PUBLIC WELFARE PROGRAMS

REPORT OF THE

THE VIRGINIA ADVISORY LEGISLATIVE COUNCIL

To

THE GOVERNOR

And

THE GENERAL ASSEMBLY OF VIRGINIA

Senate Document Number 16

COMMONWEALTH OF VIRGINIA

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PUBLIC WELFARE PROGRAMS

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PUBLIC WELFARE PROGRAMS

Report of the

Virginia Advisory Legislative Council

Richmond, Virginia

January 8, 1975

To: Honorable Mills E. Godwin, Jr., Governor of Virginia

and

The General Assembly of Virginia

In 1972, the General Assembly, concerned over the direction and administration of the welfare programs of the State, directed the Virginia Advisory Legislative Council to study the welfare system and to report in 1973. A Committee of the Council was appointed to conduct the study and the Council submitted a report to the 1974 General Assembly. As a result of that Comittee's work, far-ranging legislation was passed cil to study the welfare system and to report in 1973. A Committee of the Council was appointed to conduct the study and the Council submitted a report to the 1974 General Assembly. As a result of that Comittee's work, far-ranging legislation was passed concerning the administration of the Commonwealth's public welfare programs. Because of the enormity of the task of reforming the welfare structure, the Committee was not able to complete its work. Consequently, the Council requested that the General Assembly continue its mandate to study public welfare systems. The General Assembly complied with the request, embodying its instructions in Senate Joint Resolution No. 20, the text of which follows:

SENATE JOINT RESOLUTION NO. 20

Directing the Virginia Advisory Legislative Council to continue its study of public welfare and 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 September 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 member ex officio without vote and shall provide staff, esearch and other necessary facilities and services required for the ommittee to discharge expeditiously its duties. The members shall eceive no compensation for their services but shall be paid their essary expenses incurred in carrying out their duties for the mmittee.

As directed by the resolution, the Public Welfare Committee of e Virginia Advisory Legislative Council remained intact in order ontinue its study. Joseph V. Gartlan, Jr., of Fairfax, a member of Senate of Virginia and a member of the Council, chaired the ittee. Also serving on the Committee were Senator Howard P. erson of Halifax, Delegate Wyatt B. Durrette, Jr., of Falls ch, Ethel Camp and Ray C. Goodwin of Arlington, Dr. Edward regory, Jr., and The Reverend Carl L. Howard of Richmond, te Thomas J. Michie, Jr., of Charlottesville, Delegate William binson, Sr., of Norfolk, Maude B. Shelor of Floyd, Delegate Slayton of South Boston, Senator William A. Truban of doah, Senator Charles L. Waddell of Loudoun, and Senator nce Douglas Wilder of Richmond. All except Delegate n and Ms. Camp served on the Committee in 1973.

ts first meeting in 1974 the Committee elected the le Frank M. Slayton its Vice Chairman.

In addition to the regular members, Mr. William L. Lukhard, Commissioner of Welfare, and Mr. William T. Coppage, Director of the Commission for the Visually Handicapped, served as officio members.

Staff support for the Committee's work came from three sources. Courtney R. Frazier and Katherine Goolsby, staff attorneys, and Richard W. Hall-Sizemore, legislative research associate, served as staff from the Division of Legislative Services. Earl H. McClenney, Jr., Associate Director in charge of the Human Affairs Section; Linda Mays, State Planner; Steve Biehn, State Planner; William Stokes, State Planner; Valerie Emerson, Senior State Planner; and Robert Soter, Senior State Planner, all of the Human Affairs Section, provided staff support from the Division of State Planning and Community Affairs. Karen C. Kincannon, Assistant Atttorney General, aided the Committee in its work by providing legal advice on litigation in which the Department of Welfare was involved and on issues before the Committee.

At the request of the Committee, the Division of State Planning and Community Affairs reactivated several of the task forces established in 1973 to study certain aspects of the welfare system. These task forces were chaired by: Frances Elrod, Virginia Beach Department of Social Services; Dorothy Jordan, Wytheville Department of Social Services; and Guy Lusk, Bureau of Financial Services, Department of Welfare.

In addition to this formal staff support, the Commitee received valuable input from the State Client Involvement Committee. This group initially established a liaison with the Committee through the staff of the Department of Welfare and the Division of State Planning and Communnity Affairs and provided the Committee members the clients' perspective regarding certain aspects of the welfare system. Later, a member of the SCIC, Ms. Camp, was added to the membership of the Committee.

The Committee held a series of meetings during the summer of 1974, hearing testimony from officials in the various agencies responsible for licensing social services facilities in the state and receiving reports from the task forces studying facets of the welfare system assigned to them. It also received reports from several departments regarding the implementation of legislation passed by the previous session of the General Assembly.

The remainder of this report deals with the various topics considered by the Committee and contains the Council's recommendations and suggested implementing legislation.

A. BUDGET PROCEDURES

In order to enhance the planning functions of the budgeting process, the Council RECOMMENDS THAT THE DEPARTMENT OF WELFARE IMPLEMENT ITS PROPOSED PLAN WHEREBY THE VARIOUS PHASES OF BUDGETING WOULD BE BETTER COORDINATED AND THAT THE GENERAL ASSEMBLY ENACT LEGISLATION ENABLNG THE COMMISSIONER OF WELFARE

TO PRESCRIBE THE SUBMISSION SCHEDULE OF BUDGETS BY THE LOCAL BOARDS OF WELFARE.

The budget of a governmental body is not only a statement of the expected expenditures and revenues for that body for a given period of time, but also a highly important planning instrument. It reflects policy choices and the directions of future policy-making. Most of an agency's immediate, programmatic planning is done in the context of the preparation of the budget for submission to the executive and the legislature.

The preparation of the budget of the state's Department of Welfare is complicated by the fact that there are two budget processess—that of the state department and that of the local departments. In the past, these two budgeting processes of the state's welfare system have not been coordinated adequately enough to enable the state department, which has the responsibility and authority for the preparation of the overall budget for the welfare programs, to plan carefully its budget requests. For example, the State Department of Welfare often did not send local superintendents its instructions on budget preparation, which reflect regulations imposed by the federal government, the Governor, and the General Assembly, until after those superintendents, or a good portion of them, had had to submit budgets to the governing bodies of their localities. Conversely, the superintendents often did not send their budgets to the State Department of Welfare until after they had been approved by the governing bodies, thus delaying the planning activities on the state level.

Consequently, the Council recommended to the 1974 General Assembly that the Department of Welfare, the State Board of Welfare, and the Division of the Budget jointly study the problems and initiate revisions in the budget procedures. That recommendation was passed by the General Assembly in the form of Senate Joint Resolution No. 23, and the various bodies were instructed to report to the Council by September 1, 1974.

The report, submitted to the Council through the Committee, outlined a proposed plan of action whereby the budgetary planning preparation in the Department of Welfare would begin earlier in the year prior to that in which the budget would be submitted to the General Assembly. The plan also provided for more coordination among the principals involved in the preparation of the budget. Not only would this provide more time for the preparation of the state budget requests, but it would also enable the State Department of Welfare to establish earlier a consistent base for the preparation of local welfare budgets and to instruct local superintendents as to the nature of that base. A key element in this plan is the early submission of local budget estimates to the State Department of Welfare.

B. STATE LOCAL HOSPITALIZATION PROGRAM

A major need of the poor is that for adequate medical care. There are three programs in the state which deliver health care

services to the indigent. Eligibility for two of these, Medicare and Medicaid, is categorically-related, as well as income-related. The third, State Local Hospitalization, uses only income criteria in determining eligibility.

The State Local Hospitalization Program (SLH) has been in operation since 1946. During its years of operation it has served about 265,000 patients at a cost of over $65,000,000. The program is administered by the Department of Welfare, with the local governing bodies having a great deal of discretion over how the program will operate in their jurisdictions.

The funding for SLH is divided evenly between the state and the locality. Each governing body of a county or city has the option of participating in SLH. If it opts to participate, a governing body designates a local authorizing agent. This may be the welfare department, the health department, or the Board of Supervisors itself. In fiscal 1973, one hundred sixteen counties and cities participated.

The local governing body also establishes eligibility standards. The program is open to all who are unable to pay for medical care and who are not eligible for medical care under any other program. However, the localities define the specific definition of medical indigency. Moreover, they define the parameters of health care available. They may limit care to certain types of diagnoses and may place a limit on the number of days care can be rendered, and reimbursed for, under the program.

The authorizing agent designated by the local governing body determines eligibility based on the standards established by the governing body. The agent also negotiates contracts with hospitals. These contracts include types of patients to be admitted, what diagnoses can be treated, maximum length of stay, and rate to be charged. This negotiated rate is subject only to the maximum established by the State Department of Welfare.

In contrast to SLH, Medicaid has statewide uniform eligibility standards. Medicaid prescribes no limit on treatment rendered nor on length of stay in hospital although there is a review of the justification of need for treatment in each case. Finally, Medicaid provides outpatient and emergency room services as well as inpatient services whereas SLH participants may provide inpatient care, but are not required have to provide outpatient care.

Last year, the Council recognized the problem of variability of health care to the indigent across the state and the possibility of a locality's ability to offer health care to its poor being dependent on the resources of the area and recommended that the Departments of Health and Welfare study the feasibility of including the State Local Hospitalization Program in the Virginia Medical Assistance Program with comparable administrative and eligibility criteria for those formerly in SLH. This recommendation was embodied in Senate Joint Resolution No. 22. The departments conducted their study and submitted a report to the Committee. In it, they concluded that such an inclusion should be effected for several

reasons. Notably, they felt that under such a program, minimum coverage of the medically indigent would be available in all areas of the state.

In the report, it was estimated that such a program would cost the state about $14.5 million the first year and about $23.9 million the second year, with each subsequent year costing 10 percent more than the one previous, due to inflation. At present, the state appropriates a little over $2.5 million for SLH. A significant consideration in the discussion of costs, however, is the appropriations to the hospitals at the University of Virginia and the Medical College of Virginia as reimbursement for medical care given to indigent persons, which total almost $20 million for the present fiscal year. If SLH were included in Medicaid, it is not known how much these hospitals would still need, over and above SLH reimbursements, to cover their expenses incurred in treating indigent persons. In short, it is not known at this time what the net cost of the inclusion of SLH in Medicaid will be.

The Council feels that, without full and accurate cost projections, it cannot responsibly make any substantive recommendation regarding this matter. Hence, it will request the Department of Health to conduct a further cost study.

C. GENERAL RELIEF

The Council RECOMMENDS THAT THE GENERAL ASSEMBLY DIRECT THE COMMISSIONER OF THE DEPARTMENT OF WELFARE TO CONDUCT A STUDY TO DETERMINE THE PROBABLE COST OF A STATEWIDE UNIFORM GENERAL RELIEF PROGRAM BASED ON THE STANDARDS OF NEED CRITERIA UTILIZED BY THE AID TO DEPENDENT CHILDREN PROGRAM.

Another program in Virginia which is state and local in nature is the general relief program. For one month, March 1974, the program dispensed $734,455, of which 62 1/2 percent were State funds. There are no federal funds involved in general relief payments nor in administrative costs.

General relief is available in each political subdivision of the state, which differ widely in the uses to which they put the program. Some localities provide only emergency types of assistance, others provide the maximum assistance allowed by state regulations, and some limit the program to the maintenance of recipients in domiciliary facilities. In addition to maintenance payments, general relief funds are used in many localities to provide assistance with medical care to those who are ineligible for Medicaid and whose treatment is not covered by the State Local Hospitalization Program, to furnish funds for those without sufficient assets for burial, and to provide assistance to transients not aided through the private sector.

For the most part, however, general relief is used to provide maintenance payments to those who are unemployable and do not meet eligibility requirements for any of the federally funded

categorical programs or to the temporarily unemployed. For this last type of recipient the total general relief that he can receive in a twelve-month period is limited to the monthly ADC standard multiplied by three. Thus, the program in those cases is meant to be primarily an emergency type of assistance.

Because the general relief program is subject to the discretion of the locality in regard to both the types of assistance provided and the eligibility standards of recipients, there is wide variation in the program throughout the state. It would be logical to suspect that clients would tend to migrate to those areas with the most generous general relief programs. However, the task force of the Committee looking at the general relief program found no evidence to confirm or deny this suspicion. Only a more extensive evaluation could provide conclusive answers.

The task force recommended, because of the wide variation of the program and the inherent unfairness of such variation, that the state institute a uniform minimum statewide general relief program. However, the task force was unable to determine the probable cost to the state of such a program. Again, the Council feels that before it can act in a responsible manner, it needs to have reasonably accurate and complete financial data. It is clear that before the Council can consider a program on its merits, it needs to know if it is within the realm of the state's financial capability. Therefore, we recommend that a cost study be made.

D. CONSOLIDATION OF SMALL AGENCIES

Another question the General Assembly directed the Council to study was that of the consolidation of local departments of public welfare.

A task force of the Committee was assigned this topic and reported its findings and recommendations to the Committee. That report is Item 1 in Appendix B.

The task force recommended that consolidation take place. It pointed out a number of advantages of such a step, among which were simpler and more efficient administration of the system, more statewide uniformity, and better use of funds. It also noted some disadvantages, the primary one being resistance on the part of local administrators, local governing bodies, and local boards, among others.

To mitigate this possible resistance, the task force recommended that consolidation be made voluntary. With such an approach, incentives, such as differing rates of reimbursement, could be used to encourage consolidation.

The Committee discussed the issue at great length. However, the Committee was evenly divided on a motion to recommend consolidation and thus made no recommendation to the Council in regard to this issue. Consequently, the Council makes no recommendation.

E. CENTRAL LICENSING AGENCY

In order to remedy the problems in the licensing of human services facilities, the Council RECOMMENDS THAT THE BOARD OF HEALTH, RATHER THAN THE BOARD OF WELFARE AND THE BOARD OF MENTAL HEALTH AND MENTAL RETARDATION LICENSE ALL HOMES FOR AGED, INFIRM AND DISABLED ADULTS AND ALL PRIVATE INSTITUTIONS FOR MENTALLY ILL AND MENTALLY DEFICIENT PERSONS. IT ALSO RECOMMENDS THAT THE ENFORCEMENT POWERS OF THE BOARD OF HEALTH AND BOARD OF WELFARE BE STRENGTHENED.

The subject of the feasibility and desirability of a single statewide licensing agency was the main concern of the Committee and occupied the bulk of its deliberations. The Committee heard from representatives of all human services departments which have the responsibility of licensing facilities in the state. These included the Departments of Health, Welfare, Mental Health and Mental Retardation, and Education.

The Committee discovered numerous problems existing in the licensing area. The officials of the Department of Welfare cited the extreme difficulties they have in closing a facility because of the legal remedies to which owners of facilities have recourse. Also apparent was the problem of ambiguous authority. Officials of the Health Department indicated that they normally do not inspect facilities licensed by the Welfare Department unless requested to do so by Welfare. In addition, they felt that they had no authority to close down such facilities if health conditions warranted, only to notify the Welare Department of existing conditions.

Welfare representatives also pointed out that institutions which offered educational programs for young children for no more than four hours a day were exempt from licensing by any agency.

Another problem area cited was the shortage of personnel to carry on the licensing function adequately. The Commissioner of Welfare admitted to the Committee that his department's provisions for monitoring licensed facilities were inadequate, chiefly because of the shortage of personnel. The Department of Mental Health and Mental Retardation has only one man to inspect facilities in regard to the issuance and renewal of licenses.

Another problem in the Department of Mental Health and Mental Retardation is the lack of standards for licensing the variety of facilities that fall in that department's jurisdiction. Committee members pointed out that the department's program of deinstitutionalization has been in progress for three years with no standards or guidelines developed for the establishment of facilities in the localities for the care of the people coming out of the state institutions. Dr. William S. Allerton, Commissioner of Mental Health and Mental Retardation, assured the Committee that those standards are being developed and should be finalized by January, 1975.

The representatives of the Departments of Welfare and of Mental Health and Mental Retardation recommended the creation of a single statewide licensing agency.

The Committee wrestled with this question at some length. On the strength of its findings and conclusions, the Council recommends that all facilities housing adults be placed under the licensing jurisdiction of the Board of Health, with the Board of Welfare continuing to license child care facilities. It also feels that the Board of Health should have licensing jurisdiction for all private mental health facilities, for both adults and children. The Board of Health will be required to call on other departments for assistance in promulgating regulations in areas not within its expertise; e.g. the Board of Health would consult the Department of Welfare regarding program standards in homes for adults. To ameliorate the problem that facilities offering educational programs for young children are exempt from licensure, legislation clarifying what is a day care center and what a school is recommended. Finally, the Council firmly recommends that, while an operator may still appeal a denial or revocation to the courts, that appeal should not automatically stay an order closing the facility.

F. COMMUNITY WORK EXPERIENCE PROGRAM

The Council RECOMMENDS THAT THE GENERAL ASSEMBLY CHANGE THE EFFECTIVE DATE OF THE LEGISLATION ESTABLISHING THE COMMUNITY WORK EXPERIENCE PROGRAM TO JULY ONE, NINETEEN HUNDRED SEVENTY-SIX.

The 1974 General Assembly passed legislation, Chapter 499, 1974 Acts of Assembly, enacting a community work experience program (CWEP) to become effective July 1, 1975. It directs the Commissioner of the Department of Welfare to develop a program whereby contracts would be negotiated in communities for programs in which persons otherwise unemployable would be given an opportunity to develop "employability through actual work experience and training" in projects "which serve a useful public purpose." In addition, the Department of Welfare is given the responsibility for finding suitable employment for welfare recipients in this program.

Some of the staff of the Committee went to California to study the administration of a similar work experience program in that state. They found much dissatisfaction on the part of administrators and legislators with that program, so much dissatisfaction in fact that the legislature has repealed the legislation that established the program, although the Governor vetoed that repeal. Much of the dissatisfaction stemmed from a inability to determine if the program were actually training people or placing them in jobs in adequate numbers to justify its existence. A summary of the staff's findings is in Appendix B, Item 2.

Another factor that must be considered in connection with Virginia's proposed work experience program is that the 1974 General Assembly also passed legislation placing the responsibilty

for finding jobs for welfare recipients with the Virginia Employment Commission, not the Department of Welfare (Chapter 414, 1974 Acts of Assembly). So it is conceivable that there will be, beginning July 1, 1975, two agencies trying to find jobs for welfare clients. One of these would be the Department of Welfare, which the Council recommended in its last report on Public Welfare Systems be relieved of the responsibility of job finding.

The Committee discussed CWEP in depth and the possible implications it has for the administration of welfare programs in the state. In the course of discussion, it developed that there are many uncertainities in regard to this program. Perhaps the greatest uncertainty is the feasibility of a program of this type, with the final evaluation of the California program not due until June of 1975. There is a real question as to whether the state can obtain the necessary federal waivers for the implementation of CWEP. Furthermore, there is the lack of information as to the cost to the localities and a question as to the willingness of the localities to opt for the program when they are fully aware of the potential costs. Finally, there is an uncertainty as to whether the state can procure the lifting of a federal injunction against implementation of programs of this type. In the light of these unanswered questions, the Committee decided, by a vote of 7-3, to recommend to the Council that the implementation of CWEP be delayed one year so that its feasibility and desirability could be better assessed. The Council concurs in this recommendation. Senators Anderson and Truban and Mr. Slayton voted against the Committee's recommendation. Mr. Durrette was not present at the Committee vote, but he wishes to note that he would have voted against changing the implementation date of CWEP, had he been present. Of the Council members, Senator Willey and Mr. Marks dissent from this recommendation.

G. PERSONNEL

The Council RECOMMENDS THAT THE SECRETARY OF ADMINISTRATION BE DIRECTED TO CONDUCT A STUDY OF THE VIRGINIA MERIT SYSTEM.

The Committee requested one of its task forces to study the personnel administration problems existing in the Department of Welfare. The task force met on several occasions with administrators from both state and local agencies. Participants at these meetings discussed problems of classification, compensation, work-load standards, and fringe benefits.

After considerable analysis and screening of the issues, the task force reported to the Committee that these personnel matters could be resolved through administrative action. The Committee concurred in that judgment, but nevertheless decided that some legislative initiative was warranted since the same issues have been brought to the attention of the Division of Personnel for several years.

Many of the problems arising from the administration of the personnel system bear directly upon the Department of Welfare.

For example, many local superintendents experience delays in filling vacancies because certification lists, which contain the names of people they must contact, are out of date. Often the people on the list are not interested in the position because they already have a job, have moved out of the state, or are not interested in moving to the particular area of the state where the vacancy exists, and the superintendent can easily waste several weeks in fillng the vacancy. Meanwhile, the workload in the agency accumulates unattended. This problem could be quickly resolved if the merit system director would insure that superintendents have up-to-date lists.

The Council is aware that the personnel problem is exceedingly complex because of the multitude of interdependent variables that must be considered. Moreover, any change in personnel procedures for the purposes of improving welfare administration would require a similar change for other state agencies. Therefore, the Council feels that the Secretary of Administration should conduct a thorough study of the policies of the Virginia Merit System and its implementation on both the state and local levels.

H. SERVICE INTEGRATION DEMONSTRATION PROJECTS

The provision of services to the citizens of the Commonwealth has grown to be a complex task. It has become obvious in many quarters that there has to be some integration of these services so that they can be rendered more efficiently, thus providing more adequate services to the people at lower cost to the state. The 1974 General Assembly passed a bill providing for the establishment of five pilot projcts throughout the state which would test different methods of service integration (Chapter 395, 1974 Acts of Assemly).

Secretary of Human Affairs, Otis L. Brown, has been given the responsibility by the Governor for the coordination of these pilot programs. Material was mailed to all county and city executives, health directors, welfare directors, community action agencies, chapter 10 mental retardation and mental health boards, and planning district commission directors. Some of this material is included in Appendix B, Item 3.

Under the general direction of the Secretary of Human Affairs, and the Director of the Division of State Planning and Community Affairs, the Human Affairs Section of the Division developed a plan for receiving final applications from ten units of local government. Staff from the Human Affairs Section is currently working with each of the ten localities in the development and submission of the final plans. From these ten final applications, the Secretary of Human Affairs will recommend five to the Governor for his consideration and selection to participate in this innovative services integration program. In light of the promise that this concept of service integration holds for the improvement of the delivery of human services, the Committee is very much interested in the eventual result of these pilot programs.

I. CONTINUATION OF STUDY

The Council RECOMMENDS THAT THE GENERAL

ASSEMBLY DIRECT THE VIRGINIA ADVISORY LEGISLATIVE COUNCIL TO CONTINUE ITS STUDY OF PUBLIC WELFARE PROGRAMS.

The Council has conducted an intensive study during the past three years of the Department of Welfare and the manner in which it has administered the many programs within its jurisdiction.

As a result of the findings of the Committee and the support of the General Assembly and the Governor, many significant changes were enacted into law during the 1974 session which caused marked improvements in the administration of these programs. The Department of Welfare has also made many administrative changes and improvements designed to make the Department more accountable for the funds it spends.

Although within the narrow area of the Committee's initial inquiry there has been an overall improvement in the quality of the services rendered, the Committee has not yet achieved the dramatic welfare reforms it had originally hoped would be accomplished in Virginia.

Welfare programs are not administered in a vacuum and because they deal with individuals who require the services of other agencies and departments of government, these programs must be administered in conjunction with those of the other involved agencies and departments of government.

The Committee found that one of the principal causes of the failure of the General Assembly to achieve the desired welfare reforms has been the indifference and in some instances, outright hostility, of some agencies and departments toward implementation of some of the recommended changes.

This attitude is not limited to Virginia but has prevailed throughout the country to the extent that Congress has given some consideration to the allied services concept in an effort to reduce duplication of useless effort by the bureaucracy.

As the Congress has mandated more service delivery programs through agencies other than HEW, the administration of these programs on a state level has become more complex and difficult. The General Assembly must seize the initiative and act to insure that proper legislation is forthcoming to address these complex problems before they reach the critical stage and to avoid the further abrogation of the Commonwealth's authority to handle its problems to the federal government.

Worsening of the current economic situation will place new and heavy burdens on welfare and related programs. How well many of the citizens of the Commonwealth survive this serious crisis will depend in a large measure on the responsiveness of welfare and the related agencies and departments to the demands of those Virginians they were designed to serve.

As more of the needs of elderly Virginians and those of our

citizens who are discharged from the Commonwealth's mental hospitals are funnelled into welfare oriented services programs, the General Assembly needs to be acutely aware of these programs as they develop so as to avoid or minimize the possibilities of tragic episodes occurring because of the lack of legislation requiring coordination and proper planning.

The Committee has become convinced that the fragmentation of the many programs studied to date and the isolation of their total concept results in an unnecessary waste of tax money, poorly achieved results and a fundamental failure to formulate programs that would either keep people off or remove them from the assistance rolls.

The Committee, during the past three years, has developed a considerable amount of expertise in exploring the field of human service delivery programs and feels that it is now able to develop recommendations in this entire area which will assist the General Assembly in bringing about desired reforms that will have a significant impact on the entire area.

It is essential that the General Assembly be given an overview of these programs so that it can fully appreciate the amount of fragmentation and duplication of effort and programs the Committee believes exists based upon its cursory inspection to date.

CONCLUSION

Social services due disadvantaged, disabled, elderly and unfortunate Virginians is a commitment the General Assembly made to those citizens many years ago. Concern has arisen, however, over the quality of those services rendered, the cost expended in rendering the services and the accountability to the tax-paying citizens for the results achieved for each dollar spent.

Unquestionably some of those who are receiving assistance should not be and others who are on assistance can be removed from the rolls with proper and responsible guidance. However, the overriding policy of the Commonwealth must always be one not to dehumanize those programs and services under study, but to insist that they always remain designed and implemented in such a way as to increase the quality of the lives of the people they were designed to serve and to restore them to the dignity of self-sustaining citizens.

In an area as broad and complex as that of public welfare, there is a need for continuous review and search for improvement. The Council feels that both legislators and administrators have been made aware by this study of the problems that exist in the public welfare system and of their respective responsibilities to search for solutions to the problems within their purview. It will only be through the cooperation of the various responsible persons and agencies that the public welfare system and related human service programs can be adminstered so that the most adequate services possible can be rendered in the best and most efficient method possible.

The Council wishes to thank those who contributed their time, efforts, and talents to this study.

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

Respectfully submitted,

Willard J. Moody, Chairman

Edward E. Lane, Vice-Chairman

George E. Allen, Jr.

Vincent F. Callahan, Jr.

Archibald A. Campbell

Joseph V. Gartlan, Jr.

Jerry H. Geisler

Robert R. Gwathmey, III

C. Hardaway Marks

Lewis A. McMurran, Jr.

William V. Rawlings

James M. Thomson

Lawrence Douglas Wilder

Edward E. Willey

APPENDIX A

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. 51 of the 1972 Session and Senate Joint Resolution No. 20 of the 1974 Session; 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 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, human services delivery programs are not restricted to the Department of Welfare, but are fragmented among several agencies, and there is a need to investigate the possibility of duplication of effort and the necessity for coordination in this area; 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 examine and make recommendations concerning: the coordination of human services delivery programs, the feasibility of the inclusion of the State Local Hospitalization Program in the Virginia Medical Assistance Program, the feasibility of a uniform minimum statewide general relief program, the administration of the Virginia Medical Assistance Program, and the administration of the Food Stamp program. 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 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 Council shall conclude its study and make its report to the Governor and the General Assembly not later than December one, nineteen hundred seventy-five.

SENATE JOINT RESOLUTION NO.....

Directing the Department of Welfare to make a study of general relief.

WHEREAS, general relief is provided in every locality in the State to one degree or another; and

WHEREAS, there is a lack of uniformity in this program to the extent that some localities provide general relief in emergency situations only, while others provide the maximum amount allowed by State guidelines; and

WHEREAS, general relief meets the needs of those persons who are unable by reason of temporary unemployment or an unusual occurrence such as a prolonged illness or physical disability and who are not eligible for federally funded public assistance programs; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the State Department of Welfare, together with at least three persons not connected with the Department who shall be selected by the Director of Welfare and one person selected by the Commission for the Visually Handicapped, is hereby directed to study the cost of Statewide uniformity in the general relief program and the desirability and feasibility of increasing the State's share of the cost of such a uniform Statewide general relief program.

The study shall be concluded and recommendations made to the Governor and the General Assembly not later than June 1, nineteen hundred seventy-five.

A BILL to amend and reenact §§ 63.1-33 and 63.1-54 of the Code of Virginia, relating to reports required of local boards of welfare and submission of budgets of such boards to local governing bodies.

Be it enacted by the General Assembly of Virginia:

1. That §§ 63.1-33 and 63.1-54 of the Code of Virginia are amended and reenacted as follows:

§ 63.1-33. Requiring reports from local boards; forms.—The Commissioner shall require of local boards such reports relating to the administration of this title as the Commissioner may deem necessary to enable the State Board and the Commissioner to exercise and perform the functions, duties and powers conferred and imposed by this title. He shall prescribe the form *and submission schedule* of applications, reports, affidavits , *budgets and budget exhibits,* and such other forms as may be required in the administration of this title.

§ 63.1-54. Submission of budget to governing bodies.—The local boards shall submit annually to the boards of supervisors, councils and other governing bodies of their respective counties and cities a budget, containing an estimate and supporting data setting forth the amount of money needed to carry out the provisions of this title, and a copy thereof shall be forwarded to the Commissioner , *subject to the provisions of § 63.1-33.*

A BILL to amend and reenact the second enactment of Chapter 499 of the Acts of Assembly of 1974 relating to the effective date of community work experience programs.

Be it enacted by the General Assembly of Virginia:

1. That the second enactment of Chapter 499 of the Acts of Assembly of 1974 is amended and reenacted as follows:

2. That this act shall not become effective until July one, nineteen hundred seventy- five *six*.

A BILL to amend the Code of Virginia by adding in Title 32 chapters numbered 28 and 29, containing sections numbered 32-428 through 32-451 and 32-452 through 32-462, respectively, to provide for the licensing of homes for adults and of private institutions for mentally ill and mentally deficient persons by the State Board of Health; to amend and reenact §§ 63.1-195 as amended, 63.1-201 and 63.1-213 of the Code of Virginia, relating to licensing of child welfare agencies, definitions, provisional licenses and appeals; and to repeal §§ 37.1-179 through 37.1-189 and 63.1-172 through 63.1-194, as severally amended, of the Code of Virginia, relating to licensing private institutions by the State Board of Mental Health and Mental Retardation and to the licensing of homes for adults by the State Board of Welfare.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 32 chapters numbered 28 and 29 containing sections numbered 32-428 through 32-451 and 32-452 through 32-462, respectively, and that §§ 63.1-195 as amended, 63.1-201 and 63.1-213 of the Code of Virginia are amended and reenacted as follows:

CHAPTER 28.

HOMES FOR ADULTS

Article I.

Licensing of Homes for Aged, Infirm or Disabled Adults

§ 32-428. Definitions.—The following terms, whenever used or referred to in this chapter, shall have the following meaning, unless a different meaning clearly appears from the context:

A. "Home for adults" means any place, establishment, or institution, public or private, operated or maintained for the maintenance or care of four or more adults who are aged, infirm or disabled, except (1) a facility or portion of a facility otherwise by the State Board of Health or the State Mental Health and Mental Retardation Board, but including any portion of such facility not so licensed, and (2) the home or residence of an individual who cares for or maintains only persons related to him by blood or marriage.

B. "State Board" and "Board" means the State Board of Health;

C. "Commissioner" means the State Health Commissioner.

§ 32-429. Requirements for buildings and personnel; financial ability of applicant; good character of officers and agents.—A. All structures proposed to be used by homes for adults to house occupants of such homes shall:

1. Be substantially constructed and in good repair;

2. Have adequate and safe ventilation;

3. Have adequate and safe heat or heating system;

4. Have adequate natural and safe artificial illumination;

5. Have a kitchen of sufficient capacity and properly equipped to provide suitable foods to meet the dietary needs of the occupants; and

6. Have adequate bathing and toilet facilities for the comfort and health of the occupants.

B. Qualified personnel in sufficient numbers shall be employed in all homes for adults.

C. The applicant shall be financially capable of maintaining the proposed operation of the home for adults in compliance with this article, and the applicant, or the officers and agents of the applicant if it be an association, partnership or corporation, shall be of good character and reputation.

§ 32-430. Regulations for construction, maintenance and operation.—The State Board, in cooperation with the State Board of Welfare and other appropriate State agencies, is directed to adopt reasonable regulations governing the construction, maintenance and operation of homes for adults in conformity with this article, in order to reasonably protect the health, safety and welfare of the persons cared for therein. Such regulations shall contain minimum standards and requirements by which the Commissioner is to be guided in his determination as to what structures and facilities comply with the provisions set forth in § 32-429.

§ 32-431. Licenses required; expiration and renewal; maximum number of inmates.—A. Every person who constitutes, or who operates or maintains, a home for adults shall obtain an appropriate license from the Commissioner, which he shall have renewed annually.

B. The licenses shall be issued on forms prescribed by the Commissioner. Any two or more licenses may be issued for concurrent operation of more than one home for adults. Each license and renewals thereof shall expire at the end of one year from the date of its issuance or renewal, unless sooner revoked or surrendered.

C. No charge shall be made for the issuance or renewal of a license.

D. Each license shall stipulate the maximum number of persons who may be cared for in the home for adults for which it is issued. Application may be made at any time to increase this maximum and such applications shall be treated as though they were original applications for licenses.

§ 32-432. Investigation on receipt of applications.—Upon receipt of the application the Commissioner shall cause an investigation to be made of the activities, services and facilities of the applicant, of the applicant's financial responsibility, and of his character and reputation or, if the applicant be an association, partnership or corporation, the character and reputation of its officers and agents.

§ 32-433. Inspections and interviews; reports.—A. Applicants and licensees shall at all times afford the representatives of the Commissioner reasonable opportunity to inspect all of their facilities, books and records, and to interview their agents and employees and any person living in such facilities.

B. The Commissioner and his authorized agents shall have the right to inspect and investigate all homes for adults, interview their inmates, and have access to their records.

C. A written report of each investigation made of a licensed home for adults shall be filed with the Commissioner, and shall be available for inspection at any reasonable time by any person having a bona fide interest in the operation of such home.

§ 32-434. Issuance or refusal of license; provisional license.—Upon completion of his investigation, the Commissioner shall issue an appropriate license to the applicant if he determines that the applicant and his agents and employees comply, and structures proposed to be used by the applicant and his proposed manner of operation conform, with the provisions of this article. The Commissioner may issue a provisional license to any applicant for any period not to exceed three months, if the applicant is temporarily unable to comply with all of the requirements of this article. Such provisional license may be renewed, but no person or agency shall engage in any operation or activity for which a license is required under any such provisional license and renewals thereof for a longer period than one year.

§ 32-435. Revocation or denial of renewal of license.—The Commissioner may revoke or deny the renewal of the license of any home for adults which violates any provision of this article or any rule or regulation issued under any provision of this article.

§ 32-436. Appeal from refusal, denial of renewal or revocation of license.—Whenever the Commissioner refuses to issue or renew a license to a home for adults, or revokes the license of a home for adults, the provisions of §§ 9-6.10 through 9-6.14 of the Code shall apply.

§ 32-437. Enjoining operation of home without license.—Any court of record, having chancery jurisdiction in the county or city where the home for adults is located, shall, on motion of the Commissioner, have jurisdiction to enjoin the operation of any home for adults operated without a license required by this article.

§ 32-438. Offenses.—Any person who interferes with any authorized agent of the Commissioner in the discharge of his duties under this article, or who makes to the Commissioner or any authorized agent of the Commissioner any report or statement with respect to the operation of any home for adults which is known by such person to be false or untrue, or any person who operates or engages in the conduct of a home for adults without first obtaining a license as required by this article, or after such license has been revoked or has expired and not been renewed, or who operates or engages in the conduct of a home for adults serving more persons than the maximum stipulated in the license, and each officer and each member of the governing board of any association or corporation which operates a home for adults without obtaining such license or after such revocation or expiration, or which operates or engages in the conduct of a home for adults serving more persons than the maximum stipulated in the license, shall be guilty of a misdemeanor.

It shall be the duty of the attorney for the Commonwealth of every county and city to prosecute all violations of this article.

ARTICLE 2.

District Homes for Indigent Aged, Infirm, and Incapacitated Persons.

§ 32-439. Local boards may establish homes; conformation to State standards required.—Notwithstanding any provision of law to the contrary, local boards of public

welfare are authorized to organize, establish and operate public homes for the care and maintenance of indigent aged, infirm or incapacitated persons. Such homes established shall be funded with no State funds but shall conform with all statutory requirements provided for such homes in Article 1 of Chapter 28 of this title.

§ 32-440. Establishment of a statewide system; encouraging establishment of district homes.—The State Board is authorized to organize and establish a statewide system of public homes for the care and maintenance of indigent aged, infirm or incapacitated persons. In establishing such system the State Board shall include therein existing city, county and district homes which meet the standards required by the State Board. The State Board shall encourage the establishment of district homes as hereinafter provided.

§ 32-441. Authority to establish.—The governing bodies of any two or more counties in this State, or the governing bodies of any one or more counties and one or more cities in this State, may establish a home for the care and maintenance of indigent aged, infirm or incapacitated persons, to be known as district home for the counties of ....., or district home for the county or counties of ....., and city or cities ....., as the case may be.

§ 32-442. Members of home board; compensation and expenses.—Each such district homes shall be controlled by a board to consist of at least one representative from each county or city composing the district, but where a county or city shall have more than twenty thousand inhabitants its representative shall have one vote and an additional vote for every twenty thousand inhabitants or fractional part thereof over ten thousand; provided, that no city shall have more votes in any district than the combined votes of the counties composing the districts.

The representatives from the counties and cities shall be elected by the respective governing bodies thereof. Such representatives shall be entitled to necessary expenses incurred, including mileage as provided by general law, in attending meetings of the board, and in addition each may receive an allowance of fifteen dollars per day for each day that he shall be in attendance on the board, such allowance, however, not to exceed in any one year the sum of one hundred eighty dollars to be paid by the counties and cities, respectively. The accounts for such expenses and allowances shall be made out and verified by affidavits of the representatives and attested by the secretary of the board.

§ 32-443. Funds for purchase and erection of home.—The governing bodies of the respective counties and cities in the State for which such district homes are established are authorized to sell and convey by proper deed all the real estate held by them for the use, benefit and maintenance of their poor, and to sell all personal property used for that purpose, and out of the proceeds to appropriate so much as may be required to purchase and erect district homes as hereinafter provided.

The necessary funds, however, to purchase and to erect the district homes, may be appropriated by the governing bodies of the respective counties and cities for which such district homes are established from the general funds of such counties and cities.

§ 32-444. Duty to appoint members of the board.—It shall be the duty of the several governing bodies of the counties and cities that elect to adopt the provisions of this article to appoint, as soon thereafter as practicable, the members of the boards provided for by this article, and which shall be known as the district home board for the counties of ..... or counties and cities of .....

§ 32-445. Organization and duties of board; proportionate payment and ownership.—The district home board shall, as soon as possible after appointment, upon call of representatives of any participating city or county, assemble at the time and place named

in the call, organize by the election of a chairman and secretary and proceed as soon as possible to establish such district home. The several counties and cities establishing the district home shall pay for the same in proportion to their respective populations and shall hold and own the same in the same proportion.

§ 32-446. Election of superintendent, physician and assistants; meetings and powers of board.—Each district home board shall elect a suitable superintendent, a competent physician and necessary assistants for the conduct and management of the home, and shall fix their salaries, having due regard to the number of inmates occupying the home. The district board shall meet at least twice a year for the conduct of such business as may be required by the district home, and shall have the general conduct and management of its affairs, and shall meet at the call of the chairman whenever he shall deem it necessary, or upon call issued by a majority of the board. In the calls for special meetings the matters to be considered shall be set out, but any business may be transacted which shall at such special meeting receive a two-thirds vote of the entire board, although not mentioned in the call.

§ 32-447. Persons to be sent to home; payment of expenses.—The several counties or the several counties and cities of the State, establishing the district homes hereinbefore provided for, shall, admit indigent aged, infirm and incapacitated persons to the district homes, and pay the expenses of the maintenance of such home in proportion to the number of inmates from the several counties and cities.

§ 32-448. Board to control home and make rules and regulations.—The board having charge of each home shall have the control and management of its home, and may make such rules and regulations in respect thereto, as shall not be inconsistent with the laws of the State.

§ 32-449. Report of board.—As soon after the first day of January of each year as may be practical the district board shall cause a report to be made of the home, which shall show the number and age of the inmates, the condition of health of each one of them, the county or city of his or her residence, the average number during the year, the amount received from each county and city composing the district, and the amount expended, and an itemized statement of all expenditures. It shall also show an inventory and appraisement of the property on hand at the commencement of the year, and shall give an account of receipts from the farm and disbursements on account of it, and such other matters as may be required by the governing body of any county or any city included in the district, or by the State Board. A copy of the report of the board shall be furnished to the governing bodies of the counties and of the city or cities within the district, and to the State Board.

§ 32-450. Withdrawal from consolidation.—The governing body of any county or city in this State, which has combined or consolidated with any other county or city, either or both, to establish a home for the care and maintenance of the poor, under the provisions of any existing laws may withdraw from such consolidation or combination and may dispose of all property, or property rights, acquired by reason of such combination or consolidation, to some other county or city to be jointly used with the remaining owners for the purpose for which the home was established, and such ownership to be subject to the rules and regulations of the home board, subject, however, to approval of the circuit court of such county or any court of any city having the same jurisdiction as a circuit court, entered of record, upon a petition of such governing body, herein mentioned, duly filed, setting forth the facts upon which it is desired to make the change herein provided for.

The board of directors of such home shall be made parties defendant to such petition and each of the members of the board shall be served with a copy of the petition.

§ 32-451. Transfer of portion of interest of county to city created therefrom.—Whenever any city shall have been created from within the boundaries of any county which has combined or consolidated with any other county or city to establish a district home pursuant to this chapter, the governing body of the county from which such city was formed may transfer to such city a portion of its interest in such home which portion shall be determined proportionately according to the population of such city and county. The governing body of such city may elect a properly qualified representative to the district home board as soon as practicable, after any such transfer. Such city may thereafter use the home jointly with the other owners thereof for the purpose for which the home was established, in accordance with the provisions of this article and subject to the rules and regulations of the home board.

CHAPTER 29.

LICENSING PRIVATE INSTITUTIONS FOR THE MENTALLY ILL AND MENTALLY DEFICIENT PERSONS.

§ 32-452. Definitions; authority of Board to grant licenses.—For the purposes of this chapter:

A. the term "mentally ill" person shall include any person who is afflicted with mental disease to such an extent that for his own welfare or the welfare of others, or of the community, he requires care and treatment or who is a drug addict or inebriate as defined in § 37.1-1 of the Code of Virginia;

B. the term "mentally deficient" person shall include any person who has subaverage general intellectual functioning which originates during the developmental period and is associated with impairment in adaptive behavior or who is afflicted with mental defectiveness from birth or early childhood to such an extent that he is incapable of caring for himself or managing his affairs and who for his own welfare or the welfare of others or of the community requires supervision, control or care;

C. the term "private facility" or "private institution" shall mean any facility or institution not operated by an agency of federal, State or local government by whatever name or designation which provides care or treatment for mentally ill or mentally deficient persons, or persons addicted to the intemperate use of narcotic drugs, alcohol or other stimulants. Such institution or facility shall include a hospital as defined in subsection (2) of § 32-298 of the Code, out-patient clinic, special school, halfway house, sanatorium, home and any other similar or related facility;

D. the term "Board" shall mean the State Board of Health;

E. the term "Commissioner" shall mean the State Health Commissioner.

§ 32-453. License required; exception; license not transferable; operation of existing institutions; persons not to be committed, etc., to unlicensed institutions.—A. No person shall establish, conduct, maintain or operate in this Commonwealth any private facility or private institution without first being duly licensed under this chapter, except where such facility or institution is exempt from licensing. No facility or institution devoted solely to the care or treatment of persons addicted to the use of alcohol shall be required to obtain a license from the Board.

B. No license issued under this chapter shall be assignable or transferable.

C. No person may continue to operate any existing private facility or institution unless such operation is approved and licensed, or exempt from licensing, as provided in this chapter.

D. No person shall be committed, placed, treated, maintained, housed, or otherwise kept, voluntarily or involuntarily, at any facility or institution required to be licensed by subsection A. of this section unless and until it be duly licensed by the Board.

§ 32-454. Qualifications of licensee.—A. The Board may annually license any suitable person to establish, maintain and operate, or to have charge of any private facility or private institution.

B. No such license shall be granted for the care or treatment of mentally ill persons unless the Board is satisfied, after investigation, that the person applying therefor is a legally qualified practitioner of medicine in the State of Virginia, and has had practical experience in the care and treatment of such patients. No license shall be granted for the care and treatment of persons addicted to the intemperate use of narcotic drugs, alcohol, or other stimulants unless the Board is satisfied, after investigation, that the person applying therefor is a graduate of a legally chartered medical school or college and holds a certificate or license to practice medicine in Virginia, and that he has been in the actual practice of medicine for the three years next preceding the time at which he applies for a license; nor unless his standing, character and professional knowledge of inebriety are satisfactory to the Board.

C. The Board may issue a provisional license to an applicant for any period not exceeding three months if the applicant is temporarily unable to comply with all the requirements of this chapter. Such provisional license may be renewed but no person or private institution shall engage in any operation or activity for which a license is required under any such provisional license and renewal thereof for a longer period than one year.

§ 32-455. Expiration of license; renewal; license fees.—Licenses granted under this chapter shall expire with the last day of the year in which they are issued, but may be renewed by the Board. The Board may fix a reasonable fee for each license so issued, and for any renewal thereof. All funds received by the Board under this chapter shall be paid into the general fund in the State treasury.

§ 32-456. Inspections.—All private institutions operated under any such license shall be subject to the supervision and control of the Board, and to inspection at any reasonable time by any authorized inspector or agent of the Board. The Board shall inspect all such licensed private institutions, provided that the Board shall call upon other state or local departments to assist in said inspections and such departments shall render an inspection report to the Board. After receipt of all inspection reports, the Board shall make the final determination with respect to the condition of the private institution, so inspected. The Board may adopt, in cooperation with the Board of Mental Health and Mental Retardation and other appropriate State agencies, and enforce such reasonable rules and regulations as may be necessary or proper to carry out the general purposes of this chapter.

§ 32-457. Necessity for supervision by licensed persons.—It shall be unlawful for any person to maintain or operate any private institution, unless such private institution is under the direct personal supervision of a person duly licensed hereunder; provided, that this section shall not apply to any person operating an institution devoted solely to the care or treatment of persons addicted to the use of alcohol.

§ 32-458. Revocation or suspension of licenses; resumption of operation.—A. The Board is authorized to revoke or suspend any license issued hereunder, on any of the following grounds:

1. Violation of any provision of this chapter or of any applicable and valid rule or regulation made pursuant to such provisions;

2, Permitting, aiding, or abetting the commission of an illegal act in such private institution,

3. Conduct or practices detrimental to the welfare of any patient in such private institution.

B. If a license is revoked as herein provided, a new application for license may be considered by the Board if, when, and after the conditions upon which revocation was based have been corrected and satisfactory evidence of this fact has been furnished. A new license may then be granted after proper inspection has been made and all provisions of this chapter and applicable rules and regulations made thereunder have been complied with and recommendations to such effect have been made by the Commissioner upon basis of an inspection by any authorized inspector or agent of the Board.

C. Suspension of a license shall in all cases be for an indefinite time and the suspension may be lifted and rights under the license fully or partially restored at such time as the Commissioner determines, upon basis of such an inspection, that the rights of the licensee appear to so require and the interests of the public will not be jeopardized by resumption of operation.

§ 32-459. Review of Board's refusal, revocation or suspension of license. Whenever the Board refuses to issue a license or revokes or suspends a license, the provisions of §§ 9-6.10 through 9-6.14 of the Code shall apply.

§ 32-460. Proceeding to prevent unlawful operation of institution.—In case any such private institution is being operated in violation of the provisions of this chapter or of any applicable rules and regulations made under such provisions, the Board, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful operation and to restrain, correct or abate such violation or violations. Such action or proceeding shall be instituted in a court of record having equity jurisdiction in the county or city where such private institution, is located, and such court shall have jurisdiction to enjoin such unlawful operation or such violation or violations.

§ 32-461. Cure by mental or spiritual means without use of drugs or material remedy.—Nothing in this chapter contained shall be construed to authorize or require a license of a person to establish, maintain, and operate, or to have charge of, any private institution, for the care or treatment of persons by the practice of the religious tenets of any church in the ministration to the sick and suffering by mental or spiritual means without the use of any drug or material remedy, whether gratuitously or for compensation, provided the statutes and regulations on sanitation are complied with.

§ 32-462. Penalty.—Any person violating any provision of this chapter or any applicable rule and regulation made under such provisions shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five hundred dollars, and each day, or part thereof, of continuation of any such violation shall constitute a separate offense.

§ 63.1-195. Definitions.—As used in this chapter:

"Person" means any natural person, or any association, partnership or corporation;

"Child" means any natural person under eighteen years of age;

"Foster home" means the place of residence of any natural person in which any child, other than a child by birth or adoption of such person, resides as a member of the household;

"Child placing agency" means any person, other than the parent or guardian of the child, who places, or obtains the placement of, or who negotiates or acts as intermediary for the placement of, any child in a foster home, or adoptive home;

"Child caring institution" means any institution, other than an institution operated by the State, a county or city, and maintained for the purpose of receiving children for full-time care, maintenance, protection and guidance separated from their parents or guardians, except:

(1) **[**Repealed.**]**

(2) A bona fide educational institution whose pupils, in the ordinary course of events, return annually to the homes of their parents or guardians for not less than two months of summer vacation;

(3) An establishment required to be licensed as a summer camp by §§ 35-43 to 35-53; and

(4) A bona fide hospital legally maintained, as such.

"Independent foster home" means a private family home in which any child, other than a child by birth or adoption of such person, resides as a member of the household and has been placed therein independently of a child placing agency except (1) a home in which are received only children related by birth or adoption of the person who maintains such home and legitimate children of personal friends of such person and (2) a home in which are received a child or children committed under the provisions of § 16.1-178(2) or (4 1/2);

"Child care center" means any facility operated for the purpose of providing care, protection and guidance to a group of children separated from their parents or guardian during a part of the day only except (1) a facility required to be licensed as a summer camp under §§ 35-43 through 35-53; (2) a public school *;* or *(2a)* a private school *which is accredited by the Board of Education or which children attend during the period of each year the public schools are in session and for the same number of days and hours per day as in the public schools* unless the Commissioner determines that such private school is operating a child care center outside the scope of regular classes; (3) a school operated primarily for the educational instruction of children from three to five years of age at which children three or four years of age do not attend in excess of four hours per day and children five years of age do not attend in excess of six and one-half hours per day; and (4) a facility which provides child care on an hourly basis which is contracted for by a parent occasionally only; *the term shall include any facility which provides care, protection and guidance to a group of children under three years of age who are separated from their parents or guardian during a part of the day only;*

"Child welfare agency" means a child placing agency, child caring institution, independent foster home, child care center or family day care home;

"Family day care home" means any private family home in which more than three children are received for care, protection and guidance during only a part of the twenty-four hour day, except children who are related by blood or marriage to the person who maintains the home; provided, however, that in case of a complaint in such a home where less than four children reside, the Commissioner may cause an investigation to be made as provided in § 63.1-198 and may require such home to comply with the provisions of this chapter applicable to family day care homes if he finds that such home is not conducive to the welfare of the children received therein.

§ 63.1-201. Provisional license.—The Commissioner may issue a provisional license to any applicant for any period not to exceed six *three* months, if the applicant is temporarily unable to comply with all of the requirements of this chapter. Such provisional license may be renewed, but no person or agency shall engage in any operation or activity for which a license is required under any such provisional license and renewals *renewal* thereof for a longer period than two successive years *one year*.

§ 63.1-213. Appeal from revocation or denial of license.—(a) Any child welfare agency to which *Whenever* the Commissioner refuses to issue or *to* renew *or revokes* a license *of any child welfare agency*, or whose license has been revoked, as hereinabove provided, shall have the right of appeal to any court of record having chancery jurisdiction of the county or city in which the residence or principal office of such agency is located, provided that notice to institute such an appeal be served upon the Commissioner within thirty days after the date upon which such agency receives notice of such refusal or revocation *the provisions of §§ 9-6.10 through 9-6.14 of the Code shall apply*.

(b) The court, or judge thereof in vacation, may hear such an appeal after ten days' notice to the Commissioner, which notice shall be given in writing and served and returned in the manner prescribed by §§ 8-51 and 8-52. After hearing the evidence the court shall render a decision upholding the refusal or revocation, or ordering the issuance or reinstatement of the license or renewal thereof, according to the requirements of justice. In every such proceeding the Commissioner shall be named defendant. From the decision of the trial court a petition for an appeal shall lie in the Supreme Court of Appeals at the suit of either party.

(c) An appeal, taken as provided in this section *§§ 9-6.13 and 9-6.14 of the Code of Virginia*, shall operate to stay any criminal prosecution for operation without a license and to suspend the operation of any injunction against operation without a license, pending a final disposition of such appeal.

2. That §§ 37.1-179 through 37.1-189, and §§ 63.1-172 through 63.1-194, of the Code of Virginia are repealed.

3. That this act shall become effective January one, nineteen hundred seventy-six.

A BILL to direct the Secretary of Administration to appoint a task force to study the State Merit System; allocating funds therefor.

WHEREAS, the Virginia Advisory Legislative Council study of public welfare has examined personnel difficulties encountered in the State Merit System, such as the delay and wasted effort necessitated by the out-of-date lists of applicants for employment; and

WHEREAS, the State Department of Welfare and local departments of welfare are not the only agencies subject to the Merit System so that the System must be examined in a broader context; and

WHEREAS, many of the problems of the Merit System have been known for some time but have not been remedied; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. *§ 1. The Secretary of Administration is hereby directed to appoint a task force to study the State Merit System. The study shall examine all federal and State laws, rules, regulations, and policies relating to the Merit System and shall study means of improving personnel procedures on both State and local levels.*

The task force shall be composed of persons experienced in personnel administration, not employed in the administration of the Merit System and shall include, but need not be limited to state and local welfare administrators, city and county administrators and administrators of other affected State agencies. The members of the task force shall receive no compensation but shall be reimbursed for their expenses incurred in the performance of their duties.

The Division of Personnel and other State agencies shall provide such data and other information and assistance as the Task Force may request.

The task force shall report its findings and recommendations to the Governor and General Assembly no later than September one, nineteen hundred seventy-five.

2. That there is hereby allocated for the purposes of this Act from the General Fund of the State treasury the sum of one thousand dollars.

APPENDIX B

Item 1

REPORT ON

ADMINISTRATION OF

LOCAL DEPARTMENTS OF PUBLIC WELFARE

PRESENTED TO

VIRGINIA ADVISORY LEGISLATIVE COMMITTEE

JUNE 13, 1974

The Local Administrative Task Force was charged with the responsibility of developing information related to more effective administration of local departments of public welfare.

The first step that must be taken to have more than a token influence on a more effective administration is to simplify local administration by consolidating local welfare units in the state.

This recommendation is supported by the following advantages of consolidation versus the disadvantages.

Advantages

1. Reducing the number of administrative units will simplify administration. This will lend itself to fewer administrators, simplified training, and greater consistency in administration.

2. Consolidation of units does not mean less spending but should result in better use of funds.

3. Consolidation will offer uniformity in policy and implementation. We are speaking specifically of standardization of programs, such as General Relief and State-Local Hospitalization.

4. Agencies will be able to make better use of professional specialist time.

5. Consolidation will mean fewer case transfers, which will reduce the use of General Relief for maintenance.

6. Consolidation will allow greater administrative flexibility.

7. Staff positions may be better utilized with fewer administrators thus allowing for more supervisors, social workers, and eligiblity workers.

Disadvantages

1. Budgeting problems by involving more than one political unit.

2. If Administrative Board method is opted, the composition of such could present problems.

3. We can expect resistance from current administrators, local governing bodies, local boards, staff and general public, including clients.

Methods for Consolidation

1. Legislative mandate

2. Voluntary - The committee recommends this method.

A. Incentives

1. In relationship to services, the state service plan in response to the new Federal regulations may encourage localities to consolidate as statewideness of services included in the state plan will be mandatory.

2. The possibility of the State giving a different rate of reimbursement. Two alternatives suggested by the committee are (1) an increase of administrative reimbursement by the State up to 90% for a period of three (3) years, or (2) the State would pick up administrative costs above that which are already being put in for a certain amount of time (a hold harmless approach).

3. If minimum standards are developed and enforced for administration, eligibilty, and income maintenance, some localities will be unable to meet standards unless they consolidate.

4. If localities consolidate and come up to an adequate size, they could use a computer terminal and save administrative costs.

5. For the client, if the number of administrative units is reduced, there will be more uniform meeting of standards which will in turn ensure the meeting of the Federal requirement for statewideness.

6. For a larger Department of Social Services which consolidates with a smaller one, the level of services would not be reduced in the larger one while the smaller is brought up to&a similar level.

7. Services would be improved with more opportunities for specialization of staff.

In conclusion the committee wishes to make the following general comments. Any planning for consolidation should be done in relation to:

(1) Planning for comprehensive human services delivery.

(2) Study on State Administration made in 1971-72.

(3) Efforts of other service agencies to bring their districts into line with State Planning Districts.

(4) A provision for each public welfare employee to have a job without a salary reduction.

The committee also reaffirms its position in recommending local welfare boards be structured either one of two ways - Director or Administrative Board. If Director structure used, advisory boards should be constituted for local involvement and communicaton.

This committee was also asked to develop information on ways the General Relief Program may be improved. We feel this would require a broad and very indepth study on standardization of the program which will involve many ramifications. We are speaking of how General Relief relates to flat allowance, SSI, method of funding, recoupment policies, single employable, transits, etc.

We would recommend you authorize a separate study on General Relief and refer to the Income Maintenance Task Force to work in conjunction with the Local Administrative Task Force.

We trust you find this report to be conclusive enough to warrant further consideraton of our recommendations.

LOCAL ADMINISTRATIVE TASK FORCE

Frances S. Elrod, Chairman - Virginia Beach

B. L. Ralph - Suffolk

Shirley Culpepper - Newport News

Horace Selby - Tidewater Regional Office

Nell Malbon - Virginia Beach

Linda Mays - State Planning Department

Item 2

THE COMMUNITY WORK EXPERIENCE PROGRAM (CWEP)

A REVIEW OF CALIFORNIA'S PROGRAM

AND VIRGINIA'S LEGISLATION

OCTOBER, 1974

INTRODUCTION

The purpose of this report is to provide members of the Public Welfare Study Committee with some background information and description of the California Work Experience Program and an analysis of its impact on the development of such a program in Virginia.

In its first report to the Virginia Advisory Legislative Council in January, l974, the Public Welfare Study Committee reported its findings and recommendations on the issues of employment programs and opportunities for Virginia's public welfare recipients. It was against this background that staff from the Human Affairs Section of the Division of State Planning and Community Affairs examined the operation of the Community Work Experience Program in California and compiled the following report for the Public Welfare Study Committee.

The report contains three sections: an historical overview of work programs for welfare recipients, a description of the operation of California's CWEP program, and a final section on staff observations and comments regarding the implementation of a community work experience program in Virginia.

HISTORICAL OVERVIEW

The concept of work in return for equitable compensation has endured in a cultural and social perspective throughout the history of our country. This concept has been complicated, however, by the impact of the industrial and technological revolutions. These events changed the nature of work, its meaning, and the level of skills required in order to enter the work force.

Furthermore, distribution of the nation's resources is based on individual initiative and level of skills attained through some form of education. When either initiative or skill level achievement is interrupted, there exists a disparity in economic well-being at the lower end of the socio-economic scale. As the general population continues to increase, so does the number of persons subject to the disparate effects of low skill levels and eventual unemployment.

The final consequence is a large number of people dependent upon public support. This is an unacceptable condition both in terms of the cost to taxpayers and the work ethic of our nation.

Many attempts have been made to relieve this situation with varying degrees of success and failure. The most recent efforts are visible in the large, heavily-populated states like California and New York. In these states, political leaders have found it necessary to justify increasing public welfare budgets by advocating work in return for public support.

Strong state and national leadership is currently focused on reducing fraud and administrative error. At the same time, however, it is felt that able-bodied persons should make some effort to justify the receipt of public welfare funds. Therefore, new cost cutting and quality control programs have been introduced along with a renewed emphasis on requiring welfare recipients to work in return for public assistance.

The most publicized of the work programs nationwide is the WIN, or Work Incentive Program. In 1971, California introduced a new program, CWEP, which is different in concept from WIN. The Community Work Experience Program is most frequently referred to by the initials CWEP.

THE CWEP PROGRAM IN CALIFORNIA

The Community Work Experience Program is a demonstration project operating in 34 of 58 counties in California. The program is administered by the state employment agency, the California Employment Development Department. An outgrowth of the Welfare Reform Act of 1971, CWEP was created to provide for the "development of employability of Aid to Families of Dependent Children (AFDC) recipients through actual work experience and training."[1] No wages are paid to CWEP participants, however, since during their work assignments, the recipients remain on the welfare rolls. (See Appendix A)

Although the legislative authority to operate a CWEP program was granted in October, 1971, the program required waivers of certain Federal regulatons which were not received from the Department of Health, Education, and Welfare until June 6, 1972. The program officially began on that date.

In its original application to HEW, California identified four specific administrative goals for the CWEP project:

— "The demonstration project would prove that such a program is administratively feasible and practical

— CWEP will reduce the extent of dependency on welfare

— CWEP will diminish the rate of new welfare applications

— CWEP will result in a reduction in overall welfare costs."[2]

CWEP is one component of an overall "employables" program which was also established as part of the Welfare Reform Act of 1971. The employables program is designed to identify welfare recipients who are determined to be suitable for employment. Once a welfare recipient is so defined, he is placed under the overall jurisdiction of the Employment Development Department where program services are aimed at getting him a job and removing him from welfare.

Registration for employment and job search activity is a precondition to the establishment of eligibility for public assistance. Therefore, in counties with an "employables" program, county welfare department staff were assigned to designated local offices of the Employment Development Department to administer supportive social services. This staff, paid out of welfare department funds but under the administrative supervision of EDD is called the "co-located" staff.

Under the California legislation, persons classified as employable may be referred to mandatory training programs such as WIN, or they may be required to engage in specific job search activities. In the event that training programs such as WIN are operating at capacity, recipients may be required to participate in a CWEP work assignment and engage in job search activity.

The CWEP assignments are conducted under a contract with a public agency or a nonprofit charitable organization which has signed a user agency agreement approved by EDD. Since the CWEP participant is prohibited from incurring any expenses related to his participation in CWEP, the county or nonprofit user agency assumes that 32 1/2% non-federal share of the CWEP related expenses such as transportation to and from assignment, child care, uniform, and other expenses; the state pays the remaining 67 1/2% of CWEP expenses.

No wages are paid to CWEP participants for these assignments since the participants continue to receive public assistance. A CWEP participant in California cannot be required to work in excess of eight hours during any calendar day or in excess of eighty hours during any calendar month.

Examples of CWEP assignments include building and park maintenance workers, mechanical helpers, clerical assistants, groundkeepers, custodians, ticket collectors, kitchen helpers, nursery workers, hospital volunteers, and teacher aides. Because the program in California is aimed primarily at the portion of the AFDC caseload referred to as AFDC-UP, or "Aid to Families with Dependent Children—Unemployed Parents," most of the work experience assignments are designed for men. The AFDC-UP caseload in the 34 participating counties numbers approximately 58,000 recipients the majority of whom are male.[3]

The latest figures available on CWEP participation are for March, 1974. As of that date, the Employment Development

Department reported that CWEP was operational in 34 counties with a total of 603 participants.[4] In a report on CWEP to the Joint Legislative Audit Committee in May, 1974, the Auditor General's Office found that during fiscal year 1972-73 1,134 participants, or less than 4% of the program's expected first-year level of participation of 30,000 participants were placed in the CWEP project.[5] A survey prepared by EDD in January, 1974 indicates that of 2,645 individuals referred to CWEP in 1973, 248 were given a CWEP assignment and 98 of those individuals were permanenty hired by the public or nonprofit private agencies to which they were assigned under CWEP.[6] No figures appear to be available to indicate whether or not any of the other 2,645 individuals referred or the 248 assigned to CWEP received permanent employment elsewhere. For a chronology of participation in the CWEP project, see Appendix B.

STAFF ANALYSIS AND COMPARISONS

The development of new or innovative programs at the state level is usually preceded by investigations and analysis of similar programs in other states. The acceptance of a new program based on work done in other states is called "technology transfer."

If a program is transferrable, it should meet several criteria: legislative or statutory similarity, evidence of adequate programmatic and cost evaluation, analysis of impact on existing systems, and public acceptance.

Legislative or Statutory Similarity

During the 1974 session of the Virginia General Assembly, House Bill 640 was introduced to provide for Community Work Experience Programs. The legislation was passed by the General Assembly in March and signed by the Governor in April, 1974. (See Appendix C)

In most respects, the Virginia and California legislation are identical. Both call for CWEP to be implemented as a demonstration program. Both charge the CWEP program with providing for the "development of employability through actual work experience and training."FN7 Both specify persons to be exempted from CWEP participation and both specify a maximum number of hours a CWEP participant is permitted to work.

The few differences between the two pieces of legislation are noteworthy, however. The California legislation authorizes the Employment Development Department, the state's employment agency, to administer the CWEP program. House Bill 640 authorizes the Virginia Department of Welfare to "develop a plan for the phased implementation of community work experience programs."FN8 The legislation further states that the Department of Welfare "shall be utilized to find employment opportunities for recipients under this program."[9] This difference is significant in that another piece of related legislation, SB 283, was passed by the General Assembly and signed by the Governor during the 1974 session. Section 63.1-133.11 of this law reads:

> Upon referral of any applicant or recipient to the local employment office pursuant to § 63.1-133.10, the Virginia Employment Commission shall be charged with the responsibility of attempting to locate employment or, in appropriate cases, providing training for such persons.[10]

In order to remedy this potential duplication of effort, the VALC Public Welfare Committee considered recommendation to enact legislation changing the designation of the Department of Welfare as the responsible agency for the administration of CWEP to that of the Virginia Employment Commission.

Another difference is that the localities chosen for CWEP participation in California are required to participate in the program. The Virginia legislation states that localities "may" cooperate in the operation of a CWEP program.[11]

Finally, the California legislation requires that existing employment and training programs, such as WIN, be exhausted before an individual is assigned to the community work experience program. The legislation states: "To the extent feasible, work incentive program positions shall be administered to maximize utilization of that program prior to placement of recipients in community work experience programs."[12] The Virginia legislation makes no such provision.

Evidence of Adequate Programmatic and Cost Evaluation

The implementation of the California CWEP required a 1115B waiver from HEW. A program initiated under a waiver is by definition a demonstration program. California, as of July 1974, had not produced programmatic and cost data sufficient to permit a reasonable evaluation for use in Virginia. The Auditor General's report indicates that in December 1973, and January and February 1974, Placer County had the highest number of participants of the 34 counties operating a CWEP program. However, no EDD staff time was specifically charged to CWEP in EDD's time reports.[13]

Impact on Existing Systems

The California program was designed primarily for the AFDC-UP caseload. The "UP" refers to unemployed parents, a category of 58,000 recipients in the 34 counties participating in the California CWEP program. In actual implementation, the California CWEP program provides for the utilization of existing manpower programs such as Work Incentive (WIN), On the Job Traning (OJT), Opportunities Industrialization Centers (OIC), Manpower Development and Training Act (MDTA), and Comprehensive Employment and Training Act (CETA). CWEP is used in many areas as a last resort measure.

In Virginia there is no funded "UP" program. CWEP would affect a caseload which is 99% female. Based on caselaod analysis, most of these females have children, for which suitable child care must be provided before the mother can participate in CWEP.

CWEP in Virginia would require local "user" agencies to bear the cost of transportation, child care, administration and evaluation. A "user" agency is a public or nonprofit agency to which a CWEP participant would be referred for work experience.

Public Acceptance

Implementation of CWEP generates additional issues to be resolved:

1. Would CWEP experience count towards meeting civil service requirements as the participant seeks a permanent job?

2. Do current workmen's compensation laws cover CWEP participants?

3. Will user agency supervisory personnel be responsible for orientation and on-the-job traning?

4. Currently inflationary problems have caused the unemployment rate to rise. Will CWEP participants compete for jobs with those out of work because of lay-offs? Will the state be spending funds to help welfare recipients receive non-paying public service employment when the working man is out of a job?

FOOTNOTE PAGE

1. "The California Welfare Reform Act of 1971," Article 3.5, Section 11325.

2. "The California Work Experience Program," Report of the Joint Legislative Audit Committee, California Legislative, May 1974, pp. 2-3.

3. "The California Work Experience Program," p. 14.

4. "The California Work Experience Program," p. 14.

5. "The California Work Experience Program," p. 14.

6. California Employment Development Department, "Survey of CWEP Counties," (1974).

7. Section 63.1-133.18, Code of Virginia (1950), as amended.

8. Section 63.1-133.14, Code of Virginia (1950), as amended.

9. Section 63.1-133.18, Code of Virginia (1950), as amended.

10. Section 63.1-133.11, Code of Virginia (l950), as amended.

11. Section 63.1-133.16, Code of Virginia (l950), as amended.

12. "California Welfare Reform Act of 1971," Article 3.5, Section 11325.

13. "The California Work Experience Program," p. 9.

APPENDIX

A. California CWEP Legislation

B. Chronology of CWEP Implementation

C. Virginia CWEP Legislation

APPENDIX A

CALIFORNIA CWEP LEGISLATION

Article 3.5. Community Work Experience Programs

11325. Assisting recipients of aid to become self-supporting through implementation of the work incentive programs established in accordance with subdivision (19)(A) of Section 402(a) of the Social Security Act, as amended, as well as through such additional or supplemental work programs permitted by federal law is a matter of public concern.

To the extent permitted by federal law, it is the intention of the Legislature that this article operate as a demonstration program. The Director of the Department of Human Resources Development shall develop a plan for the phased implementation of community work experience programs. As this plan is implemented, he shall designate specific geographic areas within which community work experience programs shall be established. Such geographic areas shall consist of a county or portion of a county, as the director may designate.

The Director of the Department of Human Resources Development shall develop community work experience programs through contracts with any public entity or nonprofit agency or organization, subject to the conditions and standards set forth below.

All public entities shall cooperate in the development and implementation of community work experience programs for welfare applicants and recipients in accordance with criteria and standards established by the Department of Social Welfare and Department of Human Resources Development, provided that any program undertaken by a public agency shall be done with the consent of that agency.

For the purpose of this article, a "community work experience program" is a program to provide work experience and training for individuals who are not otherwise able to obtain employment or who are not actively participating in training or education programs, in order that such participants may move into regular employment.

Community work experience programs shall provide for development of employability through actual work experience and training; and shall be designed to enable individuals employed under community work experience programs to move promptly into regular public or private employment or into training or public service employment programs to improve their employability in regular public or private employment. The facilities of the Department of Human Resources Development shall be utilized to find employment opportunities for recipients under this program.

Community work experience programs under this article shall be confined to projects which serve a useful public purpose such as in the fields of health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, and public safety. To the extent possible, the prior training, experience and skills of a recipient shall be utilized in making appropriate work experience assignments.

The Director of the Department of Human Resources Development shall designate the procedures for inclusion of recipients of public assistance within community work epxerience programs, to include the geographic area within which such programs shall be established. To the extent permitted by federal law, recipients of public assistance referred by the Department of Human Resources Development to a community work experience program shall, as a condition of receiving public assistance, participate in such program, except where good cause exists for failure to accept and continue to participate in such program.

No person, who is a recipient of aid under this chapter under the age of seventeen (17) years, or is the mother of a child the age of six (6) years or under in the home, or who is otherwise employed or actively participating in training programs, education programs, or public service employment programs, or is incapacitated, shall be required to participate in community work experience programs. No mother of a child over the age of six (6) years in the home shall be required to participate in such community work experience programs unless suitable child care is available.

A community work experience program established under this section shall provide:

(1) Appropriate standards for health, safety, and other conditions applicable to the performance of work, including workmen's compensation insurance.

(2) That the program does not result in displacement of persons currently employed, or the filling of established unfilled position vacancies.

(3) That the program does not apply to jobs covered by a collective bargaining agreement.

(4) Reasonable conditions of work, taking into account the geographic region, the residence of the participants, and the proficiency of the participants.

(5) That participants will not be required, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight.

(6) That participants will not be required to work in excess of 80 hours in any calendar month, nor in excess of eight hours during any calendar day in order to provide time to seek regular employment, provided, however, that in no case will any participant be required to participate in work experience programs for a period

of time which would result in a total number of hours per month, which, if compared to the amount of the grant, in relation to the state or federal minimum wage, whichever is higher, would result in a ratio that would be less than such minimum wage. Nothing in this section shall be construed as requiring or permitting the payment of aid in exchange, or as compensation, for work performed.

(7) That participation shall not result in any cost to a participant, provision shall be made for transportation and all other costs reasonably necessary to and directly related to participation in the program. Nothing contained herein shall entitle any participant to a salary or to any other work or training expense provided under any other provisions of law by reason of his or her participation.

(8) A recipient shall not be placed in a community work experience program under this section unless all available positions within the geographic area served by a community work experience program have been filled under work incentive programs established pursuant to Chapter 3 (commencing with Section 5200) of Division 2 of the Unemployment Insurance Code or under any other job development program established pursuant to state law. To the extent feasible, work incentive program positions shall be administered to maximize utilization of that program prior to placement of recipients in community work experience programs.

No individual shall be required to participate in a community work experience program if:

(1) The position offered is vacant due directly to a strike, lockout, or other labor dispute.

(2) As a condition of accepting the work or continuing in the work, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

(3) Acceptance would be an unreasonable act because of hardship imposed on the person or his family due to illness or remoteness.

11326. To the extent permitted by federal law, aid shall be terminated with respect to a recipient of public assistance covered by this demonstration program, who without good cause refuses to participate in a community work experience program; provided, however, that aid for the support of the child or children of such recipient of public assistance shall not be reduced or terminated as a result of such refusal to participate. Any recipient of public assistance who refuses without good cause to participate, shall not be considered a needy relative or caretaker of a recipient child and shall not be entitled to receive or use any part of an aid grant paid pursuant to this chapter.

11327. The Director of the Department of Human Resources Development shall report annually to the Legislature concerning the community work experience programs, including the number of persons placed from this program into regular employment, and the

costs to state and local agencies for implementing this demonstration program.

APPENDIX B

CHRONOLOGY OF CWEP IMPLEMENTATION

Date	Number Of CWEP Counties	Prior Month CWEP Participants	Percent CWEP Participants Of AFDC Caseload	Comment
April 1972				EDD plans for 58,776 first year CWEP participants in Application for Project Wavier sent to H.E.W. This represents 25% of the AFDC FG & U caseload in the 34 designated CWEP counties.
June 1972				HEW approves CWEP project but reduces maximum participation level to 30,000 for first year.
Nov. 1972	6	37	0.2	Sigurd I. Hansen, Director, HRD, reports "a high degree of success" in first four months of CWEP operation.
April 1973	12	210	0.5	EDD (formerly HRD) CWEP Evaluation Status Report says "(a)ttempts to correlate SDSW data with CWEP data by county reveals that the volume of CWEP activity is not sufficient to cause significant impact on AFDC caseloads. The volume of data should increase as individual county problems are resolved and the program is more fully implemented."
				HRD reports CWEP " has already proved to be highly successful in the eleven counties where it is now in operation." Also reports the results are "so good that I am confident we'll see continued success in other counties when they participate."
May 1973	12	164	0.4	H.E.W. reports in Review of the California Work Experience Program in Seven Counties: "The experience o the project during the perio June 1972 - February 2, 1973 does not reflect achievement of the overall objective. Of a total of 689 participants to date, only 18 were placed in jobs directly relating to their participation in a CWEP activity.'

Date	Number Of CWEP Counties	Prior Month CWEP Participants	Percent CWEP Participants Of AFDC Caseload	Comment
May 1973 (continued)				H.E.W. Assistant Administration of Research and Demonstrations recommend CWEP not be continued because "the negative factors outweigh the positives." (See Exhibit 2 in the Appendix.)
June 1973	15	330	0.6	EDD negotiates participation level of 5,500 recipients with HEW for second year of program. This is an 82% reduction from first-year goal.
Oct. 1973	16	92	0.2	Health & Welfare Agency reports: "We have indisputable evidence that these programs (CWEP and Employables) are paying off."
Dec. 1973	34	162	0.1	HRD and SDSW pledged in June 1973 that CWEP would be operational in all 35 designated CWEP counties by December 1, 1973. All but Orange County are reported by the state as having CWEP program. However, in December 10 counties reported no CWEP participants; 16 counties reported 1 to 5 participants.
Feb. 1974	34	183	0.1	EDD revises its regulations to state that "All field offices having CWEP responsibilities are to maintain an adequate level of placements in CWEP assignments. For any one month, the minimum acceptable level of CWEP placements for a fieldoffice is one percent (1%) of its caseload on hand at (the end of) the prior month." (Caseload means welfare recipients registered as employable by EDD.)
If 2/74 placements had fulfilled the 1% quota	34	(901)	0.5	The 1% quota represents same impact on welfare caseloads which was judged insignificant in the EDD CWEP Evaluation Status Report of April 5, 1973.

Date	Number Of CWEP Counties	Prior Month Of Participants	Percent CWEP Participants Of AFDC Caseload	Comment
March 1974	34	603 (March 1974)	Not Available	See page 21 for a discussion of the questionable significance of this growth in CWEP activity.
April 1974	N/A	N/A	N/A	EDD plans for an equivalent of 3,263 CWEP participants in the third year in the Application for Demonstration Project sent to HEW. This level represents 2% of the AFDC FG & U caseload in CWEP counties in February 1974.

APPENDIX C

VIRGINIA CWEP LEGISLATION

CHAPTER 499

An Act to amend the Code of Virginia by adding Title 63.1 a chapter numbered 6.3 containing sections numbered 63.1-133.13 through 63.1-133.25, to provide Community Work Experience Programs.

[H 640]

Approved April 8, 1974

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 6.3, containing sections numbered 63.1-133.13 through 63.1-133.25, as follows:

CHAPTER 6.3

Community Work Experience Programs

§ 63.1-133.13. Assisting recipients of aid to become self-supporting through implementation of the work incentive programs established in accordance with subdivision (19)(A) of Section 402 (a) of the Social Security Act, as amended, as well as through such additional or supplemental work programs permitted by federal law is a matter of public concern.

§ 63.1-133.14. To the extent permitted by federal law, it is the intention of the General Assembly that this chapter operate as a demonstration program. The Director of the Department of Welfare and Institutions shall develop a plan for the phased implementation of community work experience programs. As this plan is implemented, he shall designate specific geographic areas within which community work experience programs shall be established. Such geographic areas shall consist of a county, or portion of a county, city or town as the director may designate.

§ 63.1-133.15. The Director of the Department of Welfare and Institutions shall develop community work experience programs through contracts with any county or city, subject to the conditions and standards set forth below, and subject to the appropriation of sufficient funds designated expressly for community work experience programs.

§ 63.1-133.16. All counties and cities, herein referred to as

public entities, may cooperate in the development and implementation of community work experience programs for welfare applicants and recipients in accordance with criteria and standards established by the Department of Welfare and Institutions, provided that any program undertaken by a public agency shall be done with the consent of that agency.

§ 63.1-133.17. For the purpose of this chapter a ''community work experience program'' is a program to provide work experience and training for individuals who are not otherwise able to obtain employment or who are not actively participating in training or education programs, in order that such participants may move into regular employment.

§ 63.1-133.18. Community work experience programs shall provide for development of employability through actual work experience and training; and shall be designed to enable individuals employed under community work experience programs to move promptly into regular public or private employment or into training or public service employment programs to improve their employability in regular public or private employment. The facilities of the Department of Welfare and Institutions shall be utilized to find employment opportunities for recipients under this program.

§ 63.1-133.19. Community work experience programs under this chapter shall be confined to projects which serve a useful public purpose such as in the fields of health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities and public safety. To the extent possible, the prior training, experience and skills of a recipient shall be utilized in making appropriate work experience assignments.

§ 63.1-133.20. The Director of the Department of Welfare and Institutions shall designate the procedures for inclusion of recipients of public assistance within community work experience programs, to include the geographic area within which such programs shall be established. To the extent permitted by federal law, recipients of public assistance referred by the Department of Welfare and Institutions to a community work experience program shall, as a condition of receiving public assistance, participate in such program, except where good cause exists for failure to accept and continue to participate in such program.

§ 63.1-133.21. No person, who is a recipient of public assistance as provided in Title 63.1 of this Code under the age of seventeen (17) years, or is the mother of a child the age of six (6) years or under in the home, and which cannot be adequately cared for without the presence of the mother during normal working hours, or who is otherwise employed or actively participating in training programs, or is incapacitated, shall be required to participate in community work experience programs. No mother of a child between the ages of six (6) years and sixteen (16) years in the home shall be required to participate in such community work experience programs unless suitable child care is available.

§ 63.1-133.22. A community work experience program established under this chapter shall provide:

(1) Appropriate standards for health, safety and other conditions applicable to the performance of work, including workmen's compensation insurance.

(2) That the program does not result in displacement of persons currently employed.

(3) That the program does not apply to jobs covered by a collective bargaining agreement.

(4) Reasonable conditions of work, taking into account the geographic region, the residence of the participants, and the proficiency of the participants.

(5) That participants will not be required, without their consent, to remain away from their homes overnight.

(6) That participants will not be required to work in excess of eighty hours in any calendar month, nor in excess of eight hours during any calendar day in order to provide time to seek regular employment; provided, however, that in no case will any participant be required to participate in work experience programs for a period of time which would result in a total number of hours per month, which, if compared to the amount of the grant, in relation to the state or federal minimum wage, whichever is higher, would result in a ratio that would be less than such minimum wage. Nothing in this section shall be construed as requiring or permitting the payment of aid in exchange, or as compensation, for work performed.

(7) That participation shall not result in any cost to a participant, provision shall be made for transportation and all other costs reasonably necessary to and directly related to particpation in the program. Nothing contained herein shall entitle any participant to a salary or to any other work or training expense provided under any other provision of law by reason of his or her participation.

§ 63.l-133.23. No individual shall be required to participate in a community work experience program if acceptance would be an unreasonable act because of hardship imposed on the person or his family due to illness or remoteness.

§ 63.1-133.24. To the extent permitted by federal law, aid shall be terminated with respect to a recipient of public assistance covered by this demonstration program, who without good cause refuses to participate in a community work experience program; provided, however, that aid for the support of the child or children of such recipient of public assistance shall not be reduced or terminated as a result of such refusal to participate. Any recipient of public assistance who refuses without good cause to participate, shall not be considered a needy relative or caretaker of a recipient child and shall not be entitled to receive or use any part of an aid grant paid pursuant to this title.

§- 63.1-133.25. Nothing in this chapter shall be construed to require implementation of any program which would result in a loss of federal funds to the Commonwealth. 2. That this act shall not become effective until JulY one, nineteen hundred seventy-five.

President of the Senate

Speaker of the House of Delegates

Approved:

Governor

Item 3

MEMORANDUM:

TO: Social Services Directors

Local Health Directors

Planning District Directors

Chapter 10 Directors

Community Action Agency Directors

FROM: Otis L. Brown

SUBJECT: Services Integration Demonstration Projects

In 1974, the General Assembly of Virginia passed SB517 which was signed into law by the Governor. This bill empowers the Governor to authorize five localities to establish pilot projects to test approaches to the integration of human services delivery. For this purpose, the Governor is empowered to grant variances from present State rules and regulations relating to the delivery of human services. The Governor is also empowered to request exceptions from Federal rules and regulations.

I would like to invite you to take advantage of this opportunity to test alternative approaches for the provision of human services in your locality. It is my hope, in view of the national trend toward the integration of human services, that the Commonwealth will emerge as a innovator in this area. This will provide a greater opportunity for counterpart agencies to collaborate and work out programs of specific benefit to their locality.

Let me assure you that localities will not be considered on the basis of size and resources, only on their commitment and their ability to demonstrate innovations in human services delivery. Demonstration projects need not deal solely with service delivery. They may involve integrated planning, administration, or budgets.

A package of materials concerning the development of services integrating projects has been sent to your local administrator, either your city or county administrator or the chairman of your county board of supervisors. This included:

A position paper discussing the implications of SB517 prepared by Division of State Planning and Community Affairs, Human Affairs Section in conjuncton with the Secretary of Human Affairs.

A copy of SB517

Guidelines for participation in a services integration demonstration project.

- Part I. Letter of Intent.

- Part II. Final Plan for Services Integration.

Glossary of terms used in the preparation of guidelines.

Your unit of local government will follow the timetable outlined below:

Receipt of package of materials from Secretary of Human Affairs within five days of date of this letter.

Letter of Intent submitted to Secretary of Human Affairs by October 31, 1974. These will be screened by the Secretary with the advice and consent of the Commissioners in Human Resources in cooperaton with the Division of State Planning and Community Affairs, Human Affairs Section.

Receive notification by November 15, 1974, on approval or disapproval of the Letter of Intent.

If approved, prepare Final Plan for Services Integration to be submitted to the Secretary by January 31, 1975.

Final Plans reviewed by this Office with the advice and consent of the Commissioners in Human Resources.

Five demonstration project sites chosen by the Governor by February 15,1975.

I hope you will give strong consideration to this opportunity to initiate and participate in improving services delivery to the citizens of the Commonwealth.

OLB/jaw

IMPLICATIONS FOR CHANGE

IN VIRGINIA'S

HUMAN SERVICES DELIVERY SYSTEM

Under SB517

Human Affairs Section

Division of State Planning and Community Affairs

August, 1974

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Introduction

The 1974 General Assembly of Virginia passed SB517, which was signed into law by the Governor. This bill, which could potentially change the service delivery structure of State-supported human services, empowers the Governor to authorize five localities to establish pilot projects to test approaches to the integration of human services delivery. Previously, no statutory authorization existed for variances to the traditional form of human services, but these efforts involved only agency cooperation without a single accountable entity, as should be the case with services integration.

Goals for SB517

The short range goal of SB517 is to determine the positive and/or negative effects of alternative approaches to the provision of human services by state, local, private and private non-profit service providers. The long range goal is to use the findings of these demonstration programs to alter the traditional services delivery system in order to make it more responsive to the needs of the multi-problem client. To accomplish these goals, projects implemented under SB517 must be conducted as demonstration projects. They must be carefully planned and evaluated for their impact upon the locality, the client and the participating agencies and staffs. They must also be planned and evaluated for their impact upon the quality and quantity of service delivery. The key to this approach is the necessity for each pilot project to be willing to change directions or discontinue altogether when evaluaton indicates a negative return on the investment of energy and sources.

Prior to implementation of the five pilot projects, guidelines must be developed to insure the orderly development and accurate planning of alternative approaches to services delivery. To determine the feasibility of new techniques in program administration, financing and services delivery, certain criteria must be outlined which will aid in creating program stability and in establishing a basis for evaluation. These guidelines and criteria should be broadly defined to allow for some flexibility by the individual localities participating in the program.

Approaches to Administrative and Policy Change

For decades, discussions of program administration have centered upon the need for change. Some have argued that the state should administer all programs while other states emphatically that the locality should make its own decisions. Some advocate pooled resources, while others fear client as well as program priorities will be neglected without specific program budget allocations. The result of these varying discussions and attitudes is difficult to assess. Nevertheless, these variances have undoubtedly impacted upon the system in Virginia where each major state agency has developed a unique administrative relationship with its counterpart delivery agencies. A new approach to administration and policy making should be sought in order to allow the local integrated project to identify with all of the state level agencies with which it is affiliated.

A number of issues which could be addressed in considering approaches to administrative and policy change are discussed below.

- A concern to be addressed is state versus local control of policy, decision-making and financing. One of the administration projects could test the feasibility of awarding all control, both policy and budgetary, to the state while another could test the feasiblity of total local control. Other projects could test the feasibility of dividing certain decision-making functions between the state and the locality. Ultimately, each of these approaches must be evaluated to determine which are the least cumbersome.

- Regardless of the approach taken to state versus local control, some degree of major policy decision-making must occur at both the state and local level of program administration. An alternative to the traditional structure must be implemented to allow decisions to be effective for all programs included within a pilot project.

- Two alternatives to traditional decision-making at the state level are the lead agency concept and the state board concept. Under the lead agency concept, one agency would assume the responsibility for making decisions relating to a specific project. In this case, all agencies represented in the demonstration project would formally agree to the jurisdiction of the lead agency prior to the commencement of any decison-making function. The second alternative, the state board concept, would require the formation of an interagency board of directors. Ideally, this board should be composed of the executives of each agency participating in any of the five projects. This board would function as the state decision-making body. As in the lead agency concept, each agency represented on the state board must formally agree on the jurisdicton and powers of the board prior to the implementation of any authority.

- The authority for decision-making must also be resolved at the local level. First of all, authority of the project director must be determind. Will this individual be responsible for the administrative unit only or will he make program decisons as well? Also, to whom will the project director be responsible: the local Chief executive, the legislative assembly, a local governing board, the state, etc.?

If the local decision-making power is not vested in the project director, some other mechanism must be instituted. The concept of a governing board or lead agency may be adapted to the locality with the project director accountable to this mechanism. Another alternative would be to place the project under the jurisdiction of the local chief executive. As at the state level, any decision-making mechanism must be formally agreed upon by all affected parties before it is instituted.

- The final adminstrative tool addressed here is the use of advisory bodies. Because these demonstration projects will be unique to each locality and will primarily address local priorities, an advisory group should be formed in order to broaden the perspective of the project and provide feedback concerning the

community's receptiveness. The powers, duties, functions, and composition of the advisory group should be determined by each locality. The usefulness and effectiveness of this group should be carefully evaluated along with the project and changes should be made in the advisory function when they are indicated.

Integrating Techniques in the Service System

In addition to the new ways programs may be administered, new approaches to the actual delivery of services should be tested. Many integrating techniques, which are currently being implemented within Virginia and in projects throughout the nation, should be tested for their effectiveness in bringing services closer to the client. Some of these integrating techiques are as follows:

- Co-location of services
- Central intake unit
  - diagnosis and referral
  - information and referral
  - service contract
- Follow-through services
  - case manager
  - case aide
  - client/servie broker
- Emergency services unit
- Extended follow-up services
- Program-community relations
- Outreach unit
- Central file system
  - common intake and reporting forms
- Team approach to itinerate services

Although each locality should make the final decision as to which integrating techniques are to be tested in a local project, a client flow system should be established for all projects. This cient flow system should indicate the key points of client impact, the use of staffs from various agencies to resolve multiple problems, and a back-up system to assist clients who have failed to receive adequate services through their initial service plan.

Criteria for Participation

Upon the completion of administrative and service delivery guidelines, five localities will be selected for participation in the demonstration program. The only participation criterion mandated under the law is that the local governing body must request to participate by passage of a resolution. In order to make the projects truly demonstrative of alternative delivery systems throughout the state, other factors must also be taken into consideration.

The Commonwealth encompasses a divergent and contrasting area geographically, economicaly and culturally. For this reason, care should be taken to choose demonstration projects which are representative of as many aspects of services delivery in Virginia as possible. At least one project should be metropolitan, one non-metropolitan, and one rural. In addition, at least one project should include two or more political units in order to test the concept of

multi-jurisdictional or regional services delivery in areas having a low population base. The demonstration projects will have statewide significance only if these criteria are taken into consideration in the selection process.

Each locality wishing to participate in the demonstration project should submit, for review by the Secretary and Commissioners of Human Affairs, a plan outlining the policy and administrative framewrok and delivery system to be implemented in that locality. As a minimum, this plan should include the integration of two or more public services and some assurance that linkages will occur with the private sector, either through purchases of private services or integration into the project of private non-profit services. Each plan should also assure that the project will be evaluated for its impact upon program policy and administration, staff coordination and cooperation, and upon services delivery to the client. These plans can then be used as the basis for final selection of the demonstration projects.

CHAPTER 395

An Act to empower the Governor to authorize certain local governing bodies to provide for pilot projects for the integration of the delivery of human services under present laws and the administration of such an integrated program; to permit the Governor to grant variances from present State rules and regulations relating to the delivery of human services; to empower the Governor to request execeptions from federal rules and regulations; and to empower the Governor to promulgate guidelines; policies to be used in determining the approval and effectiveness of pilot program.

Be it enacted by the General Assembly of Virgina:

1. § 1. For the purposes of this act, ''human services'' shall mean any service provided by the State or a county or city, or jointly by the two, to an individual or family for his or their physical, mental or economic well-being.

§ 2. The Governor is hereby empowered to authorize certain counties or cities in this Commonwealth, not to exceed five, to develop and implement a pilot program for the delivery of human services and the admministration of such a delivery system to provide for the most efficient and economical manner of delivering human services to the individual or family and to eliminate the difficulty of an individual family with multiple needs obtaining the available and necessary human services.

§ 3. (a) The Governor and the several Boards and Commissions empowered to promulgate rules and regulations are hereby further empowered to change, alter or revise the rules and regulations of any State agency in order to assure the proper functioning of the pilot program.

(b) The Governor may also, on behalf of a State agency or locality, make requests to any agency or instrumentality of the federal government for exceptions to or variances from rules and regulations governing the administration of the use of funds for human services programs.

§ 4. As soon as practicable after the effective date of this act, the Governor shall promulgate rules and regulations concerning programs, budget and administration to be used as guidelines for counties and cities desiring to establish a pilot program in human services delivery. These rules and regulations should provide for evaluating the effectiveness of such a pilot program.

§ 5. The Governor shall annually review these pilot programs and shall make a report to the General Assembly of his findings.

§ 6. No pilot program shall be established unless such program has been requested by a resolution of the governing body of the

county or city wherein the program will be located.

§ 7. All State agencies shall cooperate with the Governor and the local governing body of the county or city wherein the pilot program is located in carrying out the purposes of this act. The Governor may consult from time to time with the Directors and Commissioners of State agencies involved and with the appropriate Boards and Commissions.

§ 8. The cost of administering such pilot projects shall be determined by the appropriate State agencies and the counties and cities wherein a pilot program is located and shall have the approval of the Governor.