State having notice of such lien any property which may be subject to the child support lien, such property shall not be paid over, released, sold, transferred, encumbered or conveyed, except as provided for by the exemptions contained in § 63.1-251, unless a written release or waiver signed by the Director has been delivered to such person, firm, corporation, association, political subdivision or department of the State or unless a determination has been made in a hearing pursuant to § 63.1-253 or by a court ordering release of such child support lien on the basis that no debt exists or that the debt has been satisfied.

§ 63.1-255. Service of lien.—The Director may at any time after the filing of a child support lien serve a copy of said lien upon any person, firm, corporation, association, political subdivision or department of the State in possession of earnings, or deposits or balances held in any bank account of any nature which are due, owing, or belonging to such debtor. Such child support lien shall be served upon the person, firm, corporation, association, political

subdivision or department of the State either in the manner prescribed for the service of warrant in a civil action or by certified mail, return receipt requested. No lien filed under § 63.1-254 shall have any effect against earnings or bank deposits or balances unless it states the amount of the child support debt accrued and unless service upon such person, firm, corporation, association, political subdivision or department of the State in possession of earnings or bank accounts, deposits or balances is accomplished pursuant to this section.

§ 63.1-256. Order to withhold and deliver; issue and service; contents; effect; delivery of property; bond to release.—After service of a notice of debt as provided for in § 63.1-252 stating a child support debt accrued and/or accruing based upon subrogation to or assignment of the amount required to be paid under any court order or final decree of divorce, or whenever a child support lien has been filed pursuant to § 63.1-254, the Director is hereby authorized to issue to any person, firm, corporation, association, political subdivision or department of the State, an order to withhold and deliver property of any kind including, but not restricted to, earnings which are due, owing, or belonging to the debtor, when the Director has reason to believe that there is in the possession of such person, firm, corporation, association, political subdivision or department of the State, property which is due, owing, or belonging to such debtor. The order to withhold and deliver which shall also be served upon the debtor, shall state the amount of the child support debt accrued, and shall state in summary the terms of §§ 63.1-257 and 63.1-258. The order to withhold and deliver shall be served in the manner prescribed for the service of a warrant in a civil action or by certified mail, return receipt requested. Any person, firm, corporation, association, political subdivision or department of the State upon whom service has been made is hereby required to answer such order to withhold and deliver within twenty days, exclusive of the day of service, under oath and in writing, and shall file true answers to the matters inquired of therein. In the event there is in the possession of any such person, firm, corporation, association, political subdivision or department of the State, any property which may be subject to the claim of the State Department of Welfare and Institutions, such property shall be withheld immediately upon receipt of the order to withhold and deliver and shall, after the twenty day period, upon demand, be delivered forthwith to the Director. The Director shall hold such property in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability. In the alternative, there may be furnished to the Director a good and sufficient bond, satisfactory to the Director, conditioned upon final determination of liability. Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, or association, political subdivision or department of the State subject to withdrawal by the debtor, such money shall be delivered by remittance payable to the order of the Director. Delivery to the Director shall serve as full acquittance and the State warrants and represents that it shall defend and hold harmless for such actions persons delivering money or property to the Director pursuant to this chapter. The foregoing is subject to the exemptions contained in §§ 63.1-257 and 63.1-261.

§ 63.1-257. Certain amount of earnings exempt from lien or order; “earnings” and “disposable earnings” defined.—Whenever a child support lien is served upon any person, firm, corporation, association, political subdivision or department of the State asserting a child support debt against earnings and there is in the possession of such person, firm, corporation, association, political subdivision, or department of the State, any such earnings, fifty per centum of the disposable earnings shall be exempt and may be disbursed to the debtor whether such earnings are paid, or to be paid weekly, monthly, or at other regular intervals and whether there be due the debtor earnings for one

week or for a longer period. The lien or order to withhold and deliver shall continue to operate and require such person, firm, corporation, association, political subdivision, or department of the State to withhold the nonexempt portion of earnings at each succeeding earnings disbursement interval until the entire amount of the child support debt stated in the lien has been withheld. As used in this chapter, the term "earnings" shall be construed to mean compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and specifically includes periodic payments pursuant to pension or retirement programs, or insurance policies of any type, but does not include payments by any department or division of the State based upon inability to work or obtain employment. The term "disposable earnings" shall be construed to mean that part of the earnings of any individual remaining after the deduction from those earnings of any amount required by law to be withheld.

§ 63.1-258. Civil liability upon failure to comply with order or lien.—Should any person, firm, corporation, association, political subdivision or department of the State fail to make answer to an order to withhold and deliver within the time prescribed herein, or fail or refuse to deliver property pursuant to said order, or after actual notice of filing of a child support lien, pay over, release, sell, transfer, or convey real or personal property subject to a child support lien to or for the benefit of the debtor or any other person, or fail or refuse to surrender upon demand property distrained under § 63.1-261 or fail or refuse to honor an assignment of wages presented by the Director, such person, firm, corporation, association, political subdivision or department of the State shall be liable to the Department in an amount equal to one hundred per centum of the value of the debt which is the basis of the lien, order to withhold and deliver, distraint, or assignment of wages, together with costs, interest, and reasonable attorney fees.

§ 63.1-259. Release of excess to debtor.—Whenever any person, firm, corporation, association, political subdivision or department of the State has in its possession earnings, deposits, accounts, or balances in excess of the amount of the debt claimed by the Department plus one hundred dollars, such person, firm, corporation, association, political subdivision or department of the State may, without liability under this act, release such excess to the debtor.

§ 63.1-260. Banks, savings and loan associations, service effective only as to branch office served.—In the case of a bank, bank association, mutual savings bank, or savings and loan association maintaining branch offices, service of a lien or order to withhold and deliver or any other notice or document authorized by this chapter shall only be effective as to the accounts, credits, or other personal property of the debtor in the particular branch upon which service is made.

§ 63.1-261. Distraint, seizure and sale of property subject to liens.—Whenever a child support lien has been filed pursuant to § 63.1-254 the Director may collect the child support debt stated in such lien by distraint, seizure and sale of the property subject to such lien. The Director shall give notice to the debtor and any person known to have or claim an interest therein of the general description of the property to be sold and the time and place of sale of such property. Such notice shall be given to such persons by certified mail, return receipt requested. A notice specifying the property to be sold shall be posted in at least two public places in the jurisdiction wherein the distraint has been made. The time of sale shall not be less than ten nor more than twenty days from the date of posting of such notices. Such sale shall be conducted by the Director, who shall proceed to sell such property by parcel or by lot at a public auction, and who may set a minimum reasonable price to include the expenses of making a levy and of advertising the sale, and if the amount bid for such property at the sale is not equal to the price so fixed, the

Director may declare such property to be purchased by the Department for such price, or may conduct another sale of such property pursuant to the provisions of this section. In the event of sale, the debtor's account shall be credited with the amount for which the property has been sold. Property acquired by the Department as herein prescribed may be sold by the Director at public or private sale, and the amount realized shall be placed in the State general fund to the credit of the State Department of Welfare and Institutions. In all cases of sale, as aforesaid, the Director shall issue a bill of sale or a deed to the purchaser and such bill of sale or deed shall be prima facie evidence of the right of the Director to make such sale and conclusive evidence of the regularity of his proceeding in making the sale and shall transfer to the purchaser all right, title, and interest of the debtor in such property. The proceeds of any such sale, except in those cases wherein the property has been acquired by the Department, shall be first applied by the Director to reimbursement of the costs of distraint and the sale, and thereafter in satisfaction of the delinquent account. Any excess which shall thereafter remain in the hands of the Director shall be refunded to the debtor. Sums so refundable to a debtor may be subject to seizure or distraint by any taxing authority of the State or its political subdivisions or by the Director for new sums due and owing subsequent to the subject proceeding. Except as specifically provided in this chapter, there shall be exempt from attachment, distraint, seizure, execution and sale under this chapter such property as is exempt therefrom under the laws of this State.

§ 63.1-262. Action for foreclosure or child support lien; satisfaction.—Whenever a child support lien has been filed, an action in foreclosure of lien upon real or personal property may be brought in the circuit court of the jurisdiction where in such real or personal property is or was located and the lien was filed. Judgment if rendered in favor of the Department shall be for the amount due, with costs, and the court shall allow, as part of the costs, the moneys paid for making and filing the claim of lien, and a reasonable attorney's fee. The court shall order any property upon which any lien provided for by this chapter is established, to be sold by the sheriff of the proper jurisdiction to satisfy the lien and costs. The payment of the lien debt, costs and reasonable attorney fees, at any time before sale, shall satisfy the judgment of foreclosure. Where the net proceeds of sale upon application to the debt claimed do not satisfy the debt in full, the Department shall have judgment over any deficiency remaining unsatisfied and further levy upon other property of the judgment debtor may be made under the same execution. In all sales contemplated under this section, advertising of notice shall only be necessary for two weeks in a newspaper published in the jurisdiction where such property is located, and if there be no newspaper therein, then in the most convenient newspaper having a circulation in such jurisdiction. Remedies provided for herein are alternatives to remedies provided for in other sections of this chapter and Chapter 14.

§ 63.1-263. Satisfaction of lien after foreclosure proceedings instituted; redemption.—Any person owning real property, or any interest in real property, against which a child support lien has been filed and foreclosure instituted, shall have the right to pay the amount due, together with expenses of the proceedings and reasonable attorney fee to the Director and upon such payment the Director shall restore said property to him and all further proceedings in such foreclosure action shall cease. Such person shall also have the right within two hundred forty days after sale of property foreclosed under § 63.1-262 to redeem said property by making payment to the purchaser in the amount paid by the purchaser plus interest thereon at the rate of six per centum per annum.

§ 63.1-264. Director may set debt payment schedule.—The Director may

at any time consistent with the income, earning capacity and resources of the debtor, set or reset a level and schedule of payments to be paid upon the debt.

§ 63.1-265. Director may release lien or order or return seized property.—The Director may at any time release a child support lien, or order to withhold and deliver, on all or part of the property of the debtor, or return seized property without liability, if assurance of payment is deemed adequate by the Director, or if such action will facilitate the collection of the debt, but such release or return shall not operate to prevent future action to collect from the same or other property.

§ 63.1-266. Director may make demand, file and serve liens, when payments appear in jeopardy.—If the Director finds that the collection of any child support debt based upon subrogation to or assignment of the amount of support ordered by any court order or final decree of divorce is in jeopardy, he may make demand under § 63.1-252 for immediate payment of the child support debt, and upon failure or refusal immediately to pay such child support debt, he may file and serve liens pursuant to §§ 63.1-254 and 63.1-255, without regard to the twenty day period provided for in § 63.1-252; provided, however, that no further action under §§ 63.1-256, 63.1-261 and 63.1-262 may be taken until the notice requirements of § 63.1-252 are met.

§ 63.1-267. Interests on debts due; waiver.—Interest of six per centum per annum on any child support debt due and owing to the Department under § 63.1-251 may be collected by the Director. No provision of this statute shall be construed to require the Director to maintain interest balance due accounts and such interest may be waived by the Director, if such waiver would facilitate the collection of the debt.

§ 63.1-268. Judicial relief; limitations.—Any person against whose property a child support lien has been filed pursuant to this chapter may apply for relief to the circuit court of the jurisdiction wherein the property is located on the basis that no child support debt is due and owing; provided, however, that judicial relief shall not be granted until after a hearing has been requested pursuant to § 63.1-253. It is the intent of this chapter that jurisdictional and constitutional issues, if any, shall be subject to review, but that administrative remedies be exhausted prior to judicial review.

§ 63.1-269. Unidentifiable moneys held in special account.—All moneys collected in fees, costs, attorney fees, interest payments, or other funds received by the Director which are unidentifiable as to the child support account against which they should be credited, shall be held in a special fund from which the Director may make disbursement for any costs or expenses incurred in the administration or enforcement of the provisions of this chapter.

§ 63.1-270. Charging off child support debts as uncollectible.—Any child support debt due the Department from a responsible parent which the Director deems uncollectible may be transferred from accounts receivable to a suspense account and cease to be accounted as an asset; provided, however, that at any time after six years from the date a child support debt was incurred, the Director may charge off as uncollectible any child support debt upon which the Director finds there is no available, practical, or lawful means by which such debt may be collected; provided further, that no proceedings or action under the provisions of this chapter may be begun after expiration of such six year period to institute collection of a child support debt. Nothing herein shall be construed to render invalid or nonactionable a child support lien filed prior to the expiration of such six year period.

§ 63.1-271. Employee debtor rights protected; limitation.—No employer shall discharge an employee for reason that a child support lien or order to withhold and deliver has been served against such employee's earnings;

provided, that this provision shall not apply if more than three child support liens are served upon the same employer and directed to the same employee within any period of twelve consecutive months.

§ 63.1-272. Assignment of earnings to be honored.—Any person, firm, corporation, association, political subdivision or department of the State employing a person owing a child support debt or obligation, shall honor, according to its terms, a duly executed assignment of earnings presented by the Director as a plan to satisfy or retire a child support debt or obligation. This requirement to honor the assignment of earnings and the assignment of earnings itself shall be applicable whether such earnings are to be paid presently or in the future and shall continue in force and effect until released in writing by the Director. Payment of moneys pursuant to an assignment of earnings presented by the Director shall serve as full acquittance under any contract of employment, and the State warrants and represents that it shall defend and hold harmless such action taken pursuant to such assignment of earnings. The Director shall be released from liability for improper receipt of moneys under an assignment of earnings upon return of any moneys so received.

§ 63.1-273. Receipt of public assistance for a child as assignment of right in child support obligation; Director as attorney for endorsing drafts.—By accepting public assistance for or on behalf of a child or children, the recipient shall be deemed to have made an assignment to the Department of any and all right, title, and interest in any child support obligation owed to or for such child or children up to the amount of public assistance money paid for or on behalf of such child or children for such term of time as such public assistance moneys are paid. The recipient shall also be deemed, without the necessity of signing any document, to have appointed the Director as his or her true and lawful attorney in fact to act in his or her name, place, and stead to perform the specific act of endorsing any and all drafts, checks, money orders or other negotiable instruments representing child support payments which are received on behalf of such child or children as reimbursement for the public assistance moneys previously paid to such recipient.

§ 63.1-274. Severability.—The several provisions of this chapter are hereby declared to be separate and severable and if any clause, sentence, paragraph, subdivision, section or part thereof shall for any reason be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other clause, sentence, paragraph, subdivision or section.

Chapter 14.

Child Support—Investigation and Enforcement—

Alternative Method

§ 63.1-275. Purpose.—It is the responsibility of the Commonwealth of Virginia through the State Department of Welfare and Institutions to conserve the expenditure of public assistance funds, whenever possible, in order that such funds shall not be expended if there are private funds available or which can be made available by judicial process or otherwise to partially or completely meet the financial needs of care for the children of this Commonwealth. The purpose of this chapter is to provide a more effective and efficient method to affect the support of dependent children by the person or persons who, under the law, are primarily responsible for such support and to lighten the heavy burden of the taxpayer who in many instances is paying toward the support of dependent children while persons who should be held responsible are avoiding their responsibilities.

§ 63.1-276. Payment of public assistance for child constitutes debt to Department by natural parents or adoptive parents or stepparents; limitations;

Department subrogated to rights.—Any payment of public assistance money made to or for the benefit of any dependent child or children creates a debt due and owing to the Department by the natural parent or adoptive parent or stepparents or parents who are responsible for support of such children in an amount equal to the amount of public assistance money so paid; provided, however, that where there has been a court order or final decree of divorce, the debt shall be limited to the amount of such court order or decree. The Department shall have the right to petition the appropriate court for modification of a court order on the same grounds as either party to such cause.

The Department shall be subrogated to the right of such child or children or person having the care, custody, and control of such child or children to prosecute or maintain any support action or execute any administrative remedy existing under the laws of the Commonwealth of Virginia to obtain reimbursement of moneys thus expended. If a court order or final decree of divorce enters judgment for an amount of support to be paid by an obligor parent, the Department shall be subrogated to the debt created by such order, and said money judgment shall be deemed to be in favor of the Department.

Debt under this section shall not be incurred by nor at any time be collected from a parent or other person who is the recipient of public assistance moneys for the benefit of minor dependent children for the period such person or persons are in such status.

§ 63.1-277. Duties of department to enforce child support.—Whenever a local welfare department receives an application for public assistance on behalf of a child or children and it shall appear to the satisfaction of the local welfare department that the child has been abandoned by the other parent or that the parent or foster parent or other person who has a responsibility for the care, support, or maintenance of such child has failed or neglected to give proper care or support to such child, the local welfare department shall take appropriate action under the provisions of this chapter, the abandonment or nonsupport statutes or other appropriate statutes of this State to insure that such parent or other person responsible shall pay for the care, support, or maintenance of such dependent child.

§ 63.1-278. Cooperation by person having custody of child; penalty.—Any person having the care, custody or control of any dependent child or children who shall fail or refuse to cooperate with any local department of public welfare, any Commonwealth's attorney in the course of administration of provisions of this chapter shall be guilty of a misdemeanor.

§ 63.1-279. Payment of support moneys collected to clerk of the juvenile and domestic relations district court.—Whenever, as a result of any action brought pursuant to this chapter, support money is paid by the person or persons responsible for support, such payment shall be paid to the clerk of the juvenile and domestic relations district court. The clerk shall then issue payment to the State Department of Welfare and Institutions. The clerk of the juvenile and domestic relations district court shall make monthly reviews of nonsupport cases. It shall be the clerk's obligation to notify the person responsible for support when such person is in arrears of payment. The person in arrears shall have no more than five days after the clerk's notification to pay the arrears.

The clerk shall report all persons in arrears in support payments to the child support investigation and enforcement unit within the Department.

§ 63.1-280. Department may disclose information to Internal Revenue Department.—Upon approval of the Department of Health, Education and Welfare of the federal government, the State Department of Welfare and Institutions may disclose to and keep the Internal Revenue Department of the

Treasury of the United States advised of the names of all persons who are under legal obligation to support any dependent child or dependent children and who are not doing so, to the end that the Internal Revenue Department may have available to it the names of such persons for review in connection with income tax returns and claims of dependencies made by persons filing income tax returns.

§ 63.1-281. Powers of Department through the Commonwealth's attorney.—In order to carry out its responsibilities imposed under this chapter, the State Department of Welfare and Institutions, through the Commonwealth's attorney, is hereby authorized to:

(1) Represent a dependent child or dependent children on whose behalf public assistance is being provided in obtaining any support order necessary to provide for his or their needs or to enforce any such order previously entered.

(2) Appear as a friend of the court in divorce and separate maintenance suits, or proceedings supplemental thereto, when either or both of the parties thereto are receiving public assistance, for the purpose of advising the court as to the financial interest of the Commonwealth of Virginia therein.

(3) Appear on behalf of the mother of a dependent child or children on whose behalf public assistance is being provided, when so requested by her, for the purpose of assisting her in securing a modification of a divorce or separate maintenance decree wherein no support, or inadequate support was given for such child or children; provided, however, that the Commonwealth's attorney shall be authorized to so appear only where it appears to the satisfaction of the court that the mother is without funds to employ private counsel. If the mother does not request such assistance, or refuses it when offered, the Commonwealth's attorney may nevertheless appear as a friend of the court at any supplemental proceeding, and may advise the court of such facts as will show the financial interest of the Commonwealth of Virginia therein; but the Commonwealth's attorney shall not otherwise participate in the proceeding.

(4) If public assistance has been applied for or granted on behalf of a child of parents who are divorced or legally separated, the Commonwealth's attorney may apply to the court in such action for an order directing either parent or both to show cause:

(a) Why an order of support for the child should not be entered, or

(b) Why the amount of support previously ordered should not be increased, or

(c) Why the parent should not be held in contempt for his failure to comply with any order of support previously entered.

(5) Initiate any civil proceedings deemed necessary by the State Department of Welfare and Institutions or the local department of welfare to secure reimbursement from the parent or parents of minor dependent children for all moneys expended by the State in providing assistance or services to such children.

§ 63.1-282. Petition for support order by married woman with minor or legally adopted children who are receiving public assistance.—Any married woman with minor or legally adopted children who are receiving public assistance may apply to the juvenile and domestic relations district court of the jurisdiction in which she resides or in which her husband may be found for an order upon her husband, if he is the natural or adoptive father or stepfather of such children, to provide for her support and the support of her minor children by filing in such jurisdiction a petition setting forth the facts and circumstances upon which she relies for such order. If it appears to the satisfaction of the court that such woman is without funds to employ counsel,

the State Department of Welfare and Institutions through the Commonwealth's attorney may file such petition on her behalf. If satisfied that a just cause exists, the court shall direct that a summons be issued to the husband requiring him to appear at a time set by the court to show cause why an order of support should not be entered in the matter.

§ 63.1-283. Order;—powers of court.—(1) After the hearing of the petition for an order of support the court shall make an order granting or denying it and fixing, if allowed, the terms and amount of the support.

(2) The court has the same power to compel the attendance of witnesses and the production of testimony as in actions and suits, to make such decree or orders as are equitable in view of the circumstances of both parties and to punish violations thereof as other contempt violations are punished.

§ 63.1-284. Waiver of filing fees.—The court may, upon satisfactory showing that the petitioner is without funds to pay the filing fee, order that the petition and other papers be filed without payment of the fee.

§ 63.1-285. Financial statements by parent whose absence is basis of application for public assistance.—Any parent in the State whose absence is the basis upon which an application is filed for public assistance on behalf of a child shall be required to complete a statement, under oath, of his current monthly income, his total income over the past twelve months, the number of dependents for whom he is providing support, the amount he is contributing regularly toward the support of all children for whom application for such assistance is made, his current monthly living expenses and such other information as is pertinent to determining his ability to support his children. Such statement shall be provided upon demand made by the State Department of Welfare and Institutions or Commonwealth's attorney, and if assistance based upon such application is granted on behalf of such child, additional statements shall be filed annually thereafter with the State Department of Welfare and Institutions until such time as the child is no longer receiving such assistance. Failure to comply with this section shall constitute a misdemeanor.

§ 63.1-286. Scale of suggested minimum contributions.—The State Department of Welfare and Institutions shall establish a scale of suggested minimum contributions to assist localities and courts in determining the amount that a parent should be expected to contribute toward the support of his child under this chapter. The scale shall include consideration of gross income, shall authorize an expense deduction for determining net income, shall designate other available resources to be considered, and shall specify the circumstances which should be considered in reducing such contributions on the basis of hardship. The State Department of Welfare and Institutions shall accept and compile any pertinent and reliable information from any available source in order to establish such minimum scale of suggested contributions, and copies of the scale shall be made available to courts, local offices of public welfare, Commonwealth's attorneys and, upon request, to any other state agency or officer thereof engaged in the administration or enforcement of child support laws in any manner and attorneys admitted to practice in the Commonwealth of Virginia.

It is intended that the use of the scale formulated pursuant to this section be optional, and that no locality, court, officer or agency be required to use said scale unless they so desire.

§ 63.1-287. Central unit for information and administration; cooperation enjoined; availability of records.—The State Department of Welfare and Institutions is authorized and directed to establish a central unit to serve as a registry for the receipt of information, for answering interstate inquiries concerning deserting parents, to coordinate and supervise departmental

activities in relation to deserting parents and to assure effective cooperation with law enforcement agencies.

The central unit within the Department shall have as its primary functions:

(1) Investigation of individual aid to dependent children cases as to the potential for the provision of child support by an absent parent or legal custodian.

(2) Location of absent parents or legal custodians.

(3) Assessment and acquisition of voluntary support, where possible.

(4) Authority to enforce child support through administrative action.

(5) Preparation of individual cases for court action existing under all laws of the Commonwealth by the Commonwealth's attorney.

(6) Ensure on a consistent basis that child support continues in all cases in which support is agreed upon voluntarily or ordered by the court.

To effectuate the purposes of this section, the Director may request from State, county and local agencies all information and assistance as authorized by this chapter. All State, county and city agencies, officers and employees shall cooperate in the location of parents who have abandoned or deserted, or are failing to support, children receiving public assistance and shall on request supply the State Department of Welfare and Institutions with all information on hand relative to the location, income and property of such parents, notwithstanding any provision of law making such information confidential.

Any records established pursuant to the provisions of this section shall be available only to the Attorney General, prosecuting attorneys, and courts having jurisdiction in support and/or abandonment proceedings or actions, or agencies in other states engaged in the enforcement of support of minor children.

§ 63.1-288. Department exempt from fees.—No filing or recording fees, court fees, or fees for service of process shall be required from the State Department of Welfare and Institutions by any clerk, auditor, sheriff or other local officer for the filing of any actions or documents authorized by this chapter, or for the service of any summons or other process in any action or proceeding authorized by this chapter.

§ 63.1-289. Severability.—The several provisions of this chapter are hereby declared to be separate and severable and if any clause, sentence, paragraph, subdivision, section or part thereof shall for any reason be adjudged invalid or unconstitutional, such invalidity or unconstitutionality shall not affect any other clause, sentence, paragraph, subdivision or section.

#

A BILL to repeal § 63.1-237 of the Code of Virginia, relating to final order of adoption not subject to attack after six months.

Be it enacted by the General Assembly of Virginia:

- 1. That § 63.1-237 of the Code of Virginia is repealed.**

#

A BILL to amend and reenact § 63.1-123, as amended, of the Code of Virginia, relating to action by State when local officials fail or refuse to make welfare payments or provide certain social services.

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-123, as amended, of the Code of Virginia is amended and reenacted as follows:

§ 63.1-123. Payments by Commissioner in such cases; deductions by Comptroller; social or rehabilitative services.—For so long as the failure or refusal to provide for the payments referred to in § 63.1-122 shall continue, the State Board shall authorize and direct the Commissioner under rules and regulations of the State Board, to provide for the payment of assistance ~~or the furnishing of services~~ in such county or city out of funds appropriated for the purpose of carrying out the provisions of this chapter. In such event the Commissioner shall at the end of each month file with the State Comptroller and with the board of supervisors, council or other governing body of such county or city a statement showing all disbursements and expenditures made for and on behalf of such county or city, and the Comptroller shall from time to time as such funds become available deduct from funds appropriated by the State, in excess of requirements of the Constitution of Virginia, for distribution to such county or city such amount or amounts as shall be required to reimburse the State for expenditures incurred under the provisions of this section. All such funds so deducted and transferred are hereby appropriated for the purposes set forth, and shall be expended and disbursed as provided, in §§ 63.1-93 and 63.1-94. With respect to ~~old age assistance~~, to aid to dependent children ~~and aid to the visually handicapped~~, any county or city may provide such other necessary or incidental social or rehabilitative services as may be authorized by the State Board in connection therewith. *If at any time a locality fails to provide staff to provide services as required to meet State and federal standards in accordance with the provisions of this title, the State Board shall authorize and direct the Commissioner, under rules and regulations of the State Board, to withhold from such locality the entire reimbursement for administrative expenditures to that locality for such period of time.*

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A BILL to amend the Code of Virginia by adding in Title 63.1 a chapter numbered 13, containing sections numbered 63.1-249 through 63.1-261; and to repeal Article 7 of Chapter 8 of Title 16.1, containing sections numbered 16.1-217.1 through 16.1-217.4, the added and repealed sections relating to the reporting of suspected cases of child abuse or neglect, duty of certain persons upon receipt of report, immunity from liability for reporting, child protection programs within local departments, central registry of child abuse, authority of hospital to retain custody of child, and physician-patient and husband-wife privilege.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 63.1 a chapter numbered 13, containing sections numbered 63.1-249 through 63.1-261, as follows:

Chapter 13.

Child Abuse and Neglect.

§ 63.1-249. The General Assembly declares that it is the policy of this Commonwealth to require reports of suspected child abuse and neglect for the purpose of identifying children who are being abused or neglected, of assuring that protective services will be made available to an abused or neglected child in order to protect such a child and his siblings and to prevent further abuse or neglect, and of preserving the family life of the parents and children where possible by enhancing parental capacity for good child care.

§ 63.1-250. The following terms, when used in this chapter, shall have the meanings respectively set forth unless a different meaning is clearly required by the context:

(a) "Abused or neglected child" shall mean any child less than eighteen years of age whose parent or other person responsible for his care: (1) creates or inflicts or allows to be created or inflicted upon such child a physical injury by other than accidental means, or creates a substantial risk of death, disfigurement, impairment of bodily or mental functions; (2) wilfully interferes with such child's normal development; (3) neglects or refuses to provide necessary support, education as required by law, or medical, surgical or other care necessary for his well being when such parent or person is able to do so; (4) abandons such child; or (5) commits or allows to be committed any sexual act upon a child in violation of the law.

(b) "Department" shall mean the State Department of Welfare and Institutions.

(c) "Local department" shall mean the department of general welfare or social services of any county or city in this Commonwealth.

§ 63.1-251. (a) Any person licensed to practice medicine or any of the healing arts, any hospital resident or intern, any person employed in the nursing profession, any person employed as a social worker, any probation officer, any teacher or other person employed in a public or private school, kindergarten or nursery school, any person providing full or part-time child care for pay on a regularly planned basis, any licensed psychologist and any law enforcement officer, receiving in his professional or official capacity, information that a child is an abused or neglected child, shall report the matter immediately to the local department of the county or city wherein the child resides or wherein the abuse or neglect is believed to have occurred. If the information is received by a staff member, resident, intern or nurse in the course of professional services in a hospital or similar institution. such person

shall immediately notify the person in charge of the institution or department, who shall make such report forthwith. The initial report may be an oral report but all reports shall be reduced to writing on a form prescribed by the State Board of Welfare and Institutions. Forms shall be distributed to each local department by the Department.

(b) Any person required to file a report pursuant to subsection (a) of this section who fails so to do shall be fined not more than five hundred dollars for the first failure and for any subsequent failures not less than five hundred dollars nor more than five thousand dollars.

§ 63.1-252. Any person who suspects that a child is an abused or neglected child may make a complaint concerning such child to the local department of the county or city wherein the child resides or the abuse or neglect occurs. Such a report may be oral or in writing.

§ 63.1-253. Any person making a report pursuant to § 63.1-251, a complaint pursuant to § 63.1-252, or who participates in a judicial proceeding resulting therefrom shall be immune from any civil liability in connection therewith, unless it is proven that such person acted in bad faith or with malicious intent.

§ 63.1-254. (a) Upon receipt of a complaint or report of an abused or neglected child, the director of the local department shall cause an immediate and thorough investigation to be made to ascertain the facts and to evaluate the extent of the abuse or neglect.

(b) Upon completion of the investigation, the director shall take the following action:

(1) If abuse or neglect is found and immediate removal is not deemed necessary, the director shall provide or arrange for necessary protective services to be provided to the child and his family. If the parent or other person in charge of the child refuse to accept such services, the director shall immediately petition the district juvenile and domestic relations court for the protection of the child or children.

(2) If abuse or neglect is found and immediate removal is deemed necessary, the director shall petition the district juvenile and domestic relations court for the removal of the child.

(c) The director shall submit a copy of the report of the investigation where an abused or neglected child is found to the Commonwealth's attorney within forty-eight hours of the receipt of a report or complaint. The director shall also submit a copy of the report to the Department for its central registry as provided for in § 63.1-256.

§ 63.1-255. The director of the local department shall provide or arrange to provide all necessary protective services to an abused or neglected child and his family. Protective services shall include, but not be limited to, a program of counseling or other social services to parents or other persons responsible for the care of such a child which are designed to help prevent further abuse or neglect, to stabilize family life, and to preserve the family unit by focusing on the unresolved problems of the family.

§ 63.1-256. (a) The Board of Welfare and Institutions shall establish rules and regulations for the administration of a child protective service program in each local department.

(b) The Department of Welfare and Institutions shall: (1) establish standards of training and education to qualify social workers in the field of child protective services;

(2) maintain educational programs on child abuse or neglect for professional and lay individuals;

(3) coordinate child protective services at the State, regional and local level and with other State agencies; and

(4) maintain a central registry of all cases of child abuse and neglect reported by the local departments.

§ 63.1-257. The central registry provided for in subsection (b)(4) of § 63.1-256 shall contain the name of the child, the name of the family or other persons responsible for his care, the name of the person making the complaint or report and the result of the investigation for each complaint or report received pursuant to this chapter. The information contained in the central registry shall not be open to inspection by the public. However, appropriate disclosure may be made for use in connection with the treatment of the abused child, or person perpetrating abuse, and to counsel or a judge in any criminal or civil proceeding against the person.

§ 63.1-258. Any physician treating, or the person in charge of a hospital or similar institution in which treatment is given, a child suspected of being abused or neglected shall have the right to retain the custody of such child for a period of not more than twelve hours pending a report to the local department.

§ 63.1-259. In any legal proceeding resulting from the filing of any report or complaint pursuant to this chapter, the physician-patient and husband-wife privilege shall not apply to exclude the admission of such report or complaint into evidence.

§ 63.1-260. In any proceeding to determine the custody of an abused or neglected child, the court shall appoint a guardian ad litem to represent the child at all stages of the proceeding.

§ 63.1-261. In any legal proceeding resulting from the filing of any complaint or report, photographs of an abused or neglected child may be taken without the consent of the parent or other person responsible for such child as a part of the medical evaluation and such photographs may be introduced into evidence in such a proceeding.

2. That Article 7 of Chapter 8 of Title 16.1, containing sections numbered 16.1-217.1 through 16.1-217.4, is repealed.

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A BILL to amend and reenact § 63.1-223, as amended, and § 63.1-226 of the Code of Virginia; and to further amend the Code of Virginia by adding in Title 63.1 a chapter numbered 11.1, containing sections numbered 63.1-238.1 through 63.1-238.5, the amended and added sections relating, respectively, to preliminary investigations and reports to courts in adoption proceedings, entry of interlocutory orders in adoption proceedings, and provision for subsidy payments to adoptive parents and others to provide for maintenance and special needs for children with special needs.

Be it enacted by the General Assembly of Virginia:

1. That § 63.1-223, as amended, and § 63.1-226 of the Code of Virginia are amended and reenacted; and that the Code of Virginia is further amended by adding in Title 63.1 a chapter numbered 11.1, containing sections numbered 63.1-238.1 through 63.1-238.5 as follows:

§ 63.1-223. Preliminary investigations; report to court.—Upon the filing of the petition, the court wherein the petition is filed, or the clerk thereof upon order of the court, shall forward a copy of the petition to the Commissioner or, when the child was placed with the petitioners by a child placing agency, the court may in its discretion forward a copy of the petition to the agency which placed the child, who or which shall cause to be made a thorough investigation of the matter and report thereon in writing to the court within ninety days after the copy of the petition is forwarded. In the event the above report is not made to the court within the period specified above, the court may proceed to hear and determine the merits of the petition and enter such order or orders as the court may deem appropriate. Whenever the Commissioner requests that such an investigation be conducted by a local superintendent or other welfare agency of a county or city or the child placing agency which placed the child, it shall be the duty of such person or agency to make the necessary investigation, and to report thereon promptly to the Commissioner. The investigation requested by the court shall include, in addition to other inquiries which the court may require the Commissioner or child placing agency to make, inquiries as to (1) whether the petitioner is financially able, *except as provided in Chapter 11.1 of this title (§ 63.1-238.1 et seq.)*, morally suitable, and a proper person to care for and to train the child, (2) what the physical and mental condition of the child is, (3) why the parents, if living, desire to be relieved of the responsibility for the custody, care and maintenance of the child, and what their attitude is toward the proposed adoption, (4) whether the parents have abandoned the child or are morally unfit to have custody over him, (5) the circumstances under which the child came to live, and is living, in the same home of the petitioner, and (6) whether the child is a suitable child for adoption by the petitioner. Any report made to the court shall include a recommendation as to the action to be taken by the court on the petition.

§ 63.1-226. Entry of interlocutory order.—If, after considering the report provided for by § 63.1-223, the court is satisfied that all of the requirements of this chapter have been complied with, that the petitioner is financially able to maintain adequately, *except as provided in Chapter 11.1 of this title (§ 63.1-238.1 et seq.)*, and is morally suitable and a proper person to care for and train the child, that the child is suitable for adoption by the petitioner, and that the best interests of the child will be promoted by the adoption, it shall enter an interlocutory order of adoption declaring that henceforth, subject to the probationary period hereinafter provided for and to the provisions of the final order of adoption, the child will be, to all intents and purposes, the child of the petitioner, and, if the petition includes a prayer for a change of the child's name and the court is satisfied that such change is for the best interests of the child, that, upon entry of final order, the name of the child shall be changed.

An attested copy of every interlocutory order of adoption shall be forwarded forthwith by the clerk of the court in which it was entered to the Commissioner. In the event an interlocutory order is entered in a case in which the child was placed by a child placing agency and the report required in § 63.1-223 was made to the court by the agency, the Commissioner shall notify the agency of the entry of the interlocutory order and the agency shall send to the Commissioner copies of all reports made by the agency under the provisions of § 63.1-223.

If the court denies the petition for adoption and if it appears to the court that the child is without proper care, custody or guardianship, the court may, in its discretion, appoint a guardian for the child or commit the child to a custodial agency as provided for in §§ 31-5 and 16.1-178, respectively, of the Code.

Chapter 11.1

Children with Special Needs

§ 63.1-238.1. *As used in this chapter:*

(A) *“Child placing agency” shall have the same meaning as defined in § 63.1-220.*

(B) *“Child with special needs” shall mean any child who has special needs because of a handicap to placement for adoption by reason of his physical, mental or emotional condition, race, age or membership in a sibling group.*

§ 63.1-238.2. *A local board may make subsidy payments to the adoptive parents and other persons on behalf of a child placed for adoption by the local board or a child placing agency if it is determined that:*

- (1) the child is a child with special needs; and*
- (2) the adoptive parents are capable of providing the permanent family relationships needed by the child in all respects except financial.*

§ 63.1-238.3. (A) *Subsidy payments shall include:*

(1) a maintenance subsidy which shall be payable monthly to provide for the support, care and education of the child; provided, however, the maintenance subsidy shall not exceed the maximum regular foster care payment that would otherwise be made for the child; and

(2) a special need subsidy to provide special services to the child which the adoptive parents cannot afford including, but not limited to:

- (a) medical, surgical and dental care;*
- (b) hospitalization;*
- (c) legal services;*
- (d) special or remedial educational services;*
- (e) psychological and psychiatric treatment;*
- (f) speech and physical therapy;*
- (g) special services, equipment, treatment and training for physical and mental handicaps; and*
- (h) cost of adoptive home study and placement by a child placing agency other than the local board.*

Special need subsidies shall be paid directly by the local board to the vendor of the goods or services.

Subsidy payments shall cease when the child with special needs reaches the age of twenty-one or when a review of the case by the local board determines that the need no longer exists.

(B) Maintenance subsidy payments shall be made on the basis of a subsidy payment agreement between the local board and the adoptive parents at the time of the placement of the child. Such agreement shall be subject to renewal annually or earlier if the circumstances of the adoptive parents change. At least six weeks prior to the annual renewal date, the board shall offer the adoptive parents an appointment to review the contract for renewal. It shall be the duty of the adoptive parents to notify the local board of any change in the financial situation of the family which would affect the terms of the agreement.

(C) The local board shall continue responsibility for subsidy payments in the event that the adoptive parents move to another jurisdiction; provided that the adoptive parents continue to meet the conditions of the contract and provided that agreement can be made with the welfare department of the locality within or without the Commonwealth to which the adoptive family is moving to administer the subsidy agreement.

(D) Local boards and the State Board of Welfare and Institutions are authorized to make payments under this chapter from appropriations for the care of children in foster homes and institutions, and may seek and accept funds from other sources, including federal, State, local, and private sources, to carry out the purposes of this chapter.

§ 63.1-238.4. Qualification for subsidy payments shall be determined by the local board in accordance with rules and regulations promulgated by the State Board of Welfare and Institutions, prior to completion of the adoption proceedings.

§ 63.1-238.5. The State Board of Welfare and Institutions shall make all rules and regulations necessary for the proper administration of the provisions of this chapter.

#

SENATE JOINT RESOLUTION NO.....

Directing the Virginia Advisory Legislative Council to continue its study of public welfare programs.

Whereas, the General Assembly heretofore directed a study of public welfare programs under House Joint Resolution No. 29 of the 1971 Session and House Joint Resolution No. 51 of the 1972 Session and it has not been possible to complete the study; and

Whereas, the Committee appointed to study public welfare by the Virginia Advisory Legislative Council has reported to the Council its findings and recommendations; and

Whereas, the Council was unanimous in its acceptance of the report of the Committee; and

Whereas, the scope and complexity of the problems confronting the Council have prevented a complete and thorough examination of every facet of the public welfare system; and

Whereas, extremely important areas require further examination; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the Virginia Advisory Legislative Council is hereby directed to continue its study of public welfare programs. The Council shall consider problems in personnel, administration, the general relief program, merger of small local departments of public welfare, feasibility of separate State agencies of welfare and corrections, feasibility of a single statewide licensing agency, and the feasibility of statewide human services delivery system. The Council may further consider all other matters in connection with the funding and administration of public welfare and public assistance programs and policies as it may consider pertinent. All officers and agencies of the Commonwealth and of its political subdivisions shall assist the Council in this study upon request. The Committee established by the Council to conduct the study shall have the power to request any information and studies from such officers and agencies.

The Council shall conclude its study and make its report to the Governor and the General Assembly not later than December one, nineteen hundred seventy-four.

The present members shall continue as the members of the Committee, provided that if any member be unwilling or unable to serve, or for any other reason a vacancy occur, his successor shall be appointed in the same manner as the original appointment was made. The Director of the Department of Welfare and Institutions shall be a member ex officio without vote and shall provide staff, research and other necessary facilities and services required for the Committee to discharge expeditiously its duties. The members shall receive no compensation for their services but shall be paid their necessary expenses incurred in carrying out their duties for the Committee.

APPENDIX B

GLOSSARY OF TERMS

1. "*Applicant*" means a person who applies for public assistance or services, or for whom assistance or service is applied for.
2. "*Aid to the Blind*" means money payments to blind individuals or vendor payments on behalf of such persons or others included in the assistance payment; or money payments to such appropriate persons as may be determined by the local board if the recipient by reason of his physical or mental condition has such inability to manage his funds that making an assistance payment to him would be contrary to his welfare.
3. "*Aid to Dependent Children*" means money payments on behalf of a dependent child to the relative with whom he is living, or vendor payments on behalf of such child or others included in the assistance payment; or money payments to such appropriate person as may be determined by the local board if the relative with whom the child is living by reason of his physical or mental condition has such inability to manage his funds that making an assistance payment to him would be contrary to the welfare of the child, or if such relative refuses to accept employment or training under conditions specified by the Board.
4. "*Aid to the Permanently and Totally Disabled*" means money payments to a person who is disabled, or vendor payments on behalf of such persons or others included in the assistance payment; or money payment to such appropriate person as may be determined by the local board if the recipient by reason of his physical or mental condition has such inability to manage his funds that making an assistance payment to him would be contrary to his welfare.
5. "*Assistance*" means and includes old age assistance, aid to dependent children, aid to the permanently and totally disabled, aid to the blind, and general relief.
6. "*Child Placing Agency*" means any person, firm, or corporation licensed as such agency under the provisions of chapter 10 (63.1-195 et seq.) or the local board of public welfare or social services having custody of a child with right to place him for adoption by virtue of court commitment or parental agreement as provided in 63.1-56 and 63.1-204 or an agency outside the State which is licensed or otherwise duly authorized to place children for adoption by virtue of the laws under which it operates.
7. "*Client*" means any person who receives assistance or services or for whom money is paid.
8. "*Foster Care*" - Child under eighteen years of age who may be entrusted to the local board by the parent, parents, or guardian, or committed by any court of competent jurisdiction.
9. "*General Relief*" means money payments and other forms of relief to those persons who do not meet eligibility requirements in other financial programs.
10. "*Local Board*" means the local board of public welfare or social services in each county and city provided for in article 1 (63.1-38 et seq.) of Chapter 3.
11. "*Old Age Assistance*" means money payments to a needy person sixty-five years of age or older or vendor payments on behalf of such person or others included in the assistance payment; or money payments to such appropriate person as may be determined by the local board if the recipient by reason of his physical or mental condition has such inability to manage his funds that making an assistance payment to him would be contrary to his welfare.

12. *“Recipient”* means any person who receives assistance or services or for whom money is paid.
13. *“Public Assistance”* means and includes old age assistance, aid to dependent children, aid to the permanently and totally disabled, aid to the blind, and general relief.
14. *“State-Local Hospitalization”* - The program of hospital and outpatient treatment and care for indigent and medically indigent persons residing within a given county or city within the Commonwealth.

DEFINITIONS OF SOCIAL SERVICES TERMS

1. Casework - A process used primarily by social workers in human welfare agencies to help individuals or families cope more effectively with their problems in social functioning; each individual or family is considered a case.
2. Child Care Services - Care of a child for a portion of the day, but less than 24 hours, in his own home by a responsible person or outside his home in a family day care home, group day care home, or day care center.
3. Client-Worker Contract - A formal agreement between a client and an agency representative for the delivery of service based on a mutual assessment of his needs and a mutually understood and agreed-upon plan.
4. Comprehensive Services - The provision of a variety of services so as to meet the multiple needs of a given individual to help him overcome his problems and attain his goals.
5. Consumer Involvement - The participation of the recipients of services in planning, operating, and/or evaluating the programs from which they benefit; may include the concept of consumer protection as well as the giving of information to the consumer.
6. Day Care Center - Any place other than an occupied residence which receives children for care for less than 24 hours a day, or an occupied residence caring for 13 or more children on a less-than-24-hour basis.
7. Employable - Having the marketable skills which enable one to work at appropriate tasks (without being overwhelmed by barriers to accepting employment) on any of the following levels; competitive, limited, selective, sheltered, or homemaker.
8. Family Day Care - The regular care of children other than the provider's own family or close relatives in an occupied residence for less than 24 hours a day. (Refers to 6 or less children; 7-12 children constitute group day care.)
9. Federal Medical Assistance Percentage - The rate of Federal financial participation in a State's expenditures in the form of vendor payments for medical care.
10. Foster Care Services - Placement of children in a foster family home or appropriate group care facility while counseling the parent or other responsible relative to improve home conditions. Also, the placement of adults in appropriate settings to assure proper care.
11. Human Services - Those services provided to individuals or families in need which help them achieve, maintain, or support the highest level of personal independence and economic self-sufficiency, including health, education, manpower, social, vocational rehabilitation, food and nutrition, and housing services.
12. Institution - A single or multiple unit facility which furnishes some treatment or services beyond simply food and shelter to 12 or more persons.
13. Local General Purpose Government - A political subdivision, i. e. city, township or county, which has been delegated through legal authority the right to collect revenue, enforce laws and regulations, and/or provide services within its jurisdiction.
14. Preventive Services - Assisting individuals or families to avoid a potential problem or satisfy a potential need, i. e. keep something undesirable from

- happening, or keep the problem or condition from worsening or from becoming chronic; in the field of medicine, all services aimed at promoting health, preventing disease and disability, and prolonging life.
15. **Protective Services - Children:** responding to, and substantiating evidence of, neglect, abuse, or exploitation; helping parents to provide acceptable care; or bringing the situation to the attention of appropriate legal authorities. **Adults:** arranging for medical services, commitment, or other placement for treatment or care, and generally assisting people to move from situations which are or may become hazardous to their health and well-being.
 16. **Purchase of Services -** Services provided by one agency and purchased by another through a formalized agreement.
 17. **Self-Support -** A level of functioning in which the individual is employed or retired, no longer dependent on public income maintenance, and able to manage daily life without the benefit of public social services.
 18. **Service Area -** A geographic portion of a State which has been delineated or defined for the purpose of planning for a designated social service program.
 19. **Social Services -** Non-cash resources rendered to individuals, or families under public auspices which help people solve their problems and eliminate the obstacles to improving the condition of their lives.
 20. **Social Work -** The profession whose training and focus is concerned with the prevention of social problems, the elimination of handicaps to social and personal well-being, the provision of help to those in need, and the strengthening and improvement of such services and resources.
 21. **Umbrella Agency -** A state or local agency responsible for the administration and coordination of a number of individual service programs which interrelate to achieve common goals.
 22. **Universal Services -** Those which are not limited to specific groups but are available to all persons, although they may include fees for those able to pay.

FINANCIAL ASSISTANCE PROGRAMS

A. *Old Age Assistance (OAA)*

Recipients 65 years of age and over who do not have sufficient income or earning capacity to support themselves.

B. *Aid to the Blind (AB)*

Recipients of any age who have corrected vision of 20/200 or less or a field of vision limited to 20 degrees or less, or severe visual impairment which is equally disabling.

C. *Aid to the Permanently and Totally Disabled (APTD)*

Recipients between the ages of 18 and 65 who are not able to work because of severe physical or mental disability of a continuing nature.

D. *Aid to Dependent Children (ADC)*

Recipients are needy children who have been deprived of the support of a parent by reason of death, disability or continued absence. Such children must be living with a parent or other close relative.

E. *General Relief (GR)*

Provides assistance to unemployed persons in need who do not meet any of the requirements for assistance in a federal category. Such assistance may be granted to persons temporarily ill or disabled; or include emergency aid to persons in acute need due to unemployment. Assistance may be given with burial expenses of indigent persons and aid to stranded transients.

F. *Medicaid*

Provides medical care for those receiving public assistance funds and for other persons who meet the eligibility requirements for public assistance except they have enough income for their maintenance but not for medical care.

G. *State-Local Hospitalization (SLH)*

Provides inpatient and outpatient hospital care for other persons who are financially unable to pay hospital cost.

H. *Food Programs*

The Food Stamp Program or Surplus Commodities Program is designed to supplement the food budgets of recipients of public assistance and other low income families by helping them secure additional food.

HUMAN SERVICE PROGRAMS

A. *Adoption Services*

1. Independent Adoptions

Adoptive placements made independently of a public or private child placement agency which are referred by the court for evaluation and supervision to the local department of public welfare (social services) until final order is entered.

2. Agency Placements

Placement of a child in the custody of the local department of public welfare (social services). Adoptive home is recruited, evaluated and supervised by the department until final order is entered.

B. *Adult Services*

Services to adults of a protective or preventive nature. Four major services include protection and self-support, information and referral, health care and living arrangements.

C. *Child Care Services*

Services in securing and maintaining adequate child care during a part of the 24-hour day for children whose parents are employed, are enrolled in training or educational programs, or for other reasons, need such care for their children.

D. *Court Services*

Services offered to the Juvenile and Domestic Relations Court or a Court of Record. Services may include pre-hearing studies of a child and his family with recommendations for action, non-support matters, studies to aid court in making decisions about custody of children in divorce matters, assisting families in arranging for commissions when such action is indicated for the protection of a family member or family and assistance where families have minors who are affected with mental deficiency or hereditary forms of mental illness in taking legal action for sterilization.

E. *Family Planning Services*

Services offered to all families and individuals served by departments of public welfare (social services) which include information giving, instruction, counseling and referral with follow-up to other appropriate agencies.

F. *Foster Care Services*

Services rendered to children whose custody has been awarded by a court or entrusted by parent, parents or guardian to the local department of public welfare (social services).

G. *Homemaker Services*

Services provided in actual performance of household duties when there is illness, incapacity, or temporary absence of a mother from a home. Also, may include instructions in child care, budgeting, meal planning, housekeeping skills, et cetera.

H. *Human Services to Families and Children*

Services offered to families receiving Aid to Dependent Children (ADC) or to other families which are directed towards increasing the family's potential for self-support and self-maintenance and towards the strengthening of family life.

Services offered include:

1. Family Life Education
2. Medical Services
3. Educational Programs
4. Vocational Services
 - a. Counseling in regards to work potential
 - b. Work Incentive Program (WIN)
 - c. Referral to employment opportunities
 - d. Referral to Vocational Rehabilitation
 - e. Other special work or training programs

I. *Protective Services*

A preventive service aimed at effectively reducing the number of delinquent children as well as the number of children who must be removed from their home by court action. Also is given in complaint cases of alleged neglect, abuse, exploitation or cruel treatment of children.

J. *Unmarried Parent Services*

A service given to mothers in an effort to help her make a plan for her unborn child as well as giving assistance in implementing the plan. Service may also involve counseling with unmarried fathers.

K. *Volunteer Services*

Recruitment and training of volunteers to provide for needs of clients which cannot be met by tax dollars.

APPENDIX C

DIVISION OF GENERAL WELFARE

Herbert A. Krueger, Director

WELFARE COMPUTERIZATION SUMMARY PREPARED DECEMBER 19,
1973

for

VIRGINIA ADVISORY LEGISLATIVE COUNCIL

ATTENTION: THE HONORABLE JOSEPH V. GARTLAN, JR.

System Overview:

The system for which cost figures will be listed is the Welfare Client Information System (WCIS) referred to as alternative III in the feasibility study June, 1973. This system proposes computerization of those activities performed by local welfare offices necessary to process applications and maintain recipient records necessary for the administration of public welfare, social services, and medicaid. WCIS would be an on-line system using video display terminals located in designated centers to collect data, validate eligibility, calculate budget amounts and maintain a central client data base. WCIS would be an integral part of the local office operations but would include the central issuance of checks and central preparation of most reports.

Development:

In order to develop the system described above a dedicated effort would be required by all participants. To insure the completeness of the system it would be necessary not only to include data processing technical people but also a knowledgeable complement of user staff (state, regional and local welfare oriented people). Developing the computer specifications and programs required to run the system will require 363 man months over an 18 month period. Of this, 258 man months would be technical staff and 107 man months would be user staff. The cost of the manpower is approximately \$446,900. It is impossible at this time to estimate computer time cost, equipment requirements and related costs as this would be dependent on a systems requirements study.

Implementation:

Implementing the system across the state will require 45 man months of effort over and above development costs over a 6 month period. This would cost approximately \$67,000 and the cost figures as above, is strictly manpower cost. Cost of data processing equipment, travel and related training costs cannot be estimated at present but would be available after the systems requirements study.

Operational Cost:

In reviewing the current local systems for operating cost of the VUWRS system (both manual and DP VUWRS) it was determined that the gross operating cost of payments was \$2,103,000 broken down as follows:

\$1,147,000 for clerical costs, \$855,000 for data processing cost and \$101,000 for research/reporting under Alternative III (WCIS) the gross operating cost is \$1,047,000 of which clerical cost is \$676,000, data processing cost is \$309,000, and the research and reporting cost is \$62,000. The above costs concern themselves only with the assistance portion of the welfare operations. For the total picture of all programs to be included in WCIS in the future, see appendix "I".

Savings:

The savings of alternative III over the current operations are as follows:

	Estimated Current Operations Cost	Estimated WCIS Cost		Estimated Savings
Clerical Cost	\$1,147,000	\$ 676,000	+	\$ 471,000
DP Cost	855,000	309,000	+	546,000
R&R	101,000	62,000	+	39,000
Totals	<u>\$2,103,000</u>	<u>\$1,047,000</u>	+	<u>\$1,056,000</u>

The gross savings would be \$1,056,000. For comparison the figures were estimated based on the supposition that the WCIS was operational in all localities in 1973. It must be realized that it takes a major outlay of funds to develop the system to realize these savings in the future.

Impact of a WCIS:

If a WCIS is implemented on a statewide basis, there would be a number of considerations to review.

A. There would be a possible reduction in local clerical staff either through attrition or a reassignment on the clerical workload would be reduced.

B. At the State level there would be an increase in staff, especially at BMS and possibly in R&R and General Welfare. This growth could be significant as a result of this venture.

C. Several advantages or major benefits of the central system (WCIS) should be mentioned.

1. A single source of information for a recipient could be created thus eliminating maintenance of duplicate data for different programs.
2. Machine calculation of the assistance grant to eliminate math errors.
3. Clerical support effort at the local level would be greatly reduced as most reports would be created centrally.
4. Policy changes could be implemented faster and more uniformly on one central system.
5. Reduction of errors because of strict edit criteria on data collected.
6. Most special reports could be generated on a more timely and accurate basis.
7. The information data base concept offers the most efficient method of data exchange between DW&I programs and in the future, other Human Resources programs.

SEPARATE LOCAL SYSTEMS - CURRENT OPERATIONS

SUMMARY OF INFORMATION PROCESSING COSTS BY EXPENSE TYPE

SUMMARY OF INFORMATION PROCESSING COSTS BY SOURCE OF FUNDS

System	Clerical Costs	Data Processing Costs	Research and Reporting Costs	Gross Operating Costs	Federal Share	Local Share	Net State Operating Cost
VUWRS	\$1,147	\$ 855	\$ 101	\$ 2,103	\$ 985	\$ 417	\$ 701
Food Stamps	980	149	2	1,131	-	226	905
Social Services	855	1,311	7	2,173	1,264	433	476
Child Welfare Services	379	8	2	389	-	76	313
WIN II	14	-	2	16	13	-	3
Quality Control	7	-	26	33	18	-	15
BENDEX	8	20	-	28	13	-	15
Black Lung	8	5	-	13	6	-	7
AIDS	-	3	-	3	1	-	2
TOTAL	<u>\$3,398</u>	<u>\$2,351</u>	<u>\$ 140</u>	<u>\$ 5,889</u>	<u>\$ 2,300</u>	<u>\$ 1,152</u>	<u>\$ 2,437</u>

Notes:

- All dollars in thousands
- All costs assume that the systems are operating in FY 1973.

ONE CONSOLIDATED SYSTEM WITH CENTRAL PROCESSING

SUMMARY OF INFORMATION PROCESSING
COSTS BY EXPENSE TYPE

SUMMARY OF INFORMATION PROCESSING
COSTS BY SOURCE OF FUNDS

System	Clerical Costs	Data Processing Costs	Research and Reporting Costs	Gross Operating Costs	Federal Share	Local Share	Net State Operating Cost
VUWRS	\$ 676	\$ 309	\$ 62	\$ 1,047	\$ 459	\$ 151	\$ 437
Food Stamps	312	65	1	378	-	62	316
Social Services	855	181	4	1,040	728	170	142
Child Welfare Services	379	-	2	381	-	76	305
WIN II	7	-	-	7	5	-	2
Quality Control	-	1	9	10	5	-	5
BENDEX	8	12	-	20	9	-	11
Black Lung	8	5	-	13	6	-	7
AIDS	-	3	-	3	1	-	2
TOTAL	<u>\$2,245</u>	<u>\$ 576</u>	<u>\$ 78</u>	<u>\$ 2,899</u>	<u>\$ 1,213</u>	<u>\$ 459</u>	<u>\$ 1,227</u>

Notes:

- All dollars in thousands
- All costs assume that the systems are operating in FY73.

Gross savings for total system is \$2,990,000.00.

APPENDIX D

FLAT ALLOWANCE

For approximately two years consideration has been given to the possibility of adopting flat allowances, in lieu of individualized requirement items, in determining eligibility for Public Assistance as a means of simplifying the eligibility process and thus reducing errors. In October, 1972, the State Board of Welfare and Institutions authorized the Division of General Welfare to make a study of the flat allowance system. The findings of the study were presented to the State Board on May 1, 1973.

The State Board did not adopt the flat allowance because of the following reasons:

1. It was their understanding that the General Assembly expressed very clearly their intention that Public Assistance grants not be reduced below the present payment levels prior to the 1974 session. Even though approximately 82% of the amount of the flat allowances, less income, would result in an average payment per recipient equal to our current monthly average of approximately \$47.50, grants to some recipients would be decreased whereas others would be increased. It did not seem advisable to change the method of determining eligibility and run the risk of reduction in a large percentage of grants during the period in which the Division of General Welfare was mandated not to reduce payment levels.
2. The problem of maintaining two different methods of eligibility determination, one in ADC and another in the Adult categories.
3. Had the flat allowance system been implemented in August, the standards would have had to be based on 1970 living costs.

Although the State Board of Welfare and Institutions did not adopt the flat allowance on May 1, 1973, it took the following action:

The Department of Welfare and Institutions is to include in the 1974-76 budget request the funds necessary to meet 100% of need with no maximum, of the flat allowance amounts reflecting prevailing living costs.

It is strongly urged that the flat allowance plan be adopted for all Virginia Welfare recipients.

The main reason for urging this plan is because the present budgeting procedures are so confusing and complicated due to the regulations in our manual that it is impossible to avoid making errors beyond an acceptable level. The only standardized items in our present system is the allowance for food and clothing.

Our current budgeting plan has evolved over many years with each year adding a new series of requirements which includes:

- | | |
|-------------------------------|------------------------------|
| 1. Rent | 8. Certain Dental Costs |
| 2. Special Circumstance Items | 9. Legal Representative Cost |
| 3. Inclusions | 10. Deductions |
| 4. Property Tax | 11. Room and Board |
| 5. Transportation | 12. Room |
| 6. Split Shelter Cost Items | 13. Personal Services |
| 7. Utility Items | 14. Laundry |

Plus many other items on a case by case determination.

The present system trains clients to design ways to beat the system and have the need for budget items they have never had any need for before getting on welfare. Rent is included as charged by the landlord within the maximum of \$95.00 per month for rent and utilities. Therefore, they develop no initiative to look for and secure the best property for the least money, and the landlord can charge more rent for the house than it is worth. The purchase and repair of household furniture and appliances can be added to the grant. In some cases there is intentional destruction of such purchased items to get better replacements.

We should give them a flat allowance of an amount for their size family with which they can live, if they try to manage their money. The flat allowance should be higher in higher rental areas, but food and other costs should be the same statewide.

The flat allowance should include everything and let the client manage as do the working people on low incomes and the people receiving social security, veterans and all other types of retirement benefits.

By enactment of the flat allowance statewide we will permit a client to develop pride in his ability to learn how to manage his money, be happier and more independent.

Advantages and Disadvantages of Flat Allowances:

A. Advantages:

1. The resulting simplification of policy should eliminate errors in computation of "needs" items in determining the amount of the ADC payment. In the latest completed analysis of Quality Control findings, error in this area represented 21.7% of all payment errors. It is estimated that, if the flat allowance is implemented in August 1973, this will result in a savings in payments to ineligible persons and overpayments of \$1,655,974 for the remainder of the biennium.
2. Client's payments will be determined on a more equitable basis because of the elimination of personal judgment of the technician in determining the amount of the grant.
3. There will be a substantial saving of technician's time in determining the amount of the grant. This time could then be spent on more careful exploration of other factors such as "earnings", thereby reducing errors in other eligibility elements.
4. There will be fewer changes in the amount of the payment to clients since only a change in the number of persons in the family or in the income would result in a change in the amount of the grant. Under the present system any change in circumstances, such as a move to another address, would change the amount of the payment. Saving in the time of administrative, technician and clerical staff would result.
5. The flat allowance will give us much tighter fiscal control of our program in both budgeting and expenditures. Under the present system the amount the client spends for shelter (up to the maximum) or conceivably the need for a new refrigerator could make a family eligible for a payment and all the accompanying benefits such as 30% disregard of earnings which could keep them on assistance indefinitely.
6. The client will have more control of how he spends his money. The client's decision to reduce expenditures in one item in order to increase

in another will not result in a reduction or change in his grant. He will be less subject to exploitation by landlords who know that shelter cost up to \$95 may now be allowed. Clients will have the right to manage their money just as any other person whose income comes from a source other than public welfare.

7. The flat allowance embodies the same principles as the Federal Supplemental Security Income Benefits which will take the place of public assistance for all the Adult cases on January 1, 1974.
8. The public assistance program will be much easier to explain to the general public and the legislature.
9. The overwhelming majority of local welfare departments favor the flat allowance.

B. *Disadvantages:*

1. Some families currently receiving ADC will receive a reduction in their checks, others will receive an increase with no corresponding increase in need.
2. We can anticipate court cases.
3. In the first few months after implementation, we can anticipate a large number of appeals.
4. Since all clients do not receive all special circumstance allowances, the state-wide averaging of each item will result in less money than at present for the item if it is needed by a particular family. As many of these items as permissible within Federal regulations will continue to be provided on an as needed basis through a service payment to the vendor at 75% federal reimbursement or through the ADC Emergency Assistance program.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF WELFARE AND INSTITUTIONS
INTER-STAFF COMMUNICATION

Date - April 18, 1973

TO: Mr. William L. Lukhard

FROM: Mr. Herbert A. Krueger

SUBJECT: Summary of Flat Allowance Proposal for State Board Consideration

I. *Background:*

Approximately two years ago the Division of General Welfare began discussing the possibility of adopting flat allowances for the requirement of public assistance recipients as a means of simplifying the process of eligibility determination and thus reducing errors.

Our Public Assistance program has always been geared to trying to meet the individual financial needs of our clients. Since human situations are unique and generally defy classifications, policies have become increasingly complicated as we attempted to deal with the "unusual" situation. Quality Control reports showed error rates remaining unacceptably high or going higher. All the actions taken failed to appreciably correct this trend.

In October, 1972, the administration of the Division of General Welfare decided that our philosophy of individualizing needs was resulting in policies so complicated that they were administratively unfeasible. Therefore, with State Board approval, we undertook a study of the flat allowance. It should be noted that this decision was made prior to the proposed action of Health, Education, and Welfare to withhold 10.8 million dollars because of our excessive payment errors and prior to the 1973 session of the General Assembly who also expressed concern about our payment errors and reflected the concern in their action on our appropriation request.

We are now ready to present to State Board a proposal for a flat allowance for ADC assistance payments in Virginia. Since the Adult categories of assistance will be transferred to Social Security as of January 1, 1974, it is deemed infeasible to implement a radical change in these programs prior to that date.

II. *What is a Flat Allowance?*

A flat allowance system provides for a single dollar amount which represents the total needs of a family of a particular size. From this total dollar amount of need is subtracted the individual's income in order to arrive at the amount of payment.

Since the cost of living, primarily as reflected in the cost of shelter, varies so markedly from one part of the state to another, we are proposing that the flat allowances not only reflect the size of the family but the cost of shelter living in the particular locality.

Under the present system, an eligibility technician has to determine the amount of each item of the budget for each family (except for food, clothing and personal care items). They must explore the

person's shelter costs and if the family is sharing shelter with other people, as is frequently the case, extremely complicated policies apply. The eligibility technician uses her personal judgment to decide whether the family need such items as telephone, laundry allowance, household furnishings. The eligibility technician may need to make over 100 decisions to determine the amount of the "need" items in a single case. The likelihood of error is obvious and it is in this area that the greatest number of errors are found.

The flat allowance would eliminate the necessity of determining requirement items on an individual basis.

III. *How was the amount of the Flat Allowance determined?*

As a result of extensive research in Central Office of Health, Education, and Welfare, plus the results of court cases in the various states, Health, Education, and Welfare has developed a specific procedure for the study which a state must undertake to determine the amount of the flat allowances. This study emphasizes that each grouping of the total sample must have a statistically valid number of cases from which "fair averages" of all items of need are determined. In each step of the study we have sought and received the assistance of Health, Education, and Welfare. Health, Education, and Welfare has also approved our study design plan.

A statistically valid sample of cases was selected from the state-wide ADC caseload. In order to have averages which would be difficult to question, we oversampled above the sample requirement by approximately 44%.

The state-wide averages by family size for each item in the client's budget were secured. Shelter was averaged for families of four and below and for families of five and above, since our current utility allowances are established on this basis.

The total of these individual averaged items constitutes the state-wide fair average flat allowance for each specific family size.

Adjustments were then made by administrative decision in the "shelter" item for some localities because of the substantially higher cost of shelter for welfare clients in these areas. No locality was reduced below the state-wide average. The adjusted totals constitute the flat allowance by family size for each locality.

IV. *Amount of Flat Allowances:*

Flat allowances at 100% of need as determined by "fair averaging" each needs item and totalling them. These figures also reflect the local differentials in cost of living.

Group I - A pure fair average by size of family.

Localities: Highland, Cumberland, Buckingham, Mecklenburg, Prince Edward, Southampton, Fluvanna, King William, Brunswick, Amelia, Essex, Northampton, Charlotte, Pittsylvania, Scott, Westmoreland, Prince George, Craig, Northumberland, Amherst, Lee, Lunenburg, Greensville, Powhatan, Surry, Caroline, Dinwiddie, Goochland, Wise, Buchanan, Sussex, New Kent, Bland, Lancaster, Halifax, Richmond, King and Queen, Accomack,

Patrick, Dickenson, Franklin, Appomattox, Rappahannock, Charles City, Emporia, Russell, Louisa, Middlesex, Isle of Wight, Bath, Madison, Fauquier, Carroll, Nottoway, Clarke, Nelson, Campbell, Alleghany, Tazewell, Washington, Spotsylvania, Greene, Floyd, Clifton Forge, Rockbridge, Loudoun, Bedford, Norton, Wythe, Grayson, King George, Franklin, Shenandoah, Hanover, Orange, Henry, Bristol, Page, Danville, Nansemond, Gloucester, Galax, Botetourt, Mathews, Stafford, Giles, Frederick, Pulaski, York, Smyth, Buena Vista, James City, Culpeper, Chesapeake, Williamsburg, Warren, Suffolk, Rockingham, Covington, Chesterfield, Augusta, Lexington, Albemarle, Hopewell.

Size of Assistance Units

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
\$116.00	\$184.00	\$240.00	\$295.00	\$350.00	\$396.00	\$450.00
104.00	160.00	204.00	247.00	290.00	324.00	366.00
<i>8</i>	<i>9</i>	<i>10</i>				
\$506.00	\$555.00	\$607.00	\$49.00			
410.00	447.00	487.00	\$37.00 for each person above 10			

Group II - Largely urban areas whose flat allowance reflects a higher cost of living for recipients than rural areas.

Localities: Lynchburg, Harrisonburg, Winchester, Richmond, Roanoke, Martinsville, Newport News, Virginia Beach, Staunton, Petersburg, Radford, Henrico, Norfolk, Roanoke, Portsmouth, Montgomery, Fredericksburg, Colonial Heights, Waynesboro, Hampton, Alexandria, Charlottesville.

Size of Assistance Units

V.

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
\$128.00	\$184.00	\$228.00	\$271.00	\$320.00	\$354.00	\$395.00
<i>8</i>	<i>9</i>	<i>10</i>				
\$440.00	\$476.00	\$517.00	\$37.00 for each person above 10			

Group III - The Washington suburban areas whose cost of living for recipients is excessively high in relation to the remainder of the state.

Localities: Prince William, Fairfax, Arlington, Falls Church.

Size of Assistance Units

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
\$178.00	\$233.00	\$278.00	\$321.00	\$381.00	\$415.00	\$457.00
<i>8</i>	<i>9</i>	<i>10</i>				
\$501.00	\$537.00	\$578.00	\$37.00 for each person above 10			

VI. *Possible Alternatives for Implementation*

A. The flat allowances specified in Section V be adapted with appropriate ratable reduction within funds available, with (1) no maximum

payment or (2) with a maximum payment, to be effective with August payments.

- B. The aforementioned flat allowances be updated to reflect current living costs and funds requested of the 1974 General Assembly based on 100% of need with no maximum payment. The effective date of implementation should be as soon as possible following action of the General Assembly.

