

PUBLIC ASSISTANCE IN HAWAII:
STATUTORY PROVISIONS AND
TRENDS IN PAYMENTS

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SUMMARY

The public attitude toward the needy has evolved from a feeling of scorn tempered by charity to a more basic understanding of individual problems. Prompted by the federal subsidies provided by the Social Security Act of 1935, state and local governments have undertaken, on a permanent basis, some degree of responsibility for providing financial assistance to individuals in need. Although the Social Security Act dates from the economic depression of the 1930's, its purpose is not restricted to helping jobless individuals through the low ebbs of the economic cycle. During periods of prosperity there remains a relatively constant number of individuals requiring public assistance. The welfare rolls are, therefore, not an economic barometer but reflect disabilities of age and the physical and mental conditions of people which in some way render them dependent upon public money for support. A principal mission of any successful welfare program must be to rehabilitate those people receiving assistance payments and thereby to reduce the welfare rolls and alleviate dependency.

Dependency in most welfare categories as measured by the percentages of population receiving assistance payments is increasing on a national average. This, combined with an increase in the average money payment given to recipients of public assistance, is raising the total cost of public assistance to the federal, state and local governments. Hawaii's experience since 1953 differs from this national trend in that (1) costs to the state for assistance payments have risen at a slower rate, (2) a declining percentage of Hawaii's population depends upon the State for support, and (3) average payments have increased more rapidly.

Differences are also found between Hawaii and other states in intrastate responsibility for public assistance and statutory control over public assistance programs and payments. The welfare programs of most other states are characterized by the participation in the program by local political subdivisions but Hawaii's welfare program is centralized at the state level. Statutes in many other states contain numerous controls on administrative policy not found in Hawaii's laws. The absence in the Hawaii statutes of administrative details found in the laws of most states gives the administrators of public assistance in Hawaii a relatively free hand to administer the program and places great emphasis on the quality of administration.

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HOUSE RESOLUTION NO. 146

WHEREAS, it is desirable, in the interests of governmental efficiency and economy, that the services offered by major agencies of the territorial government be re-examined periodically; and

WHEREAS, such examination has not been made of the Department of Public Welfare since 1951, although its internal administration has--to the credit of the Department--recently been studied on the initiative of the Department itself; and

WHEREAS, a natural question arises as to the kinds and amounts of services offered by the Department, when, after a protracted period of relative prosperity and virtually full employment, the welfare rolls continue to remain at levels not greatly reduced from those of a decade ago; and

WHEREAS, a comparison may indicate possible discrepancies between Hawaii's public welfare laws and those of mainland states with the best functioning welfare programs; and

WHEREAS, the information so derived would assist the legislature in considering and perhaps amending Hawaii's statutes dealing with public welfare; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirtieth Legislature of the Territory of Hawaii that the Legislative Reference Bureau be requested to undertake a comparative study of Hawaii's public welfare laws, identifying and analyzing the statutory provisions of other jurisdictions which may be of interest to the legislature in considering the public welfare laws of the Territory; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau report in writing to the next legislature on this study, no later than the tenth day of the next regular legislative session; and

BE IT FURTHER RESOLVED that a copy of this Resolution be delivered to the Director of the Legislative Reference Bureau.

DATED: April 6, 1959
HONOLULU, HAWAII

INTRODUCTION

Public assistance in one form or another is one of the oldest of governmental activities, but for generations it existed largely in the form of the "poor house", the "poor farm", the "work house", the "orphan asylum" and similar institutions of bad reputation and worse performance. Further, economic dependency was felt in many quarters to be the just deserts of laziness, stupidity, or immorality. It followed, then, that assistance to the needy somehow was deemed to contribute to these undesirable attributes and thus was not in the public interest, provided only that actual starvation did not occur.

This philosophy, combined with the deeply-rooted frontier tradition that each group should take care of "its own", led to a jumbled combination of local government programs that at best prevented actual want and at worst represented some kind of a community vengeance upon the unfortunate. Not until the great depression was the system seriously attacked in the governmental sphere, but when the attack came it was pressed on two major fronts--philosophical and financial.

With millions of obviously willing hands idle, it was impossible to hold that need was attributable to individual delinquency, and with the rolls of the needy soaring to unprecedented numbers it was just as impossible for the old local institutions (even augmented by bread lines and soup kitchens) to approach meeting the requirements of the people. For years private welfare agencies had urged a different approach to need, and, within their limited capacities, had done yeoman work in putting their principles into practice. The great depression, however, overwhelmed all. The chaos of the early 1930's is not soon to be forgotten by those who lived through it; the changed measures and philosophy of public assistance that arose from that chaos will probably never be expunged from the administration of public welfare.

Most of the new ideas of welfare were incorporated into the Social Security Act of 1935. Although that act provided for several different kinds of economic security, its most important aspects from the point of view of this report were: (1) it recognized national responsibility for economic assistance; (2) it created a system for state participation in and state control over local government welfare activities and federal expenditures; and (3) it declared, in effect, that certain circumstances (originally old age, absence of parental support, and blindness) were by definition sufficient reason for dependency.

In the following quarter-century, changes have been made. New categories of assistance have been added, numerous variations in administration exist at all levels, and other social security measures (chiefly old age and survivors' insurance and unemployment compensation) have become much more prominent in the economic picture. Still remaining, however, are the three basic ideas enumerated above, and it is from them that public economic assistance in the United States proceeds today.

It is also from these three concepts that an understanding of Hawaii's public assistance program must proceed. It is common knowledge that the conditions of the depression no longer exist--but the old idea is dead that want in the midst of plenty is an individual problem. It is recognized that local interest in the welfare of residents is important--but federal participation and federal standards are here to stay. Any effort to compare public assistance today with that in former prosperous periods is doomed to failure because there is hardly a concept of 1929 that survived the crucible of 1933. All aspects of assistance need to be interpreted in the context of today, and all results need to be appraised in the light of what is to be expected today. The facts are that the national and state governments have accepted responsibility for maintaining the standard of living of their citizens up to a certain level, and that this level is higher than some people can attain by themselves, regardless of the apparent prosperity of the community as a whole.

This report was requested by House Resolution 146 of the 30th Territorial Legislature. The resolution: (1) suggests that the amount and distribution of assistance payments are inconsistent with the level of prosperity that prevails, and (2) asks for a comparative study of state laws which might indicate discrepancies between Hawaii's welfare law and the welfare laws of those mainland states with the best functioning welfare programs. This report presents findings pertinent to both of the above questions, but hardly answers either. The first of these questions is discussed in the first part of this report in terms of the best comparative data available on assistance rolls and payments.

To make the comparison requested in the second inquiry, the initial task must be to isolate and characterize the "best functioning welfare program." This was found to be an impossible task. Finding the best functioning programs requires a two-step inquiry. First, does a state appropriate enough money to meet its welfare needs and second, does a state program distribute the funds so allocated, whether sufficient or not, in the best possible manner? The first question is clearly political. The answer requires judgments on whether a given state gives enough emphasis in terms of funds, to public welfare as compared to other governmental functions in the same state. An objective report cannot answer this question nor should it do so.

The answer to the second question is equally elusive because it also involves other political considerations and requires full knowledge of the economic conditions and welfare needs of each state. No attempt therefore is made to isolate the best functioning welfare programs. A comparative study of statutes can to a limited extent tell something about the welfare policy of states and the manner in which this philosophy is expressed in terms of the directions and guide lines given to the administrators of public assistance. Some comparisons are made, but they do not answer or clarify the question of which are the best functioning welfare programs.

TRENDS IN PUBLIC ASSISTANCE

Modern ideas of public assistance were born in the depression-ridden thirties, and have since been subjected to the impact of wars, changing socio-political beliefs, and the economic cycle. Never have economic conditions approached those of the mid-thirties, however, and to understand the evolution of public assistance generally it is necessary to relate it in some way to what has been the typical post-war economic condition: prosperity and high employment. The hard part is to find reasonably reliable criteria to use in evaluating what has been accomplished in a single jurisdiction.

Since there are no absolutes against which to measure either assistance needs or performance, Hawaii's recent experience as to number of welfare recipients and assistance payments is compared throughout this report with national averages. Local differences in administration or laws are largely eliminated by such a comparison, and it can be expected that any marked divergence from the general practice can be identified by this method.

The ensuing discussion and tabular presentation describe certain aspects of public assistance in five categories, which categories are used because they are the basis of the federal-aid welfare program and hence are the groupings for which the social security administration collects and publishes information. Briefly, the distinctive features of each program (the first four of which are largely defined by the Social Security Act) are as follows:

Old age assistance is the assistance granted to the needy aged, 65 and over;

Aid to dependent children is assistance given to a child under 18 years of age and his caretaker, if the child is deprived of at least one parent due to death, continued absence, or mental or physical disability, and is living with one of a specified class of relatives;

Aid to the blind is assistance given to the needy blind;

Aid to the permanently and totally disabled is assistance given individuals who are both permanently and totally disabled;

General assistance includes all other assistance given to persons who qualify in none of the first four categories.

"Aged persons" and "dependent children" are defined by the Social Security Act, but "blindness" and "disability" are defined in part by state regulation. General assistance is really a catch-all category into which is put all money-payment assistance in which the federal government does not participate. It should be borne in mind throughout this discussion that the federal welfare program is not comprehensive in nature. Federal responsibility as defined by Congress extends only to those persons who are in need because of certain identifiable handicaps. All the rest are state or local responsibilities even today, and it is therefore in this "general assistance" group that the widest variations among states exist.

In this report Hawaii's assistance experience is broken down into the standard classifications as defined above (rather than those used by Hawaii's department of social services) so that it can be compared to national averages. The classifications of the economic assistance program of the state department are not the same as the federal classification for sufficient reasons, but both comparisons and identification of federal participation are hard to make unless the standard categories are used.

Measurements Used

Within the categories, it is possible to measure the two characteristics that determine the amount of welfare payments made: (1) the size of the rolls; and (2) the average payments made to each recipient. Measuring welfare rolls is difficult because of the many variables which affect them, and can be most misleading if definitions of the measurements made are not precise. The statistics compiled by

the Social Security Administration of the United States Department of Health, Education and Welfare measure the recipients of public assistance by the proportion of the total population in a given age category that actually receives aid. These proportions are termed "recipient rates." In using such rates, three variables are eliminated: population growth, absolute differences in the population, and, most important, the population characteristics that have the greatest effect on each of the five assistance categories. The four "recipient rates" considered in this report are defined as follows:¹

Old age assistance -- individuals aided for every 1,000 persons age 65 and over;

Aid to dependent children -- individuals aided for every 1,000 persons under age 18;

Aid to the permanently and totally disabled -- individuals aided for every 1,000 persons age 18-64;

General assistance -- individuals aided for every 1,000 persons under age 65.

"Average payments" may sound self-explanatory, but two factors concerning them should be kept in mind in making comparisons. These factors are: (1) the fact that they are averages, and that actual payments to any individual may be several times greater or smaller; and (2) different states use difference methods in computing the amounts paid. Because of these factors, it should never be generalized that average payments represent maximums or minimums of payment, nor should it be presumed that they represent the actual level of income available even to the "average recipient." The phrase "average payments" means only one thing: the amount of assistance actually paid in cash to recipients in a given category, divided by the number of recipients. It is a useful budgetary figure,

¹"Aid to the Blind" is the smallest category and seems almost entirely independent of the factors measured in this report. Hence, this category is omitted from the discussion in this section.

and in any one state or the nation as a whole it is a fair measurement of the trends in level of support afforded the needy from year to year. It is not, however, a reliable index of the relative efforts to assist the needy in different jurisdictions at the same or different times.

Economic Conditions and Welfare

Prosperity and full employment (at least in any sense that the terms are used today) will not eliminate public assistance. Table I² seems to bear this out, as it shows major, regular increases in assistance during the relatively prosperous past seven years. Most of this increase is attributable to assistance commitments made. The blind, the disabled, the needy aged, and dependent children, regardless of general economic conditions, find it difficult to meet their own needs. On this premise government has undertaken, on a permanent basis, to assist such individuals, some of whom will always require help under modern concepts of public welfare. To the extent that these recipients of welfare payments can obtain marginal employment in boom periods, the welfare rolls will, of course, decline. Even here, however, there is a major difference in the impact on the several categories, as able bodied aged persons are obviously the most likely to get such jobs, while children, the disabled, and the blind remain dependent. Further, most adults today qualify for old age insurance, which has had a greater impact on the size of the aid-to-the-aged rolls than perhaps any other factor. Old age insurance, however, is in only slight degree related to the general economic level.

In general, then, blindness, aging, physical disability, and child dependency occur and continue because of factors other than economic, so the cost of providing assistance to people suffering from such disabilities tends to be relatively inde-

²All numbered tables cited in the text are to be found at the end of this report.

pendent of the economic cycle. Payments within the four federal-aid categories represented 84.7 per cent of all economic assistance granted in Hawaii during 1957 (see Table II), and part of the remaining 15.3 per cent was paid to individuals who had similar disabilities but did not technically qualify under the federal requirements. It is therefore evident that little of the present welfare load in Hawaii can be considered sensitive to economic conditions. Rather, it proceeds from the fact that government is committed to help certain individuals.

Economic prosperity or recession should have more effect on general assistance, however, as the federally aided categories include such a large percentage of those persons who, because of age or disability are unable to meet their own needs in spite of the economy. Strikes, economic recessions, and other drops in the level of income tend to put otherwise self-sufficient individuals and families on general assistance. The relatively large amount of such general assistance paid in Hawaii (Table II) would seem to make this feature especially significant. Per capital income is a fair index of prosperity, and it has increased in recent years, but despite this fact the general assistance rolls are increasing nationally. The impact of economic conditions is shown, however, by acceleration of the increase experienced during the less prosperous years.

Table III presents a comparison between per capita income and general assistance recipient rates in Hawaii and in the country generally from 1953 through 1959. Nationally, the indexes of income proceed upward, while the rates of assistance fluctuate considerably. In Hawaii, recipient rates have fallen with some regularity since 1955, accompanied by a modestly increasing average income. Generally speaking, it can be said that the facts shown in Table III reflect considerable credit on Hawaii's assistance program, as the degree of dependency seems to have been reduced considerably, even in the face of smaller personal income gains than characterized the national economy generally.

Similar comparisons of personal income and recipient rates for certain federally-aided categories are presented in Tables IV, V, and VI. In every case, Hawaii's recipient rates have fallen rapidly in comparison with national experience, and it may fairly be presumed that this commendable decrease in dependency is attributable in large part to vigorous and successful administration of the programs. Certainly, if there is any economic effect in the categorical aid programs, such effects would have worked to Hawaii's disadvantage relative to the more-rapidly rising economy of the country as a whole. That recipient rates have actually fallen here would appear to show that Hawaii has not been maintaining unduly large welfare rolls in the face of prosperity--at least in comparison with the rest of the country.

Recipient Rates and Average Payments

The trends in recipient rates touched on in the preceding section bear considerably more analysis. Furthermore, the recipient rates tell only part of the story--albeit perhaps the most important part. Average payments are the other part, and attention must be given to them also if a balanced picture of Hawaii's assistance program is to be presented. The amount of community effort in helping the needy is most commonly measured by the size of the public assistance budget, which is, in turn, a function of both the number of recipients and the amount of help given to each.

There is a major difference, however, in the conclusions that may be properly drawn from the trends in recipients and in assistance payments. As will be shown in a subsequent section of this report, eligibility for assistance is, in Hawaii, chiefly an administrative matter. Further, the reduction of dependency to its absolute minimum is the objective of any welfare program and the real reason why economic assistance programs exist at anything other than the "poor house" level.

Given constant legal and economic conditions, the trend in recipient rates is the best single index of the success of a public assistance program and, in the case of Hawaii, is almost fully determined by administrative action.

Average payments, on the other hand, are mostly an index of the size of the budget, which is a function of both administration and legislation. No conclusions can be drawn as to whether increasing payments are "good" or "bad" because little is known of the total need they are designed to meet or the political philosophy under which they are determined. It is reasonable to assume, however, that the trend in payments will approximate the trend in the commodity price index, and further that it will move somewhat inversely to recipient rates, up to the point where individual needs are met. Both the administration and the legislature may be considered to have important parts to play in fixing the average assistance payment, and credit or blame for trends fall on both.

In three categories of assistance, national recipient rates have increased since 1953, but such rates have declined in every category in Hawaii during the same period. The following tabulation summarizes the gross six-year trends, details of which are found in Tables III, IV, V, and VI.

Category	Percentage Change In Recipient Rates <u>1953-1959</u>	
	<u>United States</u>	<u>Hawaii</u>
Aid to the aged	-18	-43
Aid to dependent children	+21	-37
Aid to disabled	+37	-19
General assistance	+78	-25

These data seem to indicate that some forces are at work in Hawaii that tend to reduce public dependency. The scope of this study was by no means sufficient to determine what all these factors are, but it may be assumed that some of them are

the kind and scope of case work done, the rehabilitative activities of the department, and related administrative programs.

Reference to Table I indicates, however, that total assistance payments increased in Hawaii during the same period that witnessed the marked decline in recipient rates mentioned above. Part of the increase certainly is attributable to increased population, for it should be remembered that the rates cited are percentages of potential eligibles aided--not absolute caseloads. Hence, if the number of persons in a given category increases sufficiently even a large decline in recipient rates would leave the same gross case load under the program.

The principal determinant of public assistance costs (other than number of recipients) is the amount paid to each recipient. Average payments are the most readily available measurement of this factor, and the changes in such payments are summarized below. The details of year-by-year changes appear in Tables III, IV, V, and VI.

Category	Percentage Change In Average Payments, 1953-1959	
	<u>United States</u>	<u>Hawaii</u>
Aid to the aged	+27	+52
Aid to dependent children	+19	+36
Aid to disabled	+18	+41
General assistance	+40	+35

In this summary it is plain that Hawaii has increased most payments considerably faster than has the nation as a whole. Part of this may be accounted for by the relatively low assistance level that prevailed locally in 1953, and part of it no doubt is due to a changing concept of public assistance in general. Another important part, however, may be attributable to the declining recipient rates. For the same population, if fewer persons receive assistance it is obvious that each can receive more adequate support without increasing the burden on taxpayers.

The general trend in Hawaii's public assistance program has been to give more help to fewer people. This seems consistent with the objectives of public assistance, particularly in view of the rapidly rising population and living costs that have characterized the state in recent years. Trends of this kind seem more indicative of the success of the program than other possible measurements, because Hawaii is almost as different from her sister states in welfare needs as in other characteristics. General assistance and aid to dependent children are unusually prominent in Hawaii's program, while aid to the aged is approximately one-fourth of the national average (see Table II). Almost every difference in program can be accounted for by either the characteristics of the population, the peculiarities of the economy, or the avowed public purpose of welfare services. The variables that can be compared are trends within the complex of forces that make up public assistance in Hawaii. These trends seem to reflect considerable credit on both the motivation and the accomplishments of Hawaii's public representatives and public servants.

STATUTORY PROVISIONS AFFECTING ASSISTANCE

Prompted in many instances by the Social Security Act, state welfare laws have the same general purpose--to provide assistance to those whose standard of living is below a level compatible with health and decency, and to decrease dependency. The differences in state laws are found in the administrative organization of the welfare program and the extent to which they deal with payments or eligibility. Among the provisions by which a given state can determine by law the amount of assistance paid to an individual or family are those defining: (1) need, usually expressed in standards of health and decency; (2) the classes of persons to whom assistance is given; (3) maximum or minimum payments in the several categories; and (4) the nature and value of personal and real property that recipients are allowed to possess. Hawaii's law is remarkably free from such statutory determinations.

Need

The general definition of need is fairly uniform among the states. Hawaii's characterization of need for aged persons is representative of the definition in 44 out of 53 jurisdictions:³

A person shall be eligible for public assistance who: (a) Is in need and has not sufficient income or other resources to provide a subsistence compatible with decency and health (Revised Laws of Hawaii, 1955, sec. 108-31).

Nine other jurisdictions modify this definition in part, but do not depart far from its general intent.⁴

³The 53 jurisdictions subject to the Social Security Act are: 50 states, District of Columbia, Puerto Rico, and the Virgin Islands.

⁴Characteristics of State Public Assistance Plans, Social Security Administration, 1957.

Computing the actual need of individuals and families involves adding up the cost of minimum requirements for food, shelter, clothing, utilities and all the other items necessary to sustain a level of health and decency. This standard of living is not necessarily the level to which welfare recipients are raised, however. The determination as to what recipients or families require to keep this level of decency and health (or to attain the accepted fraction thereof), is usually left to the welfare administrators, but as of 1957, three states had established some statutory maximums of need and six states had set need minimums.⁵

Eligibility

A common means of regulating assistance by statute is to define those who are eligible for assistance. For the federal aid categories this is done in part by the Social Security Act, but most states have some further limitations on who may receive help. Residence requirements are the most common device used to render a class of individuals ineligible for assistance, but states cannot qualify for federal aid if they impose residence requirements more restrictive than those contemplated by the Social Security Act. For aid to dependent children no state may require residence in excess of one year immediately preceding the application, while for the remaining three federal categories no state may establish a residence requirement that excludes anyone who has resided in the state five out of the last nine years immediately preceding the application, and who has resided in the state one year immediately preceding the application. The following tabulation shows in summary form the various residence requirements that exist today:

⁵Ibid.

STATE RESIDENCE REQUIREMENTS
FOR PUBLIC ASSISTANCE, 1957

<u>Length of Residence Required</u>	<u>Old Age Assist- ance</u>	<u>Aid to Blind</u>	<u>Aid to Dependent Children</u>	<u>Aid to Permanently and Totally Disabled</u>	<u>General Assist- ance</u>
5 out of the last 9 years and 1 year immediately preceding application	18*	14*	0	8*	2
1 year	23	24	44*	29	25
None	3	5	6	5	2**
Other	<u>6</u>	<u>7</u>	<u>0</u>	<u>3</u>	<u>21</u>
TOTAL	50	50	50	45***	50

Source: Report of the Governors' Conference Special Committee on Residence Requirements for Public Assistance, Council of State Governments, August 1959.

* Federal maximum.

** 18 other states provide some limited or temporary aid to non-residents.

*** As of August 1959, five states did not participate in this category.

There is a difference in both policy and costs between persons who qualify under the four federal categories and those who do not. Whether or not a person who does not qualify under a federal category receives assistance depends upon the "general assistance" policy of any given state. Since payments will not be matched by federal funds, it costs the state or political subdivision more to help general assistance recipients than it does to help a person whose payments are matched. As might be expected, there is a wide range between liberal and strict attitudes toward general assistance. A person 64 years of age might in many states receive

less assistance than an equally needy individual 65 years of age, depending upon whether he is eligible under residence rules or is supported at the same level as a person who qualifies under the federal program. There might even be differences between areas within states, as the counties in some states administer their own general assistance and are not subject to uniform state standards.

Maximum Payments

A dollar maximum on payments which will be given to any recipient or family is a policy in the welfare programs of most states. As of October 1957, 24 out of 53 jurisdictions operated under statutory maximum payments for one or more categories. Out of the remaining 29 states, 14 had maximums determined by administration in some of the federal assistance programs. Fifteen others set no maximum payments by law or administrative policy. One of the states which had a statutory maximum payment established the same amount for a minimum payment, thus apparently having only one dollar amount that any recipient could receive. This latter practice seems the ultimate in reducing administrative problems, but also surely is the ultimate in erecting obstacles to fitting a general program to individual needs.

A few of the states which have established a maximum payment set it at the limit to which it will be matched by the federal government. One state has provided a legal dollar amount as the statutory maximum but provides also for increases in the event the cost of living rises. For aid to dependent children the limits are usually a certain amount per child with a maximum on the number of children aided or a total amount payable to any one family. For the other three federal categories it is usually an amount per person except that if a man and wife both receive assistance a total is set which is less than the amount ordinarily given to two recipients living alone.

Most of the statutory maximum payments for old age assistance range from \$25 to \$100 a month. The statutory maximums established for aid to dependent children include a range of \$18 to \$145 for allowances for the first child, while limits on total family allowances range from \$99 to \$371. It should be noted that it is not possible to relate maximum payments to the adequacy with which the needs of recipients are met, or to an appraisal of assistance policy without relying on much other information. In most instances information is not readily available as to the income level where assistance begins or the extent that other available resources are used in computing assistance payments.

Property Limitation

The amount and nature of property owned by a welfare client is another factor in determining whether assistance will be granted. Standards set by statute or administrative policy determine to what extent a recipient must liquidate these resources to meet his immediate needs before becoming eligible for aid. Under the federal law, the states are required to "consider" the resources and income of applicants, but it is left to the states to determine the particular resource and property limitations. Such standards have been set by statute in some states and by administrative policy in others. A review of 23 states which responded to requests for their latest compilation of welfare laws reveals that 16 (69.6 per cent) have property limitations in their statutes. There are wide variations, however, in the actual amounts and nature of property which recipients are permitted to retain or required to liquidate. Among the most common items covered in the limitations are homes, liquid assets such as cash and securities, household goods, wearing apparel, insurance and other types of real and personal property. A public assistance recipient is generally allowed to keep his home if its market value is not so great as to be inconsistent with requiring financial assistance. Wearing

apparel, household goods and limited amounts of insurance and cash are other items which recipients are generally allowed to retain.

Administrative Organization

The most striking difference between the administrative organization of the public welfare program in Hawaii and similar programs in most other states is the lack of participation in Hawaii by local political subdivisions in the public welfare program. A survey in 1957 showed that in 23 states the four federal categorical programs were administered by local political subdivisions subject to supervision by the state government.⁶ These subdivisions were in most instances counties. Of the 30 remaining jurisdictions, the counties or cities participate in the program to some degree in 15, so there are only 15 in which the federally aided programs were administered wholly by the state or other central government. With respect to general assistance, even more states have local participation in the program.

State-local participation in the welfare programs is reflected by the relative amounts of assistance provided by counties or municipalities on the one hand and by states on the other. On a national average, county or municipal funds comprised the following percentages of the non-federal funds paid as assistance.

- 15.3 per cent of old age assistance payments;
- 27.8 per cent of aid to dependent children payments;
- 16.0 per cent of aid to the blind payments; and
- 26.0 per cent of aid to the totally and permanently disabled payments.

For general assistance, which is not supported by federal aid, local funds made up 51.6 per cent of total payments and administrative costs. In 40 out of 53 jurisdictions local governments support at least one-tenth of general assistance costs.

⁶Ibid.

Restrictions on Analysis

The amount of assistance paid can be stated in numerous ways; for example, payments, amount per capita, amount per eligible population, maximum payments, or aggregate amounts. Each, however, is fraught with enough unknowns to make an analysis of individual years and comparative amounts dangerous. Average payments, as an example, do not tell: (1) the range of payments; (2) at what level of income payments begin; (3) to what extent payments meet individual needs after considering all other resources; or (4) factors affecting eligibility.

Similarly, the characteristics of the statutes controlling assistance are of little help in comparing the whole welfare picture between the states. A statute which appears to adopt a liberal attitude on public welfare could be so restricted by administrative policy as to render the welfare program itself restrictive. Likewise, lack of sufficient appropriated funds may prevent a state from meeting its welfare needs even though it has a model statute and the best of administration. Where a statute covers a wide range of details dealing with assistance payments, lack of knowledge on administrative policy leaves actual effects of that statute unclear. About all that can be said about the statutes is that, if they are silent on certain subjects, administrative regulations may exist. Such regulations are therefore often the more important part of the welfare program--as is certainly the case in Hawaii.

PUBLIC ASSISTANCE IN HAWAII

When the federal government initiated its welfare grant-in-aid program, a principal purpose was to encourage the states to provide public assistance to certain needy individuals with some degree of central control and participation. Public welfare throughout the United States had been, prior to that time, largely the responsibility of county and municipal government, and so this same pattern was used as the framework to administer the then new categorical programs in many of the mainland states. Hawaii, however, centralized the administration of its public assistance program soon after the establishment of the federal social security program, and thereby established an important difference from practice in most states. Hawaii is still one of only 15 jurisdictions in which local political subdivisions do not participate in the public assistance program. The program is now centralized with other related social services in the new department of social services by the Hawaii State Reorganization Act of 1959.

Assistance and Eligibility

Public assistance in the department of social services is based on the categorical federal programs only insofar as the federal standards must be adhered to in qualifying for financial aid. Otherwise, the administration views public welfare as the single, interrelated state program that it is, and does not fall into the easy habit of determining local needs according to the limited responsibility that the federal government has assumed. For example, the same standards of subsistence are used regardless of whether individuals meet the old age assistance requirement of age 65, the "permanently and totally disabled" standard, or the technical requirements for aid to dependent children. Need is considered to be need, regardless of how it is financed, and it is only for the purposes of report-

ing to the social security administration and maximizing federal aid that recipients are classified as to their eligibility in four federal categories. To the extent that such eligibility can be established, the local financial problem is eased, but the important thing is that recipients do not suffer merely because they happen to be one year too young or not quite disabled enough. While practice in other states cannot be fully determined, it appears that Hawaii does go further in meeting the needs of those who do not qualify for federally-matched assistance payments than is common in other states.

Need in Hawaii is determined by adding the cost of food, shelter, utilities, clothing and all the other items of a family or individual budget which are required to maintain an individual or family on a standard of living compatible with decency and health. The department obtains estimates on food requirements from the University of Hawaii, and prices these requirements according to a formula that reflects near-current retail prices involved. Shelter is ordinarily paid according to the actual cost and other items are paid either on actual cost or estimates of the department, many of them (such as clothing) on an as-needed basis. Except for food, which lags about five per cent behind price increases, actual need and current prices are the basis on which economic assistance payments are computed.

Hawaii's statutes mention a one year's requirement for "aged persons" and "children". These classifications are defined along the lines of the equivalent federal categories, but in practice these provisions do not disqualify non-resident aged persons and children from receiving assistance. The statute also establishes general assistance (Revised Laws of Hawaii, 1955, sec. 108-4), for which there is no residence requirement, and any needy non-resident aged person or child can receive aid under that classification. If an individual with less than one year's residence is otherwise eligible, he is granted general assistance. Then, if he

also is qualified under one or another of the federal programs reimbursement is requested for the federal share of his assistance. This is possible because the "aged persons" described in section 108-31 of the Revised Laws of Hawaii, 1955, are not necessarily identical with the recipients of "aid to the aged" under the Social Security Act, a situation that also applies to "children" (Revised Laws of Hawaii, 1955, sec. 108-34). The department of social services reports that the federal government matches the payments of those technically eligible under federal law irrespective of the classifications made in Hawaii's statutes. In effect, then, residence requirements for assistance established by statute in Hawaii are not used, and seem to serve no useful purpose.

Level of Payments

Hawaii has established no maximum payments, either by law or administration. The amounts actually granted are what the department has determined to be necessary to sustain a person or family on a level of decency and health. The present range of assistance payments in Hawaii runs from one dollar a month to well in excess of the maximum payments established by statute or administrative regulations in those states having such maximums reported in 1957.⁷ How Hawaii compares with those states which, like Hawaii, do not establish any maximums, is not known.

Caution must be used in drawing conclusions from the comparison of monetary payments. For example, if the maximum payment in a given state were \$75 a month and the highest amount actually given in another were \$100, it might appear that the latter provides a higher standard of living to recipients, at least at the higher levels. These facts, however, give only a part of the picture. To draw such a conclusion, it would be necessary to know the details of how resource supple-

⁷Characteristics of State Public Assistance Plans, U. S. Department of Health, Education and Welfare, Social Security Administration, 1957.

mentation is administered, what the economic conditions are, what is a reasonable standard of living in various communities, what the price levels are, how available low-cost housing is, and other matters upon which complete information is virtually impossible to get. Just as any other data relating to size of payments, maximums are chiefly useful as expenditure information and in budget estimation. Beyond this, they tell little of either the adequacy of support or the quality of administration.

The same dangers exist in attempting to analyze limitations on resources that recipients are allowed to possess. The department of social services' current property limitations are characterized by department officials as strict. Because they must be compared to the amount of assistance granted and the standard of subsistence at which welfare recipients are sustained, no generalization can be drawn from an examination of Hawaii's property limitations alone or from comparing them to the property limitations in other states.

Budgetary Control

Hawaii's only control over individual payments that is stated in law is the indirect control exercised through the annual budget and appropriations act. The direct appropriation Act (Act 274, Session Laws of Hawaii, 1959) is somewhat unclear as to its effects, but it seems to have intended that a modified open-end appropriation be provided for economic assistance. The budget now under examination does contemplate such an appropriation, which has been, in effect, recommended by another report.⁸

⁸Public Administration Service, Special Funds and Budget Administration in the Territory of Hawaii, 1958, p. 84.

The proposed system would work as follows: (1) an average payment is established for each category of assistance (using department classifications rather than those used by the federal government); (2) estimated case loads are multiplied by the average payments to yield a figure that is the appropriation actually made; and (3) a rider is attached to the bill providing that if the case load turns out to be less than the estimates, the appropriations are reduced proportionately and if the case load exceeds estimates the department is authorized to request a deficiency appropriation in an amount proportionate to the case load increase. A system such as this leaves almost full discretion with the department in setting eligibility standards, but requires the administration to adhere to accepted standards.

Even the latter is a mild control, as it says nothing about maximums, minimums, or the computations to be used in accounting for clients' resources. Nevertheless, the system seems well devised in that it fixes in the legislature the primary responsibility for appropriation and in the administration responsibility for distributing available resources so as best to accomplish the mission of the department.

Hawaii's welfare law does not contain the many administrative details found in most state laws and therefore leaves much latitude to the department of social services for making important administrative decisions. Certainly this feature is a major difference, but it cannot be said to be a "discrepancy" unless it appears antithetical to the prevailing public policy. It does impose, however, great responsibility upon the department for both able administration and full disclosure of the rules and decisions that in fact determine both the size and impact of the economic assistance program. There is much to be said for so freeing the

hands of professionals that they can do the work expected of them, provided only that the legislating body can and does evaluate performance to be sure that failure to legislate is not used as a means for failure to conform to the policies accepted by the community.

Table I.

INDEX NUMBERS OF TOTAL PAYMENTS
FOR PUBLIC ASSISTANCE,
UNITED STATES AND HAWAII, 1953-1959

(1953 = 100)

Year	United States*	Hawaii**
1953	100.0	100.0
1954	103.5	93.7
1955	107.5	115.4
1956	110.0	93.7
1957	120.2	107.5
1958	134.1	104.2
1959	142.6	113.2

Sources: Social Security Bulletins, Social Security Administration; and Department of Social Services, State of Hawaii.

* Includes vendor payments for medical care in all categories other than general assistance.

** Excludes all medical payments and child welfare payments for foster care.

Table II.

PERCENTAGE DISTRIBUTION
OF PUBLIC ASSISTANCE PAYMENTS BY
PROGRAMS, UNITED STATES AND HAWAII,
1957

Category	United States	Hawaii
Old age assistance	58.5	14.0
Aid to dependent children	24.9	56.6
Aid to the blind	2.8	.9
Aid to the permanently and totally disabled	6.6	13.2
General assistance	7.2	15.3
TOTAL	100.0	100.0

Source: Social Security Bulletin, Social Security
Administration.

Table III.

INDEX NUMBERS OF PER CAPITA INCOME, AND
 RECIPIENT AND PAYMENT DATA FOR
 GENERAL ASSISTANCE

UNITED STATES AND HAWAII
 1953-1959

(1953 = 100)

Year*	Per Capita Personal Income		Persons Aided Per 1,000 Population Under Age 65		Average Payment Per Case	
	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>
1953	100.0	100.0	100	100	100.0	100.0
1954	99.0	97.9	141	81	109.5	83.3
1955	104.4	98.9	132	144	114.0	104.0
1956	110.5	101.9	114	107	110.1	92.8
1957	114.3	104.7	122	85	116.4	119.9
1958	115.0	106.4	208	88	130.5	122.4
1959	---	---	178	75	139.5	134.6

Source: Social Security Bulletins, Annual Statistical
 Supplement, Department of Health, Education, and
 Welfare, Social Security Administration.

* Data as of June 30 for each year.

Table IV.

INDEX NUMBERS OF PER CAPITA INCOME, AND
 RECIPIENT AND PAYMENT DATA FOR
 OLD AGE ASSISTANCE

UNITED STATES AND HAWAII
 1953-1959

(1953 = 100)

Year*	Per Capita Personal Income		Persons Aided Per 1,000 Population Under Age 65		Average Payment Per Recipient	
	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>
1953	100.0	100.0	100	100	100	100
1954	99.0	97.9	96	92	101	104
1955	104.4	98.9	94	83	102	125
1956	110.5	101.9	91	70	106	123
1957	114.3	104.7	88	67	115	128
1958	115.0	106.4	85	60	120	135
1959	---	---	82	57	127	152

Sources: National income data from U. S. Department of Commerce, Survey of Current Business; assistance data from Department of Health, Education, and Welfare, Social Security Bulletins; Hawaii income data from Territory of Hawaii, Bureau of the Budget.

* Data as of June 30 for each year.

Table V.

INDEX NUMBERS OF PER CAPITA INCOME, AND
 RECIPIENT AND PAYMENT DATA FOR
 AID TO DEPENDENT CHILDREN

UNITED STATES AND HAWAII
 1953-1959

(1953 = 100)

Year*	Per Capita Personal Income		Children Aided Per 1,000 Population Under Age 18		Average Payment Per Recipient	
	<u>United</u>		<u>United</u>		<u>United</u>	
	<u>States</u>	<u>Hawaii</u>	<u>States</u>	<u>Hawaii</u>	<u>States</u>	<u>Hawaii</u>
1953	100.0	100.0	100	100	100	100
1954	99.0	97.9	100	88	100	97
1955	104.4	98.9	104	102	101	97
1956	110.5	101.9	104	88	102	87
1957	114.3	104.7	107	79	109	117
1958	115.0	106.4	118	71	114	117
1959	---	---	121	63	119	136

Source: Social Security Bulletins, Annual Statistical Supplement, Department of Health, Education, and Welfare, Social Security Administration.

* Data as of June 30 for each year.

Table VI.

INDEX NUMBERS OF PER CAPITA INCOME, AND
 RECIPIENT AND PAYMENT DATA FOR
 AID TO THE PERMANENTLY AND TOTALLY DISABLED

UNITED STATES AND HAWAII
 1953-1959

(1953 = 100)

Year*	Per Capita Personal Income		Persons Aided Per 1,000 Population Ages 18-64		Average Payment Per Recipient	
	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>	<u>United States</u>	<u>Hawaii</u>
1953	100.0	100.0	100	100	100	100
1954	99.0	97.9	111	107	100	108
1955	104.4	98.9	122	117	102	116
1956	110.5	101.9	126	112	106	118
1957	114.3	104.7	133	102	110	118
1958	115.0	106.4	126	86	113	125
1959	---	---	137	81	118	141

Source: Social Security Bulletins, Annual Statistical Supplement, Department of Health, Education, and Welfare, Social Security Administration.

* Data as of June 30 for each year.