

Background Material and Data on
**Major Federal Expenditure
Programs Under the
Jurisdiction of the Senate
Committee on Finance**
Includes appendix entitled "Incidence of the Federal
Tax Burden: Who Pays Taxes?"

PREPARED BY THE STAFF FOR THE USE OF THE
COMMITTEE ON FINANCE
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SECTION 1

OVERVIEW OF PROGRAMS UNDER FINANCE COMMITTEE JURISDICTION

Table 1. Major Spending Programs Under Jurisdiction of the Senate Finance Committee.

Table 2. CBO Baseline Estimates of Programs Under Jurisdiction of the Finance Committee.

Table 8. Selected Other Budget Accounts Under Jurisdiction of the Finance Committee.

TABLE 1.—MAJOR SPENDING PROGRAMS UNDER JURISDICTION OF THE SENATE FINANCE COMMITTEE

[Outlays in billions]

| Program and classification | Fiscal year— | | |
|---|--------------|---------|---------|
| | 1976 | 1981 | 1982 |
| Social security: | | | |
| OASI, entitlement..... | \$63.1 | \$122.3 | \$138.2 |
| DI, entitlement..... | 9.6 | 17.3 | 18.8 |
| Medicare: | | | |
| Part A, entitlement..... | 13.7 | 29.2 | 34.3 |
| Part B, entitlement..... | 5.2 | 13.2 | 15.5 |
| Unemployment compensation, entitlement..... | 19.5 | 19.7 | 25.0 |
| AFDC, appropriated entitlement..... | 5.8 | 8.5 | 8.1 |
| Medicaid, appropriated entitlement..... | 8.6 | 17.3 | 18.1 |
| Supplemental security income, appropriated entitlement..... | 5.1 | 7.2 | 8.0 |
| Earned-income tax credit, entitlement..... | .8 | 1.3 | 1.3 |
| Title XX social services, appropriated entitlement ¹ | 2.4 | 2.6 | 2.9 |
| Work incentive program, authorization program..... | .3 | .4 | .3 |
| Revenue sharing, entitlement..... | 6.2 | 5.1 | 4.6 |
| Interest on the public debt, entitlement..... | 37.1 | 95.5 | 118.8 |

¹ Includes child welfare, which is not an entitlement.

TABLE 2.—CBO BASELINE ESTIMATES OF PROGRAMS UNDER JURISDICTION OF THE FINANCE COMMITTEE

[Outlays in billions]

| | Fiscal year— | | | |
|--------------------------------|--------------|---------|---------|---------|
| | 1983 | 1984 | 1985 | 1986 |
| Social Security: | | | | |
| OASI..... | \$153.5 | \$167.0 | \$182.2 | \$197.8 |
| DI..... | 20.0 | 20.9 | 21.5 | 22.2 |
| Medicare: | | | | |
| Part A..... | 39.7 | 46.2 | 52.9 | 60.4 |
| Part B..... | 18.2 | 21.4 | 25.0 | 29.1 |
| Unemployment compensation..... | 23.0 | 21.9 | 22.3 | 22.9 |
| AFDC..... | 8.3 | 8.5 | 9.0 | 9.5 |
| Medicaid..... | 20.1 | 21.9 | 25.1 | 27.6 |
| SSI..... | 9.1 | 8.3 | 9.5 | 10.0 |
| Earned-income tax credit..... | 1.2 | 1.1 | 1.1 | 1.0 |

(8)

TABLE 2.—CBO BASELINE ESTIMATES OF PROGRAMS UNDER JURISDICTION OF THE FINANCE COMMITTEE—Continued

[Outlays in billions]

| | Fiscal year— | | | |
|----------------------------------|--------------|-------|-------|-------|
| | 1983 | 1984 | 1985 | 1986 |
| Revenue sharing..... | 4.6 | 4.6 | 4.6 | 4.6 |
| Title XX social services..... | 2.5 | 2.5 | 2.6 | 2.7 |
| Interest on the Public Debt..... | 145.5 | 172.7 | 186.0 | 196.5 |

TABLE 3.—SELECTED OTHER BUDGET ACCOUNTS UNDER JURISDICTION OF THE FINANCE COMMITTEE

[In millions]

| | Fiscal year 1982 outlays |
|--|-----------------------------|
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| Maternal and child health services | 348 |
| Interest on IRS collections, entitlement..... | 1,450 |
| IRS collections for Puerto Rico, entitlement..... | 245 |
| Annuities to widows and children of tax court judges, entitlement..... | (*) |
| Customs service expenses and salaries..... | 496.9 |
| Energy tax credit..... | .4 |
| Policy research (poverty, income maintenance, etc.) | 18.3 |
| U.S. International Trade Commission | 18.5 |
| IRS examinations and appeals | 897.6 |
| IRS taxpayer service and return processing | 815.5 |
| IRS investigations and collections..... | 601.0 |
| IRS salaries and expenses | 149.5 |
| Office of Revenue Sharing salaries and expenses..... | 6.2 |

*Less than 0.5 million.

SECTION 2**MAJOR PROGRAMS UNDER THE JURISDICTION OF THE SENATE
COMMITTEE ON FINANCE**

1. **Social Security Cash Benefit Programs—Old Age and Survivors Insurance, Disability Insurance.**
2. **Medicare.**
3. **Unemployment Trust Fund (Unemployment Compensation).**
4. **Trade Adjustment Assistance.**
5. **Revenue Sharing.**
6. **Earned Income Tax Credit.**
7. **Pension Benefit Guaranty Corporation.¹**
8. **Medicaid.**
9. **Aid to Families With Dependent Children (AFDC).**
10. **Supplemental Security Income (SSI).**
11. **Social Services (Including Child Welfare and Training).**
12. **Low-Income Energy Assistance.**
13. **Black Lung Disability Trust Fund.**
14. **Work Incentive, Community Work Experience, and Work Supplementation Programs.**
15. **Maternal and Child Health Services (MCH) Block Grant.**

¹Shared jurisdiction.

1. SOCIAL SECURITY CASH BENEFIT PROGRAMS

OLD-AGE AND SURVIVORS INSURANCE (OASI) AND DISABILITY INSURANCE (DI)

GENERAL

The old-age and survivors insurance (OASI) and the disability insurance (DI) programs provide monthly benefits to retired and disabled workers and their dependents and to survivors of deceased workers. Old-age benefits for retired workers age 65 or older were provided by the original Social Security Act of 1935, benefits for dependents and survivors by the 1939 amendments, benefits for disabled workers age 50 or older by the 1956 amendments, and benefits for the dependents of disabled workers by the 1958 amendments. Early retirement benefits (payable at age 62) were made available to women by the 1956 amendments and to men by the 1961 amendments. Disability benefits for disabled workers under age 50 were authorized by the 1960 amendments. Medicare for retired workers, age 65 and older, was authorized by the 1965 amendments and for disabled workers (who have been on the benefit rolls for 2 or more years) by the 1972 amendments.

A worker gains eligibility for benefits under the OASDI programs by working in employment covered under the law. Approximately 116 million people, or 9 out of 10 workers, are covered and paying social security taxes. The tax on workers' earnings (up to a maximum taxable amount of annual earnings of \$32,400 in 1982) is withheld and matched by employers. Self-employed persons pay taxes on their earnings up to the same maximum as employees, but at a rate for OASDI that is 150 percent of the employee rate. (The rate for hospital insurance (HI) is the same for wage earners and the self-employed.)

All contributions under the OASDI tax are credited to the two trust funds that are the sources of payment for: (1) monthly benefits to retired or disabled workers and their dependents as well as to the survivors of deceased workers (including a financial interchange with the railroad retirement system); (2) administrative expenses for the programs; and (3) certain vocational rehabilitation services.

The OASI program provides monthly cash benefits for covered workers and their families when retirement or death occurs. About 31 million people receive benefits each month, 20 million of whom are retired workers. In 1981 (December), the average monthly benefit was \$386 for a retired worker, \$642 for a couple, and \$859 for the family of a worker who died. The OASI program cost \$122 billion in fiscal year 1981, and under current law, the Administration projects it will cost \$188 billion in fiscal year 1982.

The DI program provides benefits to workers (and their families) who are unable to work due to a disabling condition. It has about 4.5 million beneficiaries, 2.8 million of whom are disabled workers. The average monthly benefit for disabled workers is \$413 and for disabled workers with dependents it is \$803. The DI program cost \$17.3 billion in fiscal year 1981, and under current law, the Administration projects it will cost \$18.4 billion in fiscal year 1982.

ELIGIBILITY

To be eligible for OASI benefits, a worker must be insured—that is, have credit for having worked in covered employment for a certain period of time. In 1982, a worker receives credit for 1 quarter for each \$340 of annual earnings (up to a maximum of 4 quarters). To be “fully” insured, a worker must generally have one quarter of coverage for each year after 1950, or if later, after age 21. A person who has 40 quarters of coverage is fully insured for life. For certain survivorship benefits, the worker need only have been “currently” insured at the time of death, which requires having 6 quarters of coverage in the 13 quarters which concluded in death. Survivor benefits are payable on the death of the worker; retirement benefits are payable for the first full month in which the retiree is 62.

To be eligible for DI benefits, a worker must be both “fully” insured, as described under the OASI program, and “disability” insured. To be disability insured, the worker must have 20 quarters of coverage in the 40 quarters immediately preceding disability (there are exceptions for younger workers and the blind). Generally, disability is defined as the inability to engage in gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than 12 months. Inability to engage in gainful activity means: (1) for a nonblind disabled worker, a blind worker under age 55, or disabled child, the inability to engage in any substantial gainful activity; (2) for a blind worker aged 55 or over, inability to engage in substantial gainful activity requiring skills comparable with those in any gainful activity in which he previously engaged; (3) for a disabled widow, widower, or surviving divorced wife, inability to engage in any gainful activity.

Except in cases involving second and subsequent disabilities the law requires that a person be disabled continuously for a 5 full month waiting period before he can receive disability benefits.

OASDI BENEFITS

Summary

Benefit levels for retired and disabled workers, dependents, and survivors are generally related to the past earnings of the covered-insured worker. Benefits for dependents and survivors are calculated as a percentage of the insured worker's basic benefit, known as the primary insurance amount (PIA), which is the amount payable to a worker retiring at age 65. For individuals eligible before 1982, the law provided a minimum PIA. In cases where more than one person is entitled on the basis of one worker's earnings, a maximum limit on total family benefits may apply.

Benefits payable to workers, spouses, and widowers who start to receive them before age 65 are subject to actuarial reductions. All benefits are reduced when a beneficiary's earnings exceed certain levels. This is called the earnings test or retirement test and applies to beneficiaries until they reach age 72 (in 1983 and later, the retirement test will not apply after age 70). The amount of annual earnings permitted in 1982 without causing a benefit reduction is \$4,440 for persons under age 65; \$6,000 for persons age 65-72. Each \$2 of earnings in excess of these amounts reduces annual benefits by \$1.

In December 1981 there were 36 million OASDI beneficiaries in current payment status. Benefits paid out in fiscal year 1981 amounted to \$140 billion. The following table summarizes various types of beneficiaries and average benefit amounts:

TABLE 1A.—OASDI CASH BENEFITS IN CURRENT-PAYMENT STATUS, DECEMBER 1981

| Type of beneficiary | Number (thousands) | Percent of beneficiary population | Average monthly benefit |
|--|-----------------------|---|----------------------------|
| Total monthly beneficiaries | 36,006 | 100 | \$340 |
| Retired workers | 20,195 | 56 | 386 |
| Wives and husbands of retired workers | 3,031 | 8 | 195 |
| Children of retired workers | 633 | 2 | 161 |
| Disabled workers | 2,777 | 8 | 413 |
| Wives and husbands of disabled workers | 428 | 1 | 122 |
| Children of disabled workers | 1,252 | 3 | 123 |
| Widowed mothers and fathers | 548 | 2 | 277 |
| Surviving children | 2,546 | 7 | 271 |
| Widows and widowers | 4,386 | 12 | 349 |
| Disabled widow(er)s | 122 | (¹) | 227 |
| Parents | 14 | (¹) | 310 |
| Special age-72 | 76 | (¹) | 117 |

¹ Less than 1 percent.

TABLE 1B.—OASDI CASH BENEFITS IN CURRENT-PAYMENT STATUS, NOVEMBER 1981

| Family group | Average monthly benefit |
|----------------------------------|----------------------------|
| Retired couple | \$642 |
| Young survivor family | 848 |
| Disabled worker and family | 803 |

Description of major benefit types

Retired-worker (old-age) benefit. Monthly benefit payable to a fully insured retired worker aged 62 or over.

Disabled-worker (disability insurance) benefit. A monthly benefit payable to a disabled worker under age 65 insured for disability.

Widow's benefit. Monthly benefit payable to a widow or surviving divorced wife of a worker fully insured at time of death, if she is: (1) aged 60 or older; (2) aged 50-59 and disabled; or (3) a widow of a transitionally insured worker if she was born before January 2, 1897.

Monthly benefit amount payable: 100 percent of insured worker's benefit amount (or PIA, if the insured worker was not in benefit status at the time of death). (Subject to reduction because of age.)

Widower's benefit. Monthly benefit payable to a widower of a worker fully insured at time of death if he did not remarry before age 60 (except to a woman entitled to widow's, mother's, parent's, wife's, or disabled adult child's benefit) and is: (1) aged 60 or older; or (2) aged 50-59 and disabled.

Monthly benefit amount payable: 100 percent of insured worker's benefit amount (or PIA, if the insured worker was not in benefit status at the time of death). (Subject to reduction because of age.)

Wife's benefit. Monthly benefit payable to a wife or divorced wife of a retired or disabled worker under one of the following conditions: (1) wife is aged 62 or older or has an entitled child or children of the worker in her care (after August 1983, at least one of whom is under age 16 or disabled). (2) divorced wife is aged 62 or older and her marriage to worker had lasted 10 years before divorce became final; or (3) wife was born before January 2, 1897, and husband is transitionally insured.

Monthly benefit amount payable: 50 percent of insured worker's PIA. (Subject to reduction because of age.)

Husband's benefit. A monthly benefit payable to a husband or divorced husband of a retired or disabled worker who is aged 62 or older or, if under age 62, has an entitled child of the worker in his care. For entitlement, divorced husband's marriage to worker must have lasted 10 years before divorce became final.

Monthly benefit amount payable: 50 percent of the insured worker's PIA. (Subject to reduction because of age.)

Child's benefit. A monthly benefit payable to an unmarried child (or orphaned grandchild) of a retired or disabled worker or of a deceased worker who died fully or currently insured if the child is under age 18, a full-time student aged 18-21 or reaching age 22 before completing the current semester or quarter, or a dependent disabled person aged 18 or over whose disability began before age 22. The benefit for 18-21 year old post-secondary students is being phased out over a 3-year period ending in 1985. Students entering post-secondary institutions after April 1982 generally will not be eligible for this benefit. High school students can receive it until age 19.

Monthly benefit amount payable: 50 percent of the insured worker's PIA (75 percent if survivor).

Disabled child's benefit. A monthly benefit payable to a disabled person aged 18 or over—a dependent son or daughter (or orphaned grandson or granddaughter) of a retired, deceased, or disabled worker, the child's disability must have begun before age 22.

Monthly benefit amount payable: 50 percent of the insured worker's PIA (75 percent if survivor).

Mother's or father's benefit. A monthly benefit payable to a widow (widower) or surviving divorced mother (father) if (1) the deceased worker on whose account the benefit is paid was fully or currently insured at time of death and (2) the widow (widower) or surviving divorced mother (father) has 1 or more entitled children of the worker in her (his) care (at least one of whom is under age 16 or disabled).

Monthly benefit amount payable: 75 percent of the insured worker's PIA.

Lump-sum death benefit. A \$255 lump-sum benefit payable on the death of a fully or currently insured worker to (1) the surviving spouse if she (he) was living with the worker at the time of death or is eligible for a widow's (widower's) benefit, or (2) if no such spouse exists, to children eligible for monthly benefits at time of death.

Transitionally insured benefit. Monthly benefit payable to certain persons born before January 2, 1897, who have fewer than the normally required quarters of coverage.

"Special age-72" benefit. Monthly benefit payable to certain persons born before January 2, 1900, who do not have any or have an insufficient number of quarters of coverage to qualify for a retired-worker benefit under either the full or the transitional insured-status provisions. The benefit is payable only for months in which the individual is a resident of the 50 States or the District of Columbia and receives no public assistance cash payments including SSI payments. It is reduced by the amount of any government pension (except worker's compensation and veterans' service-connected compensation) that the individual is receiving or is eligible to receive. When husband and wife are both eligible for these benefits, the amount payable to the wife is equal to half the amount payable to the husband.

Benefit computations

The basic steps used in most cases to compute a worker's social security benefits are as follows:

- A specified number of years of earnings are selected (generally 5 less than the number of years between age 21 and the year of death, disability, or the attainment of age 62);
- The earnings of each year are converted into "more recent" values by increasing them to reflect changes in wage levels since the time they were actually earned;
- These "indexed" earnings are averaged to a monthly amount; and
- A percentage formula is applied to these average earnings to derive a "primary insurance amount" or basic benefit amount.

The index to be applied to earnings and the dollar amounts in the benefit formula are updated annually to reflect the increase in average wages in the economy.

For years after the initial benefit computation is made, the benefit is "indexed" to increases in the Consumer Price Index. The individual's benefit is so adjusted for general benefit increases occurring at the time of and following the first year of eligibility (age 62, disability, or death), even if the filing for benefits is delayed to a later time.

The worker's average indexed monthly earnings, or AIME, are used as the basis for determining the primary insurance amount for workers who attain age 62, become disabled, or die after 1978. Indexing creates an earnings record that reflects the value of the individual's earnings relative to national average earnings in the indexing year. The indexing year is the second year before the year in which the worker attains age 62, becomes disabled, or dies. Earnings after the indexing year are counted at their nominal value.

Earnings are indexed by increasing the actual earnings in each year after 1950 by the percentage increase in national average wages between that year and the indexing year. Once the earnings record has been indexed, the AIME is computed by (1) determining the number of computation years—the number of years after 1950 (or the year of attainment of age 21, if later) and up to the year the worker attains age 62, becomes disabled, or dies, minus dropout years, generally 5 (the minimum number of computation years is 2); (2) selecting the actual computation years, based on highest indexed earnings, from any years after 1950; and (3) dividing the sum of earnings in the computation years by the total number of months in the computation years.

For workers becoming entitled to disability benefits after June 1980 the number of dropout years will vary by age in the year of disability onset. The number of dropout years will be 0, 1, 2, 3, 4, and 5, respectively, for workers aged 26 and under, 27-31, 32-36, 37-41, 42-46, and 47 and over. Effective for months after June 1981, however, disabled workers under age 37 may obtain up to 3 additional dropout years (3, 2, and 1, respectively, for those aged 26 and under, 27-31, and 32-36) for years otherwise included as computation years in which the worker had no earnings and was living with a child (of the worker or his or her spouse) under age 3.

To illustrate, if a worker retired at age 62 in 1982 and had earned \$2,900 in 1960, the \$2,900 would be multiplied by the ratio of average annual wages in 1980 (\$12,513) to average annual wages in 1960 (\$4,007), as follows: $\$2,900 \times \$12,513 \div \$4,007 = \$9,056$.

Thus, while the worker's actual earnings for 1960 were \$2,900, his relative or indexed earnings would be \$9,056. This procedure would be followed for adjusting the worker's earnings for each year since 1951 up to 1980 (the second year prior to attaining age 62). These "relative" earnings would then be averaged over the time the worker could reasonably be expected to have worked in covered employment. The final average would be computed on a monthly basis. The result, known as averaged indexed monthly earnings (AIME), is used in the benefit formula.

A further look at this example demonstrates how the social security benefit computation works. Assume that after this worker's entire wage record is indexed, his AIME is \$420. For workers retiring in 1982 the benefit formula is:

- 90 percent of the first \$230 of AIME, plus
- 32 percent of AIME over \$230 through \$1,388, plus
- 15 percent of AIME over \$1,388.

An AIME of \$420 would then produce an initial benefit, known as a primary insurance amount (PIA), of \$267.80 ($0.9 \times 230 = \207, plus $0.32 \times 190 = \$60.80$). Since the worker here would be retiring at

age 62 instead of 65, the PIA would be actuarially reduced by 20 percent, generating an ultimate payable monthly benefit of \$214.00 ($0.8 \times \267.80).

Benefit maximums and minimums

Maximum family benefit. The maximum monthly amount that can be paid on a worker's earnings record varies with his PIA. For benefits payable on the earnings records of retired and deceased workers, and of disabled workers entitled before July 1980, the maximum varies between 150 and 188 percent of the PIA. For disabled workers entitled after June 1980, the maximum represents the smaller of (1) 85 percent of the worker's AIME (or 100 percent of his PIA, if larger), or (2) 150 percent of his PIA. Whenever the total of the monthly benefits payable to all the beneficiaries entitled on the basis of one's earnings record exceeds the maximum, each dependent's or survivor's benefit is proportionately reduced to bring the total within the maximum. In computing the total amount of benefits payable on a single earnings record, benefits payable to divorced spouses or to surviving divorced wives are not included. Such benefits neither affect, nor are they affected by, benefits payable to other dependents and survivors of the insured worker.

Minimum benefit. The lowest benefit (before actuarial reduction) payable under the regular insurance programs to a retired worker, a disabled worker, or a sole survivor of a deceased worker. It exceeds the amount, based on the worker's earnings, that would be calculated using the regular benefit formula. Beneficiaries who turned 62, became disabled, or became newly eligible for survivor benefits in 1978 or earlier receive the minimum benefit in effect in 1978 (\$122), plus any subsequent cost-of-living adjustments since that time. For instance, a worker who retired in June 1981 at age 65 received a minimum benefit of \$170.30 per month. For persons who became eligible after 1978 and before 1982, the minimum benefit was frozen at \$122. A beneficiary entitled to the frozen minimum receives cost-of-living adjustments beginning with the year he reaches age 62 or otherwise becomes eligible.

Workers who reach age 62 or otherwise become eligible in 1982 or later receive whatever benefit is determined under the regular benefit formula, described earlier (or, if advantageous, under the special minimum rules described below). The frozen minimum benefit rules will continue to apply through December 1991 for members of religious orders under a vow of poverty.

Special Minimum Benefit. The special minimum differs from a regularly computed benefit and the regular minimum benefit in that it is not based on the level of an individual's average earnings. It is based solely on the amount of time an individual worked in covered employment. It originated with the Social Security Amendments of 1972 (effective in 1973), as a means of increasing the benefits of workers who had low average earnings, but who had many years of covered employment. It provides that an individual with more than 10 years of covered employment can receive a benefit that rises with the number of such years he has in excess of 10, as an alternative to the regular benefit computation procedures. The number of countable years cannot exceed 20, and a year cannot be

countable unless the individual's earnings exceed a specified amount which is indexed each year. For 1982, a year is countable only if earnings exceed \$6,075. An individual with 30 or more years of covered employment would have a maximum of 20 countable years.

As of June 1981, the special minimum ranged from \$16.30 for a person with 1 countable year (\$24.50 for a couple) to \$321.40 for a person with 20 countable years (\$482.10 for a couple).

Automatic benefit increases

If the cost of living, as measured by the Bureau of Labor Statistics' Consumer Price Index For Wage Earners and Clerical Workers (CPI-W), rises by 3 percent or more over a 1-year period (or since the last cost of living increase) a benefit increase for social security recipients is triggered. The change in the CPI is measured from the first calendar quarter of one year over the first calendar quarter of the preceding year. If there is an increase of 3 percent or more, a benefit increase of equivalent amount is due for the month of June following the end of the measuring period. This means that the benefit increase first appears in the July benefit checks, 3 months after the close of the measuring period.

The benefit increase, rounded to the nearest 0.1 percent, applies to all types of beneficiaries. The Administration estimates that the cost of living benefit increase in 1982 will be 7.6 percent.

Actuarial reduction

Reduction in the monthly benefit amount payable (a) at ages 62-64 if the beneficiary is a retired worker, a wife of a retired or disabled worker (with her entitlement not dependent on having a child beneficiary in her care), a husband or a divorced spouse; (b) at ages 60-64 if the beneficiary is a widow, widower, or a surviving divorced wife; or (c) at ages 50-59 if the beneficiary is entitled by reason of disability to benefits as a widow, widower, or surviving divorced wife.

At the time of award, the following reduction in benefit amounts are made:

A retired-worker beneficiary— $5/9$ of 1 percent for each month before age 65 (maximum reduction of 20 percent at age 62);

A wife or husband beneficiary— $25/36$ or 1 percent for each month before age 65 (maximum reduction of 25 percent at age 62);

A nondisabled widow or widower or surviving divorced wife— $19/40$ of 1 percent for each month before age 65 (maximum reduction of 28.5 percent at age 60); and

A disabled widow or widower or surviving divorced wife—28.5 percent plus an additional $43/240$ of 1 percent for each month before age 60 (maximum reduction of 50 percent at age 50).

The benefit continues to be paid at a reduced rate, even beyond the age at which they would have been payable in full. The reduced rate is refigured at age 65 for all beneficiaries (and also at age 62 for a widow, widower, and a surviving divorced wife) to omit months for which the reduced benefit was not paid; for example,

because of the retirement test. Benefits are also recomputed whenever additional earnings would result in a higher benefit amount. The increased benefit rate is subject to the same percentage actuarial reduction as the initial benefit.

Delayed retirement credit. A benefit credit or increase given to a worker for delaying retirement after attaining age 65 for each month the worker (1) was fully insured, (2) had attained age 65 but was not yet age 72, and (3) did not receive benefits because he had not filed an application or was working. Each credit serves as a basis for increasing the monthly benefit (except in the case of the special minimum PIA) by $\frac{1}{12}$ of 1 percent for workers who attained age 62 before 1979 (1 percent per year) and by $\frac{1}{4}$ of 1 percent for workers attaining age 62 after 1978 (3 percent per year). A surviving spouse (including divorced) receiving widow(er)'s benefits is entitled to the same increase that had been applied to the benefit of the deceased worker or for which the worker was eligible at the time of death.

Selected Data on Beneficiary Population

The following tables provide detailed information on the number of OASDI beneficiaries, the average amount of monthly benefits by type of beneficiary, and the beneficiary population by age group, type of benefit, State, and other characteristics.

TABLE 2.—TOTAL OASDI BENEFICIARIES

| Calendar year ¹ | Beneficiaries (in thousands) ² | | |
|----------------------------|---|-------|--------|
| | OASI | DI | Total |
| 1945 | 1,106 | | 1,106 |
| 1950 | 2,930 | | 2,930 |
| 1955 | 7,563 | | 7,563 |
| 1960 | 13,740 | 522 | 14,262 |
| 1965 | 18,509 | 1,648 | 20,157 |
| 1970 | 23,185 | 2,568 | 25,753 |
| 1975 | 27,244 | 4,125 | 31,369 |
| 1980 | 30,384 | 4,734 | 35,118 |
| 1981 | 31,550 | 4,456 | 36,006 |

¹ As of June of each year, except 1981, which is based on December 1981 data.

² Beneficiaries in current pay status.

Source: SSA.

TABLE 3.—RETIRED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS

| | Retired workers | Spouses | Children |
|---|-----------------|---------|----------|
| 1970: | | | |
| Number of current beneficiaries (in thousands) ¹ | 13,349 | 2,668 | 546 |
| Average payment..... | \$118 | \$61 | \$45 |

TABLE 3.—RETIRED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS—Continued

| | Retired workers | Spouses | Children |
|---|--------------------|---------|----------|
| Number of new awards (in thousands) | 1,338 | 339 | 183 |
| Average payment..... | \$124 | \$58 | \$45 |
| 1975: | | | |
| Number of current beneficiaries (in thousands) ¹ | 16,588 | 2,671 | 643 |
| Average payment..... | \$207 | \$105 | \$77 |
| Number of new awards (in thousands) | 1,506 | 351 | 226 |
| Average payment..... | \$206 | \$96 | \$82 |
| 1981: | | | |
| Number of current beneficiaries (in thousands) ¹ | 20,195 | 3,031 | 633 |
| Average payment..... | \$386 | \$195 | \$161 |
| Number of new awards (in thousands) ² | 1,590 | 343 | 280 |
| Average payment..... | \$374 | \$175 | \$178 |

¹ As of December 1981.

² Fiscal year 1981.

Source: SSA, February 1982.

TABLE 4.—SURVIVORS: NUMBER OF AND AVERAGE MONTHLY BENEFITS ¹

| | Children | Mothers and fathers | Widows/ widowers |
|---|----------|------------------------|---------------------|
| 1970: | | | |
| Number of current beneficiaries (in thousands) ² | 2,688 | 523 | 3,227 |
| Average payment..... | \$82 | \$87 | \$102 |
| Number of new awards (in thousands) | 592 | 112 | 363 |
| Average payment..... | \$78 | \$87 | \$106 |
| 1975: | | | |
| Number of current beneficiaries (in thousands) ² | 2,919 | 582 | 3,889 |
| Average payment..... | \$139 | \$147 | \$192 |
| Number of new awards (in thousands) | 591 | 116 | 354 |
| Average payment..... | \$137 | \$150 | \$193 |
| 1981: | | | |
| Number of current beneficiaries (in thousands) ² | 2,546 | 548 | 4,386 |
| Average payment..... | \$271 | \$277 | \$349 |
| Number of new awards (in thousands) ³ | 488 | 104 | 464 |
| Average payment..... | \$244 | \$245 | \$319 |

¹ Minor categories (Disabled widows/widowers and parents) are excluded from table.

² As of December 1981.

³ Fiscal year 1981.

Source: SSA, February 1982.

TABLE 5.—DISABLED WORKERS AND DEPENDENTS: NUMBER OF AND AVERAGE MONTHLY BENEFITS

| | Disabled workers | Spouses | Children |
|---|------------------|---------|----------|
| 1970: | | | |
| Number of current beneficiaries (in thousands) ¹ | 1,493 | 283 | 889 |
| Average payment..... | \$131 | \$43 | \$39 |
| Number of new awards (in thousands)..... | 350 | 96 | 317 |
| Average payment..... | \$140 | \$40 | \$37 |
| 1975: | | | |
| Number of current beneficiaries (in thousands) ¹ | 2,489 | 453 | 1,411 |
| Average payment..... | \$226 | \$67 | \$62 |
| Number of new awards (in thousands)..... | 592 | 149 | 515 |
| Average payment..... | \$234 | \$68 | \$63 |
| 1981: | | | |
| Number of current beneficiaries (in thousands) ¹ | 2,777 | 428 | 1,252 |
| Average payment..... | \$413 | \$122 | \$123 |
| Number of new awards (in thousands) ² | 358 | 101 | 364 |
| Average payment..... | \$402 | \$107 | \$112 |

¹ As of December 1981.² Fiscal year 1981.

Source: SSA, February 1982.

TABLE 6.—OASDI BENEFICIARIES, SELECTED AGE DATA, JUNE 1981

| Type of OASDI beneficiary | Beneficiaries |
|---|---------------|
| Total..... | 35,709,830 |
| Retirement ¹ | 23,441,142 |
| Workers 65 and over..... | 17,693,096 |
| Men..... | 9,519,131 |
| Women..... | 8,173,965 |
| Wives and husbands 65 and over..... | 2,390,903 |
| Disabled adult children..... | 141,975 |
| Workers 62-64..... | 2,098,834 |
| Men..... | 1,052,690 |
| Women..... | 1,046,144 |
| Wives and husbands 62-64..... | 429,674 |
| Children under 18 and students 18-21..... | 497,451 |
| Wives with children..... | 189,209 |
| Disability..... | 4,635,831 |
| Workers under 65..... | 2,835,471 |
| Men..... | 1,911,506 |
| Women..... | 923,965 |
| Wives and husbands 65 and over..... | 36,781 |
| Disabled adult children..... | 33,000 |
| Wives and husbands 62-64..... | 39,610 |
| Children under 18 and students 18-21..... | 1,317,022 |
| Wives with children..... | 373,947 |

TABLE 6.—OASDI BENEFICIARIES, SELECTED AGE DATA, JUNE 1981—Continued

| Type of OASDI beneficiary | Beneficiaries |
|--|---------------|
| Survivors..... | 7,632,857 |
| Widows and widowers 65 and over..... | 3,751,928 |
| Disabled widows and widowers 50-59..... | 124,240 |
| Disabled adult children..... | 281,156 |
| Parents 65 and over..... | 13,893 |
| Parents 62-64..... | 248 |
| Nondisabled widows and widowers 60-64..... | 569,430 |
| Children under 18 and students 18-21..... | 2,343,242 |
| Widowed mothers and fathers..... | 548,720 |

¹ Excludes 87,265 special age-72 beneficiaries.

Source: SSA.

TABLE 7.—OASDI BENEFICIARIES, STATE-BY-STATE DATA

[Dollars in millions]

| State ¹ | Beneficiaries—as of June 1980 | Fiscal year 1981 benefits payments |
|---------------------------|----------------------------------|---------------------------------------|
| Total..... | 35,219,930 | \$136,266 |
| Alabama..... | 636,923 | 2,163 |
| Alaska..... | 20,880 | 78 |
| Arizona..... | 414,688 | 1,645 |
| Arkansas..... | 438,479 | 1,449 |
| California..... | 3,179,084 | 12,697 |
| Colorado..... | 327,514 | 1,257 |
| Connecticut..... | 472,490 | 2,059 |
| Delaware..... | 86,115 | 355 |
| District of Columbia..... | 87,690 | 303 |
| Florida..... | 2,038,867 | 8,096 |
| Georgia..... | 764,043 | 2,619 |
| Hawaii..... | 111,003 | 414 |
| Idaho..... | 130,046 | 497 |
| Illinois..... | 1,620,344 | 6,740 |
| Indiana..... | 811,096 | 3,336 |
| Iowa..... | 489,191 | 1,922 |
| Kansas..... | 372,822 | 1,465 |
| Kentucky..... | 594,936 | 2,035 |
| Louisiana..... | 578,705 | 1,959 |
| Maine..... | 196,631 | 723 |
| Maryland..... | 525,682 | 2,093 |
| Massachusetts..... | 918,712 | 3,736 |
| Michigan..... | 1,349,424 | 5,656 |
| Minnesota..... | 612,321 | 2,342 |
| Mississippi..... | 426,810 | 1,307 |

TABLE 7.—OASDI BENEFICIARIES, STATE-BY-STATE DATA—Continued

[Dollars in millions]

| State ¹ | Beneficiaries—as of June 1980 | Fiscal year 1981 benefits payments |
|----------------------|----------------------------------|---------------------------------------|
| Missouri | 854,098 | 3,246 |
| Montana | 118,007 | 451 |
| Nebraska | 253,237 | 970 |
| Nevada | 92,333 | 370 |
| New Hampshire | 138,535 | 560 |
| New Jersey | 1,151,500 | 4,946 |
| New Mexico | 172,564 | 596 |
| New York | 2,862,307 | 12,087 |
| North Carolina | 887,467 | 3,092 |
| North Dakota | 104,346 | 375 |
| Ohio | 1,611,006 | 6,522 |
| Oklahoma | 476,212 | 1,731 |
| Oregon | 406,639 | 1,655 |
| Pennsylvania | 2,052,847 | 8,505 |
| Rhode Island | 168,213 | 679 |
| South Carolina | 443,333 | 1,527 |
| South Dakota | 118,438 | 423 |
| Tennessee | 730,591 | 2,520 |
| Texas | 1,799,293 | 6,449 |
| Utah | 145,738 | 577 |
| Vermont | 80,073 | 308 |
| Virginia | 712,313 | 2,577 |
| Washington | 574,855 | 2,358 |
| West Virginia | 358,438 | 1,325 |
| Wisconsin | 761,058 | 3,080 |
| Wyoming | 48,981 | 191 |
| Other areas: | | |
| American Samoa | 2,394 | 3 |
| Guam | 3,013 | 8 |
| Puerto Rico | 568,427 | 1,215 |
| Virgin Islands | 7,578 | 24 |
| Abroad | 311,600 | 950 |

¹ Beneficiary by State of residence.

Source: SSA

ADMINISTRATION OF THE PROGRAMS

The Social Security Administration (SSA), of the Department of Health and Human Services, administers the old-age, survivors and disability insurance programs. In fiscal year 1981, SSA had a permanent staff of 75,186. Administrative expenses, averaging about 1.3 percent of benefits, are paid out of the two trust funds. The national headquarters offices are located principally in Baltimore, Md. There are 10 regional offices located in major cities throughout the country which direct and coordinate most SSA activities in their respective regions. There are over 1,300 District and Branch offices and 4,000 contact stations through which SSA deals directly with the public. Claims not processed in the field offices are adjudicated in 6 geographically dispersed program service centers.

For the DI program, State agencies gather medical and vocational evidence and make the original determination of disability, after the social security field office has taken the claim and assembled information on the claimant's condition, treatment sources, and ability to work. The SSA field office generally completes all of the nondisability portions of the claim (for example, whether the person has sufficient quarters of coverage).

RECENT LEGISLATION

Significant changes in OASDI were made in 1981 by Public Law 97-35 and Public Law 97-123. The major changes were:

Prospective Elimination of the Minimum Benefit.—Under the old law, beneficiaries whose average lifetime earnings under the social security were low received a "minimum benefit" which was higher than the benefit they would have otherwise received under the regular benefit computation formula. The new provision eliminates the minimum benefit for beneficiaries who initially become eligible for benefits after December 1981. Instead, their benefits will be computed using the regular benefit formula.

Elimination of the Student Benefit.—Since 1965, unmarried child beneficiaries received benefits from age 18 through 21 if they were attending a high school, college, or vocational school full time. The new law eliminates benefits to new post-secondary students age 18-21 who are full-time students at institutions of higher education or other post-secondary schools, and allows benefits to elementary or secondary students only up to age 19, effective with benefits payable for August 1982. Certain students who begin post-secondary school before May 1982 may continue to receive benefits up until age 22; however, these benefits will be reduced 25 percent each year, and no cost-of-living adjustments or summer-month benefits will be paid beginning in 1982. No post-secondary student benefits will be payable after April 1, 1985.

Extension of Disability Benefit Offset.—Under old law, a disabled worker could not receive more than 80 percent of his pre-disability earnings in combined DI and worker's compensation (WC) payments. The new provision extends this concept to payments other than WC. The worker's DI benefits are reduced (if necessary) so that the sum of disability benefits payable under Federal, State, and local public programs (with certain exceptions, such as Veterans Administration benefits) plus DI will not exceed the higher of

80 percent of the worker's "average current earnings or the DI benefits alone." In contrast to the old law which ended the offset at 62, the new provision extends the disability offset to disabled workers up to age 65.

Termination of Mother's and Father's Benefits When Youngest Child Attains Age 16.—Under this provision, benefits will no longer be paid to a mother or father caring for a child receiving child's benefits beyond the time the child reaches age 16 (rather than age 18, as under prior law). A two-year phase-out was included for current recipients. New recipients were affected upon enactment.

Payment of Benefits in Month of Entitlement.—Workers and their spouses (including divorced spouses) can no longer receive old-age benefits for a month unless they meet the requirements for entitlement throughout that month. The major effect is, for persons who claim benefits in the month in which they reach age 62, to postpone entitlement to old-age benefits to the next month.

Modification Lump Sum Death Benefit.—Under the old law, a one-time payment of \$255 was made to the surviving spouse of a deceased worker or to some other person or institution (e.g., funeral home) incurring expenses in connection with the deceased worker's funeral. The lump sum death benefit could be paid whether or not regular monthly cash benefits were payable to survivors of the deceased worker. Under the new law, effective for insured workers who die after August 1981, the lump-sum death payment may be paid only to the spouse living with the worker at the time of death or to a spouse (excluding a divorced spouse) who is eligible for widow's or widower's benefits for the month in which the worker died. If there is no spouse eligible for the payment, it will be made to children who are eligible for monthly benefits in the month of death. Otherwise, no lump-sum will be payable.

Rounding of Benefits.—Under the old law, when benefit amounts were calculated, they were rounded to the next *higher* 10 cents. This upward rounding could occur at several stages in the computation process, so that a benefit could have been rounded upward several times before the final amount was determined. Under the new procedure, OASDI benefit amounts are rounded to the next lower 10 cents at every step of the benefit calculation and then to the next lower dollar at the final step.

Retention of Social Security Earnings Test Exempt Age at 72 through 1982.—This provision retains, through 1982, age 72 as the age at which the earnings test no longer applies; beginning in 1983, the age will be lowered to 70. (Under prior law, the age at which the earnings test no longer applies would have been lowered from 72 to 70 beginning in 1982.)

Reimbursement of States for Successful Rehabilitation Services.—Prior law authorized the use of social security trust fund monies to purchase rehabilitation services for disabled beneficiaries. The new provision provides that the cost of vocational rehabilitation (VR) services provided by the States to social security disability beneficiaries are to be reimbursed from the trust funds only if the disabled beneficiaries engage in Substantial Gainful Activity (SGA) for 9 continuous months and if the VR services contributed to the successful return to SGA.

Interfund Borrowing.—Because of the precarious financial condition of the OASI fund, Congress authorized the OASI, DI and Hospital Insurance (HI) trust funds to borrow from one another until December 31, 1982, as necessary to meet benefit payments.

Tax on Sick Pay.—Under the old law, sick pay made during the first 6 months of sickness was generally excluded from FICA taxation, if made under a qualified sick-pay plan (payments after 6 months were and continue to be excluded). The new provision provides that all sick payments (except those made under a worker's compensation plan) are subject to the social security payroll tax in the first 6 months the employee is off work. Any portion of such sickness benefits paid for by employee contributions would not be covered.

OASDI FINANCING

The OASDI programs are self-financed on a pay-as-you-go basis; that is, current income to the system goes to meet current benefit obligations. No provision is made for accumulating the funds' assets at a given level equal to anticipated payments. Instead, the tax rates are established according to actuarial projections with a view to assuring that revenues will be sufficient to meet benefit obligations. Moneys accumulated in the trust fund provide a reserve to cushion temporary shortfalls in revenues or unexpected increases in outlays due to economic fluctuations.

Current Financing Provisions

Social security is financed by a payroll tax on earnings, with portions of its revenues earmarked for each of the trust funds. All persons who work in employment covered by the programs pay a tax on their earnings up to a maximum annual dollar amount. Employers pay an equal tax for these workers. Under current law, as of 1982, the tax is levied at a rate of 6.70 percent of the first \$82,400 of earnings for both the employer and employee. This maximum amount is called the "taxable earnings base" and rises each year at the same rate that average earnings in the economy rise.

Tables 8-10 which follow show the tax rates and taxable earnings bases which will go into effect under present law. As illustrated in table 9B, the maximum annual tax payment for the worker, just \$374 in 1970, is \$2,171 in 1982, projected to reach \$4,705 in 1990, an amount matched by the employer. For the self-employed, the maximum tax payment is projected to reach \$6,611 by 1990.

Evidently, significant increases in the taxes were established in the 1977 amendments. At the time those amendments were adopted, the funds were projected to be adequate to meet benefit obligations for many years. However, the 1977 changes did not provide adequate margin for error and the economic situation has turned out to be far less favorable than assumed at that time.

TABLE 8.—TAX RATES FOR THE SOCIAL SECURITY TRUST FUNDS, 1977 AND AFTER

[In percent]

| Calendar years | OASI ¹ | DI ² | OASDI | HI ³ | Total (OASDHI) |
|--------------------------------------|-------------------|-----------------|-------|-----------------|-------------------|
| EMPLOYERS AND EMPLOYEES, EACH | | | | | |
| 1977 | 4.375 | 0.575 | 4.95 | 0.90 | 5.85 |
| 1978 | 4.275 | .775 | 5.05 | 1.00 | 6.05 |
| 1979 | 4.330 | .750 | 5.08 | 1.05 | 6.13 |
| 1980 | 4.520 | .560 | 5.08 | 1.05 | 6.13 |
| 1981 | 4.700 | .650 | 5.35 | 1.30 | 6.65 |
| 1982-84 | 4.575 | .825 | 5.40 | 1.30 | 6.70 |
| 1985 | 4.750 | .950 | 5.70 | 1.35 | 7.05 |
| 1986-89 | 4.750 | .950 | 5.70 | 1.45 | 7.15 |
| 1990 and later | 5.100 | 1.100 | 6.20 | 1.45 | 7.65 |
| SELF-EMPLOYED PERSONS | | | | | |
| 1977 | 6.1850 | 0.8150 | 7.00 | 0.90 | 7.90 |
| 1978 | 6.0100 | 1.0900 | 7.10 | 1.00 | 8.10 |
| 1979 | 6.0100 | 1.0400 | 7.05 | 1.05 | 8.10 |
| 1980 | 6.2725 | .7775 | 7.05 | 1.05 | 8.10 |
| 1981 | 7.0250 | .9750 | 8.00 | 1.30 | 9.30 |
| 1982-84 | 6.8125 | 1.2375 | 8.05 | 1.30 | 9.35 |
| 1985 | 7.1250 | 1.4250 | 8.55 | 1.35 | 9.90 |
| 1986-89 | 7.1250 | 1.4250 | 8.55 | 1.45 | 10.00 |
| 1990 and later | 7.6500 | 1.6500 | 9.30 | 1.45 | 10.75 |

¹ Old-age and survivors insurance.² Disability insurance.³ Hospital insurance (part A of medicare).

TABLE 9A.—ANNUAL EARNINGS SUBJECT TO THE SOCIAL SECURITY TAX (TAXABLE EARNINGS BASE)

| Calendar year | Administration | CBO |
|-------------------------|----------------|----------|
| 1980 | \$25,900 | \$25,900 |
| 1981 | 29,700 | 29,700 |
| 1982 | 32,400 | 32,400 |
| 1983 ¹ | 35,100 | 35,100 |
| 1984 ¹ | 38,100 | 37,800 |
| 1985 ¹ | 40,500 | 40,500 |
| 1986 ¹ | 42,600 | 43,500 |
| 1987 ¹ | 45,600 | 46,500 |

¹ Estimates.

Source: SSA and CBO.

TABLE 9B.—MAXIMUM ANNUAL OASDHI TAX PAYMENTS: 1970-90

| | Maximum annual tax payment | |
|-------------------------|--------------------------------------|---------------|
| | Employee (matched by employer) | Self-employed |
| 1970..... | \$374 | \$538 |
| 1975..... | 825 | 1,114 |
| 1980..... | 1,588 | 2,098 |
| 1981..... | 1,975 | 2,762 |
| 1982..... | 2,171 | 3,030 |
| 1983 ¹ | 2,392 | 3,338 |
| 1984..... | 2,613 | 3,647 |
| 1985..... | 3,024 | 4,247 |
| 1986..... | 3,346 | 4,680 |
| 1987..... | 3,625 | 5,070 |
| 1988..... | 3,882 | 5,430 |
| 1989..... | 4,140 | 5,790 |
| 1990..... | 4,705 | 6,611 |

¹ Beginning in 1983, based on 1981 Board of Trustees' Intermediate II-B Assumptions, adjusting for actual level in 1982.

TABLE 10.—ADDITIONAL TAX INCOME TO SOCIAL SECURITY TRUST FUNDS RESULTING FROM 1977 AMENDMENTS (CALENDAR YEARS 1983-87)

[In billions]

| Calendar years | Additional tax income | | |
|----------------|-----------------------|-----|-------|
| | OASDI | HI | Total |
| 1983..... | 26.3 | 1.5 | 27.8 |
| 1984..... | 29.1 | 1.7 | 30.8 |
| 1985..... | 43.0 | 3.6 | 46.6 |
| 1986..... | 47.4 | 2.4 | 49.7 |
| 1987..... | 51.0 | 2.4 | 53.4 |

Note: Based on the 1981 Trustees' Report Intermediate (II-B) economic assumptions.

Source: Office of Actuary, SSA.

Public Law 97-128 authorizes interfund borrowing on a temporary basis. After consulting with the other trustees, the Secretary of the Treasury is authorized until December 31, 1982 to transfer funds among the OASI, DI, and HI trust funds. Such transfers are to be made on a loan basis, repayable with interest. The conference report states that loans may not be made to a trust fund to insure the payment of benefits for a period in excess of 6 months, or beyond June 1983.

Status of the trust funds—short range situation

Despite this and other changes enacted in 1981, the social security system faces significant financial problems. Weak economic

growth has constrained payroll tax collections while inflation has resulted in relatively large increases in indexed benefits. Trust fund assets relative to cash benefit program outlays have been seriously eroded because aggregate outgo has exceeded income in the last 6 years.

Under the President's fiscal year 1988 budget assumptions, the present law reserves of the OASI trust fund, including the supplements permitted under the interfund borrowing authority, are insufficient to finance full OASI benefit payments beyond June 1988. If Congress reauthorizes interfund borrowing, reserves of OASI and the other trust funds, together, are projected to fall below the potential danger level of 18 percent of 1 year's outgo sometime late in fiscal year 1984 and remain there throughout the 5-year budgeting period. (See Table 11.) Social Security actuaries consider 18 percent the critical point because even a small error in the estimates or unforeseen fluctuations in the flow of income and outgo may cause reserves to fall below a month's benefits at some point during the year. The actuaries point out that a *minimum* 4 to 5 percentage-point spread between the potential danger level (18 percent) and the actual level of insolvency (9 percent) is needed to avoid cash-flow problems.

According to the Office of the Actuary of the Social Security Administration: "There is virtually no margin of safety in these projections. In other words, if actual future economic and demographic conditions are even slightly less favorable than those assumed in the budget, scheduled OASDI and HI tax income would be insufficient and tax rate reallocation or extended interfund borrowing could only postpone temporarily the financing problems of the trust funds."

The Congressional Budget Office (CBO) fiscal year 1988 "base-line" budget projections are even more pessimistic. They show the combined reserves of the three trust funds falling below the level required for solvency in fiscal year 1984 and remaining below that level throughout the remainder of the 5-year budgeting period. Under these assumptions, insolvency could even result before the end of 1988.

The following table compares the combined OASDHI reserve ratios for fiscal and calendar years 1983-87 projected by the Administration and CBO.

TABLE 11.—ASSETS OF THE COMBINED OASDHI PROGRAMS AT THE BEGINNING OF THE YEAR AS A PERCENT OF OUTGO DURING THE YEAR ¹

| | [In percent] | | | | |
|----------------------|--------------|------|------|------|------|
| | Fiscal year— | | | | |
| | 1983 | 1984 | 1985 | 1986 | 1987 |
| Administration..... | 21 | 17 | 12 | 11 | 12 |
| CBO base-line..... | 19 | 13 | 8 | 5 | 5 |
| CBO pessimistic..... | 19 | 13 | 5 | -.2 | -5 |

| | Calendar year ² | | | | |
|---------------------|----------------------------|------|------|------|------|
| | 1983 | 1984 | 1985 | 1986 | 1987 |
| Administration..... | 18 | 14 | 8 | 8 | 9 |

¹ Assumes interfund borrowing is reauthorized.

² CBO projections not available on calendar year basis. They would be approximately 4 percentage points lower than the fiscal year projections.

Source: SSA and CBO.

Shown below are the projections of the operations of the individual and combined trust funds under the Administration's budget assumptions and CBO's "base-line" assumptions.

TABLE 12.—ESTIMATED OPERATIONS OF THE OASI, DI AND HI TRUST FUNDS BASED UPON THE PRESIDENT'S FISCAL YEAR 1983 BUDGET ASSUMPTIONS

[Dollars in billions]

| | Fiscal year— | | | | | |
|--|--------------|-------|-------|-------|-------|-------|
| | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
| Old age and survivors insurance: | | | | | | |
| Outgo..... | 138.2 | 152.7 | 166.6 | 179.8 | 193.1 | 207.5 |
| Income..... | 130.1 | 144.1 | 147.7 | 163.7 | 179.7 | 194.3 |
| Year-end balance..... | 15.8 | 7.2 | -11.8 | -27.9 | -41.3 | -54.5 |
| Start-of-year balance (as percent of outgo)..... | 17 | 10 | 4 | -7 | -14 | -20 |
| Disability insurance: | | | | | | |
| Outgo..... | 18.4 | 18.9 | 19.6 | 20.4 | 21.4 | 22.6 |
| Income..... | 22.0 | 19.4 | 28.8 | 35.5 | 41.5 | 46.3 |
| Year-end balance..... | 6.9 | 7.4 | 16.6 | 31.8 | 51.9 | 75.6 |
| Start-of-year balance (as percent of outgo)..... | 18 | 37 | 38 | 81 | 148 | 230 |
| Hospital insurance: | | | | | | |
| Outgo..... | 34.3 | 39.5 | 45.0 | 51.7 | 59.1 | 67.4 |
| Income..... | 38.7 | 42.2 | 45.7 | 50.9 | 58.6 | 64.4 |
| Year-end balance..... | 22.5 | 25.2 | 26.0 | 25.2 | 24.7 | 21.7 |
| Start-of-year balance (as percent of outgo)..... | 53 | 57 | 56 | 50 | 43 | 37 |
| Combined OASDI: | | | | | | |
| Outgo..... | 190.9 | 211.1 | 231.2 | 251.9 | 273.6 | 297.5 |
| Income..... | 190.8 | 205.7 | 222.2 | 250.1 | 279.8 | 305.0 |
| Year-end balance..... | 45.2 | 39.8 | 30.8 | 29.0 | 35.2 | 42.7 |
| Start-of-year balance (as percent of outgo)..... | 24 | 21 | 17 | 12 | 11 | 12 |

Notes: The income figures for 1983, and the end-of-year asset figures for 1983 and later, reflect the transfer of \$6.4 billion from the DI trust fund to the OASI trust fund under the interfund borrowing authority provided by Public Law 97-123.

The estimated operations for OASI, OASDI, and total OASDI and HI in 1983 and later are theoretical since, following the expiration of the present law interfund borrowing authority, the OASI trust fund would become depleted in the second half of 1983 when assets become insufficient to pay benefits when due.

Source: Social Security Administration, Office of the Actuary.

TABLE 13.—CBO BASELINE PROJECTIONS OF SOCIAL SECURITY TRUST FUND OUTLAYS, INCOMES, AND BALANCES, BY FISCAL YEAR, ASSUMING \$6.4 BILLION TRANSFER FROM DI TO OASI IN FISCAL YEAR 1983 ¹

[In billions of dollars]

| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Old age and survivors insurance: | | | | | | | |
| Outlays | 122.3 | 139.3 | 153.7 | 167.4 | 182.7 | 198.4 | 214.4 |
| Income ² | 121.6 | 128.7 | 143.1 | 149.4 | 167.7 | 184.6 | 200.5 |
| Year-end balance | 23.8 | 13.3 | 2.7 | -15.3 | -30.3 | -44.1 | -58.0 |
| Start-of-year balance (as percent of outlays) | 20.1 | 17.1 | 8.6 | 1.6 | -8.4 | -15.3 | -20.6 |
| Disability insurance: | | | | | | | |
| Outlays | 17.3 | 18.8 | 20.0 | 20.9 | 21.6 | 22.3 | 23.6 |
| Income ² | 13.0 | 21.8 | 19.0 | 28.4 | 35.0 | 40.6 | 45.6 |
| Year-end balance | 3.4 | 6.5 | 5.5 | 12.9 | 26.3 | 44.6 | 66.6 |
| Start-of-year balance (as percent of outlays) | 44.4 | 18.1 | 32.3 | 26.2 | 59.7 | 117.9 | 189.0 |
| Hospital insurance: | | | | | | | |
| Outlays | 29.3 | 34.3 | 40.0 | 46.3 | 53.1 | 60.6 | 69.1 |
| Income ² | 32.9 | 38.0 | 41.3 | 45.1 | 50.1 | 57.4 | 62.8 |
| Year-end balance | 18.1 | 21.8 | 23.2 | 22.0 | 19.0 | 15.8 | 9.5 |
| Start-of-year balance (as percent of outlays) | 49.5 | 52.8 | 54.6 | 50.1 | 41.4 | 31.3 | 22.8 |
| Combined OASI, DI, and HI: | | | | | | | |
| Outlays | 168.8 | 192.3 | 213.6 | 234.6 | 257.4 | 281.3 | 307.2 |
| Income ² | 167.4 | 188.5 | 203.5 | 222.8 | 252.8 | 282.6 | 308.9 |
| Year-end balance | 45.3 | 41.5 | 31.4 | 19.6 | 15.0 | 16.3 | 18.0 |
| Start-of-year balance (as percent of outlays) | 27.7 | 23.6 | 19.4 | 13.4 | 7.6 | 5.3 | 5.3 |

¹ The projections assume a \$6.4 billion transfer from DI in fiscal year 1983 to OASI. The individual trust fund balances at the end of fiscal years 1983 to 1987 are similarly adjusted. The combined OASI and DI funds' balances remain the same under this calculation, implicitly assuming interest payments from one fund to the other. No interest adjustment was made in each of the two accounts individually, however, since the mechanism and scorekeeping of these is not yet entirely certain. These estimates are not strictly comparable with those of the Administration because no interest outlay is shown from the OASI to the DI fund (which would receive it as income), nor is added interest income shown to the OASI fund.

² Income to the trust fund is treated as budget authority under the budget process. It includes payroll tax receipts, interest on balances, and certain general fund transfers.

Source: CBO. Based on CBO's economic assumptions.

Note: Minus sign denotes a deficit.

TABLE 14.—ADMINISTRATION AND CBO ECONOMIC ASSUMPTIONS (RELATED TO OASDI PROGRAM)

[In percent]

| Calendar year | Increase in CPI | | Social security benefit increase | | Unemployment rate | |
|---------------|-----------------|-----|----------------------------------|-----|-------------------|-----|
| | Administration | CBO | Administration | CBO | Administration | CBO |
| 1982..... | 7.3 | 7.5 | 8.1 | 8.5 | 8.9 | 8.9 |
| 1983..... | 6.0 | 6.9 | 6.5 | 6.5 | 7.9 | 8.0 |
| 1984..... | 4.6 | 6.9 | 4.8 | 7.2 | 7.1 | 7.4 |
| 1985..... | 4.8 | 6.4 | 4.8 | 6.5 | 6.4 | 7.2 |
| 1986..... | 4.6 | 6.0 | 4.6 | 6.1 | 5.8 | 6.9 |
| 1987..... | 4.5 | 5.7 | 4.5 | 5.8 | 5.3 | 6.7 |

Source: SSA and CBO.

THE LONG-RANGE SITUATION

Because the social security program has been designed as a system in which those who pay the taxes supporting it are considered to be earning the right to future benefits, Congress has traditionally required long-range estimates of the program's actuarial balance and has set future tax rates with a view to assuring that the income of the program will be sufficient to cover its outgo. These estimates are re-evaluated every year and are published as part of an annual report made by the Trustees of the social security programs. This report is due April 1. Under current procedures, the long-range actuarial analysis of the cash benefits program covers a 75-year period—generally long enough to cover the anticipated retirement years of those currently in the work force. Since the enactment in 1965 of the Hospital Insurance program, long-range actuarial analyses of that program have also been made, but official HI estimates are made only over a 25-year period.

The long-range status of the trust fund is estimated on the basis of a variety of economic and demographic factors. Many of these are highly subject to fluctuation and very difficult to predict with a high degree of accuracy. Included are such factors as birth and immigration rates, level of economic activity, inflation, and mortality. Three paths have usually been projected in making long-range estimates: a pessimistic path, an optimistic path, and an intermediate path. (The 1982 Trustees' report also included a fourth path (II-A) which reflects more optimistic economic assumptions combined with intermediate demographic assumptions).

It is unlikely, of course, that the actuaries will actually succeed in projecting an intermediate path which exactly predicts the net outcome of all the various elements over a 75-year period. However, the projections do represent a "best estimate" as of any point in time. As such, the long-range projections provide a valuable guide to trends which indicate an imbalance in the system, allowing Con-

gress to make necessary corrections gradually and thus avoid sudden shocks that the system would have difficulty absorbing, and that taxpayers and beneficiaries would have difficulty accepting. Precisely because of their long-range nature, the intermediate assumptions are generally considered to be an acceptable gauge of long-range soundness.

The long-range financial condition of the social security trust funds is ordinarily expressed in terms of "percent of taxable payroll" rather than in dollar amounts. This permits a direct comparison between the tax rate actually in the law and the cost of the program. For example, if the program is projected to have a deficit of "one percent of taxable payroll", this means that the social security tax rates now in the law would have to be increased by .5 percentage points on employee and employer, each, in order to pay for the benefits due under present law. (Alternatively, the program could be brought back into balance by an equivalent reduction in benefit outgo or by a combination of revenue increases and outgo reductions.) If the program is projected to have a deficit of 1.5 percent of taxable payroll and expenditures are projected to be 10 percent of taxable payroll, then, under the given set of assumptions, 15 percent (1.5 divided by 10) of expenditures could not be met with that tax schedule. At the present time, total taxable payroll amounts to almost \$1.4 trillion so that in 1982, 1.5 percent of payroll represents about \$20 billion.

The following table provides estimates of the long-range actuarial status of the social security cash benefit programs over the next 75 years. These estimates are based on the intermediate II-B assumptions used in the 1981 Trustees' report. The leftmost column in the table shows that the cash benefits trust funds, despite their deficit in the next few years, have a surplus over the next 25 years. However, the HI program has, over that same period, a deficit of more than 8 times the magnitude of the cash benefit surplus. When all three funds are combined, the programs have an aggregate deficit both over the next 25 years and throughout the 75-year valuation period.

TABLE 15.—LONG-RANGE STATUS OF THE OASDI TRUST FUNDS

[Percent of taxable payroll]

| | 25-year periods | | | 75-year period, 1982-2056 |
|---------------|-----------------|-----------|-----------|---------------------------|
| | 1982-2006 | 2007-2031 | 2032-2056 | |
| OASDI: | | | | |
| Income..... | 12.01 | 12.40 | 12.40 | 12.27 |
| Outgo..... | 11.37 | 14.08 | 16.81 | 14.09 |
| Balance..... | .64 | -1.68 | -4.41 | -1.82 |
| HI: | | | | |
| Income..... | 2.86 | | | |
| Outgo..... | 4.83 | | | |
| Balance..... | -1.97 | | | |

Source: 1982 Board of Trustees' Intermediate II-B Assumptions. HI trust fund status only projected for 25-year period.

Over the next 75 years, the cash benefits programs have a deficit of 1.82 percent of payroll. This means that—under the actuaries' best current estimates—social security taxes would have to be increased by a combined 1.82 percentage points (or \$25 billion in 1982 terms) for each of the next 75 years. This (again in 1982 terms) represents a total deficit of \$1.9 trillion over the next 75 years.

If the deficit in the OASDI program is not addressed in the near term, it becomes substantially larger on an annual basis in the future. For the last one-third of the 75-year period, an average annual deficit of 4.41 percent of taxable payroll (over \$60 billion per year in 1982 terms) is projected.

Although the official long-range estimates of the HI program are made on a 25-year basis, that program faces some of the same longer range problems as the cash benefits program—for example, the increased size of the beneficiary population relative to the tax-paying population. In 1981, the staff asked the Health Care Financing Administration actuaries to make a 75-year estimate of the status of the HI trust fund. Under that projection, the HI fund has a 75-year deficit of 4.45 percent of taxable payroll. When this is combined with the 1.82 percent deficit of the OASDI system, the total social security program shows an average deficit in each of the next 75 years of 6.27 percent—in 1982 terms, \$85 billion per year or \$6.4 trillion over the entire period.

Shortly after the turn of the century, the cost of the OASDHI programs rises sharply, growing to a level which would require a payroll tax in excess of 25 percent in the year 2035. Under pessimistic assumptions, the cost of paying for present-law benefits under OASDHI would require a payroll tax of almost 50 percent in the year 2055.

2. MEDICARE

SUMMARY

Medicare, authorized under title XVIII of the Social Security Act, is a nationwide health insurance program for the aged and certain disabled persons. Medicare has two parts, the hospital insurance or part A program and the supplementary medical insurance or part B program.

LEGISLATIVE OBJECTIVE

Section 1811 of the Social Security Act specifies that the part A program provides basic protection against the costs of hospital, related posthospital, and home health services for eligible individuals. Section 1831 of the act establishes a voluntary insurance program to provide medical insurance benefits for aged and disabled individuals who elect to enroll in the program.

ELIGIBILITY CRITERIA

The vast majority of persons reaching age 65 are automatically entitled to protection without cost under the hospital insurance program. Persons aged 65 and older not entitled to coverage may voluntarily obtain hospital insurance protection, providing they pay the full cost of such coverage (currently \$89 per month rising to \$113 per month on July 1, 1982). Also eligible are disabled workers at any age, disabled widows and disabled dependent widowers between the ages of 50 and 65, beneficiaries aged 18 or older who receive benefits because of disability prior to reaching age 22, and disabled railroad annuitants (all after a certain period of disability). Fully or currently insured workers under Social Security and their dependents with chronic renal disease are, under certain circumstances, considered to be disabled for purposes of hospital insurance coverage.

The supplementary medical insurance portion of Medicare is a voluntary program. All persons aged 65 or older (whether or not they are entitled to hospital insurance) and all other persons entitled to hospital insurance (i.e., the disabled) may elect to enroll in the supplementary medical insurance program. Persons aged 65 or older who elect to "buy into" the hospital insurance program are required to buy part B supplementary protection as well.

The number of persons with Medicare protection is shown in table 1.

BENEFITS

PART A BENEFITS

During each benefit period,¹ hospital insurance pays the "reasonable costs" for the following services:

Inpatient hospital care—90 days. For the first 60 days, the reasonable cost of all covered services, except for an initial inpatient hospital deductible (\$260 in 1982). For the 61st day through the 90th day, the costs of all covered services, except for a daily coinsurance (\$65 in 1982). An additional "lifetime reserve" of 60 hospital days may be drawn upon when more than 90 days per benefit period is needed. Each reserve day pays for all covered services, except for a coinsurance of \$130 per reserve day in 1982. Special limitations apply in the case of treatment in mental hospitals.

Skilled nursing facility care—100 days in a skilled nursing facility for persons in need of skilled nursing care and/or skilled rehabilitation services on a daily basis. All covered services are paid for the first 20 days, after which patients must pay a daily coinsurance amount (\$32.50 in 1982). Patients must be in a hospital for 3 consecutive days and must, except for special circumstances, be admitted to the skilled nursing facility within 30 days following hospital discharge.

Home health care—Medically necessary home health visits by nurses, therapists, and other health workers to individuals in need of skilled nursing care, physical therapy, or speech therapy. Eligibility for home health services may be extended solely on the basis of need for occupational therapy; however, occupational therapy cannot serve as an initial qualifying criterion.

PART B BENEFITS

During any calendar year, supplementary medical insurance (with certain exceptions) pays 80 percent of the "reasonable charges" for covered services, after the insured pays the first \$75 toward the costs of such services. Covered services include:

Services of independent practitioners—Includes the services of medical doctors, osteopaths, chiropractors, and certain other practitioners regardless of where their services are provided (hospital, office, home, etc.). Special limitations apply in the case of psychiatric care outside of hospitals and for certain therapy services provided by an independent therapist practitioner.

Medical and other services—Certain diagnostic services; X-ray or other radiation treatments; surgical dressings; casts, braces, artificial limbs and eyes; certain other equipment; certain medical supplies; ambulance services; rural health clinic services; kidney dialysis services and supplies; comprehensive outpatient rehabilitation facility services; pneumococcal vac-

¹ A "benefit period" begins the first time an insured person enters a hospital after his hospital insurance begins. It ends after he has not been an inpatient in a hospital or skilled nursing facility for 60 days in a row. There is no limit to the number of benefit periods an insured person may have.

cine and its administration without regard to the coinsurance and deductible; and home health services for individuals not covered under part A.

Outpatient and laboratory services—Certain physical therapy and speech pathology services; clinical lab, X-ray and other services of pathologists and radiologists. The coinsurance exemption for inpatient radiology and pathology services only applies where the physician accepts medicare payments as payments in full for all program eligibles.

FINANCING

For the most part, the part A hospital insurance program is financed by means of a special hospital insurance payroll tax levied on employees, employers, and the self-employed. During calendar year 1982 each will pay a tax equal to 1.30 percent of the first \$32,400 of covered yearly earnings. The tax rate is slated to remain at 1.30 percent through 1984 and rise to 1.35 percent in 1985 and 1.45 percent in 1986; covered yearly earnings subject to the tax will be automatically adjusted each year.

The part B supplementary medical insurance program is financed on a current basis from monthly premiums paid by persons insured under the program and from the general revenues of the Treasury. Aged persons protected by the supplementary program pay only about one-quarter of the costs of benefits and program administration while the disabled pay about one-seventh of such costs; the balance is paid for by the Federal Government. The monthly premium charge for enrollees under the part B program is \$11.00 for the period July 1981–June 1982 rising to \$12.20 for the period July 1982–June 1983.

Federal outlays in selected years are shown in table 1.

PAYMENT FOR SERVICES

Payments under medicare are made on the basis of “reasonable costs” to institutional providers and “reasonable charges” to physicians and other practitioners. Specific criteria are established in medicare law and regulations for making these determinations. Institutional providers of services submit bills on behalf of the beneficiary and agree to accept the program’s reasonable cost reimbursement as payment in full for covered services. Beneficiaries are liable only for the applicable deductible and coinsurance amounts in connection with such services.

For services paid on a reasonable charge basis, payment is made either to the doctor or beneficiary depending on whether or not the physician or supplier has accepted assignment for the claim. In the case of assigned claims, beneficiaries are liable for the applicable deductible and coinsurance amounts. In addition, for nonassigned claims, the patient is responsible for any difference between the reasonable charge determined by medicare and the physician’s actual bill.

ADMINISTRATION

The medicare program is administered by the Health Care Financing Administration (HCFA) of the Department of Health and Human Services. Much of the day-to-day operational work of the program is performed by "intermediaries" and "carriers" which have responsibility for reviewing claims for benefits and making payments.

Hospitals and other providers that are paid on a reasonable cost basis can nominate, subject to HCFA's approval, a national, State, or other public or private agency to serve as a fiscal intermediary between themselves and the Federal Government. Presently, there are nine organizations serving as medicare intermediaries: this figure includes the Blue Cross Association which carries out its claims administration activities through 69 statewide and local Blue Cross plans.

Medicare payments that are based on reasonable charges are made by insurance organizations, referred to as carriers, that have been selected by the Secretary to serve specified geographical areas. There are 44 carriers, including 29 Blue Shield plans.

PROGRAM DATA

TABLE 1.—MEDICARE OVERVIEW

[In millions of dollars; fiscal years] ¹

| | 1970 (actual) | 1975 (actual) | 1981 (actual) | 1982 (current law estimate) | 1983 (current law estimate) |
|--|------------------|------------------|------------------|--------------------------------------|--------------------------------------|
| Part A.—Federal Hospital Insurance Trust Fund: | | | | | |
| Federal outlays..... | 4,952.9 | 10,611.5 | 29,248 | 34,280 | 39,241 |
| Persons with protection ² | 20.0 | 23.7 | 28.0 | 28.4 | 28.9 |
| Aged | 20.0 | 21.6 | 25.0 | 25.4 | 25.9 |
| Disabled | | 2.1 | 3.0 | 3.0 | 3.0 |
| Persons receiving services | 4.4 | 5.5 | 7.3 | 7.3 | 7.5 |
| Aged | 4.4 | 4.9 | 6.5 | 6.5 | 6.7 |
| Disabled | | 0.6 | .8 | .8 | .8 |
| Part B.—Federal Supplementary Insurance Trust Fund: | | | | | |
| Federal outlays..... | 2,196.3 | 4,169.9 | 13,240 | 15,520 | 17,858 |
| Persons with protection ² | 19.2 | 23.3 | 27.7 | 28.2 | 28.8 |
| Aged | 19.2 | 21.5 | 24.9 | 25.5 | 26.0 |
| Disabled | | 1.8 | 2.7 | 2.8 | 2.8 |
| Persons receiving services | 9.2 | 12.6 | 18.6 | 19.0 | 19.4 |

TABLE 1.—MEDICARE OVERVIEW—Continued

(In millions of dollars; fiscal years) ¹

| | 1970 (actual) | 1975 (actual) | 1981 (actual) | 1982 (current law estimate) | 1983 (current law estimate) |
|----------------|------------------|------------------|------------------|--------------------------------------|--------------------------------------|
| Aged | 9.2 | 11.2 | 16.8 | 17.1 | 17.6 |
| Disabled | | 1.4 | 1.8 | 1.8 | 1.9 |

¹ Source: Budget of the United States.² Annual average.

PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO's)

PROGRAM DESCRIPTION

The "Social Security Amendments of 1972" provided for the establishment of Professional Standards Review Organizations (PSRO's), which are charged with the comprehensive and on-going review of services provided under medicare, medicaid, and the maternal and child health programs. PSRO's determine, for purposes of reimbursement under these programs, whether services are: (1) medically necessary, (2) provided in accordance with professional standards, and (3) in the case of institutional services, rendered in the appropriate setting.

Public Law 97-35, the "Omnibus Budget Reconciliation Act of 1981," required the Secretary to develop PSRO performance criteria and assess, not later than September 30, 1981, the relative performance of each PSRO in: (1) monitoring the quality of patient care; (2) reducing unnecessary utilization; and (3) managing its activities effectively. Based on this assessment, the Secretary was authorized to terminate up to 30 percent of existing PSRO's during fiscal year 82. Pursuant to this requirement, 46 PSRO's were proposed for termination. Of these, 22 were terminated after appeals, 6 terminated without appeals, and 18 were continued after winning their appeals. However, two of those which were continued after appeals subsequently withdrew. Six additional PSRO's recently withdrew from the program. The total number of operational PSRO's was therefore reduced from 187 in May 1981 to 151 in January 1982. Three of these were slated to discontinue their participation in February and March 1982.

Public Law 97-35 also provided for the optional use of PSRO's under State medicaid plans. States may contract with PSRO's for the performance of required review activities; 75 percent Federal matching is available for this purpose.

PROGRAM DATA

TABLE 1.—PSRO PROGRAM FUNDING

[In millions; fiscal years]

| | 1975 (actual) | 1980 (actual) | 1981 (actual) | 1982 (current law estimate) | 1983 (current law estimate) |
|-----------------------|------------------|------------------|------------------|--------------------------------------|--------------------------------------|
| Program level | \$36.2 | \$155.2 | \$145 | \$109 | \$49 |
| Hospital reviews..... | | 96.6 | 99 | 73 | 34 |
| Other | | 58.6 | 45 | 36 | 15 |

3. UNEMPLOYMENT COMPENSATION

SUMMARY

The unemployment compensation system was enacted as a part of the Social Security Act of 1935 to provide partial wage replacement to qualified unemployed workers during periods of temporary and involuntary unemployment. The program is a joint Federal-State system composed of programs administered by the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

The framework of the unemployment compensation system is established under the provisions of title III of the Social Security Act and the Federal Unemployment Tax Act (FUTA), chapter 23 of the Internal Revenue Code. The major provisions of the program are determined by State laws. In general, States establish eligibility requirements, the number of weeks an individual may collect unemployment compensation, the amount of the weekly benefit, the circumstances under which benefits may be denied, the length of denial, and the State unemployment tax structure.

The 1980 amendments to the Federal law and the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) established certain eligibility requirements and other limitations with respect to the extended benefits program, one-half of which is financed by the Federal Government. In addition, Public Law 97-35 amends FUTA dealing with Federal unemployment loans to the States and modifies eligibility requirements for ex-service members.

FINANCING THE UNEMPLOYMENT COMPENSATION SYSTEM

The unemployment compensation system is financed by State and Federal payroll taxes on employers. Three States also levy unemployment taxes on employees.

Under the Federal Unemployment Tax Act (FUTA), a payroll tax of 3.4 percent on the first \$6,000 of wages is levied on employers who, in the current or last year, employed at least one person for 20 weeks or had a quarterly payroll of at least \$1,500. The FUTA tax is also levied on agricultural employers who employ 10 or more workers for 20 weeks or who have quarterly payrolls of \$20,000 or more, and on employers who pay at least \$1,000 a quarter for services performed by household workers.

If the State's unemployment compensation program meets the requirements of Federal law, as set forth in section 3804 of the Internal Revenue Code, employers in that State receive a 2.7 percent credit against the 3.4 percent Federal unemployment tax. Thus, the Federal tax rate in a State which has an approved program is 0.7

percent. The tax may be higher in States having outstanding unemployment insurance loans from the Federal Government.

Receipts from the Federal tax are deposited in the Federal Unemployment Trust Fund and are used to pay both State and Federal administrative costs associated with the employment compensation and State employment service programs, to fund 50 percent of the extended benefits paid to unemployed workers under the Federal-State Extended Unemployment Compensation Act of 1970, and to maintain a loan fund from which an individual State may borrow (title XII of the Social Security Act) whenever it lacks funds to pay State unemployment compensation benefits due for a month.

States also levy unemployment compensation taxes on covered, private employers in the State. State taxes finance regular State benefits and one-half the cost of extended benefits. State unemployment funds are deposited with the Federal Government in the unemployment trust fund, which is a part of the unified Federal budget. States then pay benefits from this fund.

The method and level of taxation varies considerably among the States. Most States have a number of tax rate schedules and will use higher or lower schedules depending on the solvency of the State's trust fund. All jurisdictions, with the exception of Puerto Rico and the Virgin Islands, provide a system of experience rating under which State tax rates vary among employers according to the total amount of unemployment benefits that have recently been paid to former employees of each employer. Federal law requires that no reduced rate (usually a rate below 2.7 percent) may be assigned to an employer except on the basis of the employer's experience rating.

In 1981, the estimated average State tax rate was 2.4 percent of taxable wages, ranging from 0.5 percent in Texas to 4.0 percent in Michigan. All States have a wage base of at least \$6,000. Twenty-four States have a higher wage base, ranging from \$6,600 to \$14,600. In 1981, 22 jurisdictions increased their unemployment tax wage base by amounts ranging from \$200 to \$2,000. The average increase was \$930.

In the case of nonprofit organizations and government entities, Federal law requires the State to provide the employer the option of reimbursing the fund for the actual cost of benefits to unemployed workers rather than being taxed.

Table 1 shows the tax base in each State, the payroll tax rate as a percent of taxable wages and all wages, and those States not receiving the maximum Federal credit of 2.7 percent because of outstanding Federal unemployment loans.

TABLE 1.—STATE UNEMPLOYMENT TAX DATA

| State | 1982 tax base | Estimated 1981 average tax rates as a percent of— | | 1982 Federal credit (percent) |
|---------------------------|---------------|---|-----------|-------------------------------|
| | | Taxable wages | All wages | |
| U.S. average..... | (1) | 2.4 | 1.0 | (2) |
| Alabama | \$6,600 | 1.8 | 1.0 | 2.7 |
| Alaska | 14,600 | 3.3 | 2.1 | 2.7 |
| Arizona..... | 6,000 | 1.6 | 0.6 | 2.7 |
| Arkansas | 6,900 | 1.4 | 1.3 | 2.7 |
| California..... | 6,000 | 2.6 | 1.0 | 2.7 |
| Colorado | 6,000 | 0.8 | 0.4 | 2.7 |
| Connecticut | 6,000 | 2.2 | 0.8 | 2.0 |
| Delaware | 6,600 | 3.0 | 0.9 | 2.1 |
| District of Columbia..... | 7,500 | 2.6 | 1.0 | 2.1 |
| Florida..... | 6,000 | 1.1 | 0.5 | 2.7 |
| Georgia..... | 6,000 | 1.4 | 0.7 | 2.7 |
| Hawaii..... | 13,000 | 1.6 | 1.1 | 2.7 |
| Idaho..... | 13,200 | 1.9 | 1.3 | 2.7 |
| Illinois | 7,000 | 3.3 | 1.3 | 2.1 |
| Indiana..... | 6,000 | 1.7 | 0.7 | 2.1 |
| Iowa..... | 8,700 | 2.4 | 1.3 | 2.7 |
| Kansas | 7,800 | 2.1 | 1.0 | 2.7 |
| Kentucky | 6,000 | 3.2 | 1.4 | 2.7 |
| Louisiana..... | 6,000 | 2.0 | 1.0 | 2.7 |
| Maine..... | 6,000 | 3.1 | 1.5 | 2.1 |
| Maryland | 6,000 | 2.8 | 1.0 | 2.7 |
| Massachusetts..... | 6,000 | 3.3 | 1.5 | 2.7 |
| Michigan | 6,000 | 4.0 | 1.7 | 2.7 |
| Minnesota..... | 8,000 | 1.9 | 0.9 | 2.7 |
| Mississippi..... | 6,000 | 2.1 | 1.0 | 2.7 |
| Missouri | 6,600 | 1.6 | 0.6 | 2.7 |
| Montana | 8,000 | 2.9 | 1.6 | 2.7 |
| Nebraska | 6,000 | 1.7 | 0.7 | 2.7 |
| Nevada..... | 9,300 | 2.4 | 1.4 | 2.7 |
| New Hampshire..... | 6,000 | 1.3 | 0.6 | 2.7 |
| New Jersey..... | 8,200 | 3.4 | 1.6 | 2.1 |
| New Mexico..... | 8,500 | 1.8 | 1.0 | 2.7 |
| New York | 6,000 | 3.2 | 1.2 | 2.7 |
| North Carolina | 6,000 | 1.7 | 0.9 | 2.7 |
| North Dakota..... | 9,240 | 2.6 | 1.5 | 2.7 |
| Ohio | 6,000 | 2.8 | 1.1 | 2.7 |
| Oklahoma | 6,000 | 0.9 | 0.4 | 2.7 |

TABLE 1.—STATE UNEMPLOYMENT TAX DATA—Continued

| State | 1982 tax base | Estimated 1981 average tax rates as a percent of— | | 1982 Federal credit (percent) |
|--------------------------------|------------------|---|-----------|-------------------------------|
| | | Taxable wages | All wages | |
| Oregon | \$11,000 | 3.0 | 1.8 | 2.7 |
| Pennsylvania | 6,600 | 3.6 | 1.5 | 2.1 |
| Puerto Rico ³ | (³) | 3.0 | 3.0 | 2.1 |
| Rhode Island..... | 8,600 | 4.2 | 2.3 | 2.1 |
| South Carolina..... | 6,000 | 2.1 | 1.1 | 2.7 |
| South Dakota | 6,000 | 1.7 | 0.9 | 2.7 |
| Tennessee..... | 6,000 | 2.4 | 0.9 | 2.7 |
| Texas..... | 6,000 | 0.6 | 0.2 | 2.7 |
| Utah..... | 12,300 | 1.7 | 1.2 | 2.7 |
| Vermont..... | 6,000 | 3.2 | 1.5 | 2.1 |
| Virginia..... | 6,000 | 1.9 | 0.8 | 2.7 |
| Virgin Islands | 8,000 | 3.7 | 2.2 | 2.1 |
| Washington..... | 10,800 | 3.0 | 1.7 | 2.7 |
| West Virginia..... | 8,000 | 2.8 | 1.1 | 2.7 |
| Wisconsin..... | 6,000 | 2.6 | 1.1 | 2.7 |
| Wyoming..... | 6,000 | 0.9 | 0.4 | 2.7 |

¹ The 1982 tax base is \$6,000 except as otherwise shown in this column

² All figures are 2.7 percent except as otherwise shown in this column. To the extent that this credit is lower than 2.7 percent, these additional taxes are due January 30, 1982.

³ All wages are taxable.

Note.—This table shows the State unemployment tax levels. It does not include the Federal unemployment taxes.

Source: Department of Labor (based on estimates by State agencies).

Table 2 shows recent data on unemployment compensation-covered employment, wages, taxable wages, the ratio of taxable to total wages, and average weekly wages.

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981

| State | Average employment (thousands) | Total wages ¹ (millions) | Taxable wages (millions) | Ratio of taxable wages to total wages | Average weekly wages for UI |
|--------------------|--------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----------------------------|
| United States..... | 87,337 | \$1,251,991 | \$472,176 | 0.38 | \$278 |
| Alabama..... | 1,251 | 15,936 | 6,721 | 0.42 | 245 |
| Alaska..... | 151 | 3,584 | 1,394 | 0.39 | 458 |
| Arizona..... | 984 | 13,665 | 5,202 | 0.38 | 267 |
| Arkansas..... | 708 | 8,328 | 3,692 | 0.44 | 226 |
| California..... | 9,822 | 152,454 | 53,198 | 0.35 | 299 |

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981—Continued

| State | Average employment (thousands) | Total wages ¹ (millions) | Taxable wages (millions) | Ratio of taxable wages to total wages | Average weekly wages for UI |
|---------------------------------|--------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----------------------------|
| Colorado ² | 1,191 | \$17,435 | \$6,623 | 0.38 | 282 |
| Connecticut ³ | 1,391 | 20,428 | 7,365 | 0.36 | 283 |
| Delaware | 249 | 3,841 | 1,223 | 0.32 | 296 |
| District of Columbia..... | 372 | 6,267 | 1,864 | 0.30 | 324 |
| Florida | 3,876 | 45,046 | 19,104 | 0.42 | 224 |
| Georgia..... | 2,036 | 26,388 | 10,712 | 0.41 | 249 |
| Hawaii..... | 384 | 5,020 | 2,759 | 0.55 | 251 |
| Idaho..... | 303 | 3,898 | 2,149 | 0.55 | 248 |
| Illinois | 4,444 | 70,643 | 27,208 | 0.39 | 306 |
| Indiana | 2,036 | 29,628 | 10,505 | 0.35 | 280 |
| Iowa..... | 1,051 | 13,897 | 5,662 | 0.41 | 254 |
| Kansas | 890 | 11,745 | 4,423 | 0.38 | 254 |
| Kentucky | 1,109 | 14,946 | 5,634 | 0.38 | 259 |
| Louisiana | 1,519 | 22,212 | 8,680 | 0.39 | 281 |
| Maine..... | 393 | 4,572 | 1,895 | 0.41 | 224 |
| Maryland ² | 1,552 | 21,119 | 7,183 | 0.34 | 262 |
| Massachusetts..... | 2,538 | 35,262 | 13,610 | 0.39 | 267 |
| Michigan | 3,204 | 54,546 | 16,231 | 0.30 | 327 |
| Minnesota..... | 1,684 | 23,716 | 9,737 | 0.41 | 271 |
| Mississippi..... | 770 | 8,744 | 3,841 | 0.44 | 218 |
| Missouri | 1,846 | 25,515 | 9,281 | 0.36 | 266 |
| Montana..... | 251 | 3,199 | 2,004 | 0.63 | 245 |
| Nebraska..... | 585 | 7,183 | 2,642 | 0.37 | 236 |
| Nevada..... | 390 | 5,594 | 2,885 | 0.52 | 276 |
| New Hampshire..... | 374 | 4,591 | 1,864 | 0.41 | 236 |
| New Jersey..... | 2,962 | 45,165 | 17,246 | 0.38 | 293 |
| New Mexico..... | 415 | 5,423 | 2,346 | 0.43 | 251 |
| New York | 6,950 | 110,517 | 34,360 | 0.31 | 306 |
| North Carolina | 2,288 | 27,625 | 11,738 | 0.43 | 232 |
| North Dakota..... | 213 | 2,625 | 1,153 | 0.44 | 237 |
| Ohio | 4,088 | 61,874 | 20,746 | 0.34 | 291 |
| Oklahoma | 1,089 | \$15,375 | \$5,980 | 0.39 | \$272 |
| Oregon | 983 | 14,116 | 6,977 | 0.49 | 276 |
| Pennsylvania ² | 4,464 | 64,483 | 22,721 | 0.35 | 278 |
| Puerto Rico ² | 712 | 5,975 | 4,261 | 0.71 | 161 |
| Rhode Island..... | 388 | 4,858 | 2,109 | 0.43 | 241 |
| South Carolina..... | 1,121 | 13,394 | 5,686 | 0.42 | 230 |
| South Dakota | 214 | 2,352 | 955 | 0.42 | 211 |

TABLE 2.—12-MONTH AVERAGE EMPLOYMENT AND TOTAL WAGES COVERED BY UNEMPLOYMENT INSURANCE (UI) FOR PERIOD ENDING MARCH 1981—Continued

| State | Average employment (thousands) | Total wages ¹ (millions) | Taxable wages (millions) | Ratio of taxable wages to total wages | Average weekly wages for UI |
|-------------------------------|--------------------------------|-------------------------------------|--------------------------|---------------------------------------|-----------------------------|
| Tennessee ² | 1,642 | \$20,707 | \$8,418 | 0.41 | 243 |
| Texas..... | 5,651 | 83,488 | 32,246 | 0.39 | 284 |
| Utah..... | 486 | 6,621 | 3,548 | 0.54 | 262 |
| Vermont | 189 | 2,252 | 899 | 0.40 | 229 |
| Virginia ³ | 1,924 | 24,760 | 10,100 | 0.41 | 248 |
| Virgin Islands | 37 | 424 | 161 | 0.38 | 221 |
| Washington ² | 1,527 | 23,038 | 11,198 | 0.49 | 290 |
| West Virginia..... | 600 | 8,888 | 3,174 | 0.36 | 285 |
| Wisconsin..... | 1,844 | 25,434 | 8,656 | 0.34 | 265 |
| Wyoming..... | 201 | 3,190 | 1,209 | 0.38 | 306 |

¹ Total wages exceed taxable wages because wages from reimbursable employers are included in the former and because wage base is limited.

² Data estimated for 1 quarter.

³ Data estimated for 3 quarters.

COVERAGE

More than 87 million workers, or about 97 percent of wage and salary workers, are covered by the unemployment compensation system. (See Table 3.) "Covered" employment is employment subject to the Federal and/or State unemployment taxes; or, employment (such as employment for State and local governments and nonprofit organizations) that States are required by Federal law to cover under their programs even though such employment is not subject to the Federal unemployment tax.

As already noted, an employer is subject to the Federal unemployment tax if, during the current or last year, he employed one or more individuals during some part of a day in each of at least 20 calendar weeks, or if he paid wages of \$1,500 or more during one calendar quarter of either year. In addition, agricultural employers who employ 10 or more farmworkers in 20 weeks or have quarterly payrolls for agricultural services of \$20,000 or more are covered. Also covered are employers who pay \$1,000 cash wages or more in a quarter to domestic workers. Federal law also requires coverage of employment for nonprofit organizations with four or more workers and coverage of employment for State and local governments.

Failure by a State to cover employment required to be covered under Federal law results in employers in the State being denied the credit against the Federal tax. Further, employees not covered under State law are not eligible for benefits if they become unemployed. Hence, coverage in all States is at least as broad as Federal law with minor exceptions.

Where employment is specifically exempt from Federal taxation, under the provisions of FUTA, a State may provide coverage at its option. Employment *exempt* under Federal law includes self-employment, employment for relatives, employment of a student by a school or university, and employment of agricultural or domestic workers which does not meet the quarterly payroll minimum specified above. Most States have chosen not to cover this exempt employment, although some States cover a portion of the services.

TABLE 3.—UNEMPLOYMENT COMPENSATION PROGRAM STATISTICS

| | Fiscal year— | | | | | | | |
|---|--------------|-------|-------|-------|-------|--------|--------------------|--------------------|
| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 (estimate) | 1983 (estimate) |
| Total unemployment rate (percent) | 8.0 | 7.4 | 6.2 | 5.8 | 6.8 | 7.4 | 8.9 | 8.1 |
| Insured unemployment rate (percent) ¹ | 5.0 | 4.1 | 3.5 | 3.1 | 3.8 | 3.5 | 4.7 | 4.5 |
| Coverage (millions of individuals) | 66.6 | 70.0 | 79.9 | 86.1 | 87.0 | 88.2 | 88.1 | 90.6 |
| Average weekly benefit amount (dollars) | 71.75 | 75.80 | 80.40 | 85.00 | 95.70 | 101.60 | 107.9 | 113.7 |
| State unemployment compensation: | | | | | | | | |
| Claimants (millions of individuals) | 8.657 | 8.358 | 7.647 | 7.797 | 9.906 | 8.777 | 11.300 | 10.400 |
| Regular benefit exhaustions (millions of individuals) | 4.1 | 2.9 | 2.2 | 2.0 | 2.7 | 3.2 | 3.7 | 4.4 |
| Regular benefits paid (billions of dol- lars) | 10.24 | 8.94 | 8.32 | 8.74 | 12.95 | 13.46 | 19.47 | 19.24 |
| Extended benefits (State share: bil- lions of dollars) | 1.41 | 0.95 | 0.51 | 0.12 | 0.56 | 1.06 | 1.61 | 0.67 |
| State tax collections (billions of dol- lars) | 6.40 | 9.25 | 11.03 | 12.27 | 11.91 | 12.37 | 12.54 | 14.25 |
| State trust fund impact (Income-out- lays: billions of dollars) | -5.25 | -0.64 | +2.20 | +3.41 | -1.60 | -6.03 | -8.53 | -5.66 |
| Federal unemployment compensation accounts: | | | | | | | | |
| Federal tax collections (billions of dol- lars) | 1.53 | 1.87 | 2.60 | 2.91 | 3.19 | 3.26 | 3.20 | 3.35 |
| Outlays: Federal extended benefits share plus Federal supplemental benefits (billions of dollars) | 4.98 | 2.61 | 0.69 | 0.12 | 0.56 | 1.06 | 1.61 | 0.67 |

Administrative costs (billions of dollars):

| | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Unemployment Insurance Service | 0.88 | 0.96 | 0.93 | 0.97 | 1.15 | 1.32 | NA | NA |
| Employment Service | 0.54 | 0.60 | 0.64 | 0.70 | 0.73 | 0.78 | NA | NA |
| Total administrative costs | 1.42 | 1.56 | 1.57 | 1.67 | 1.88 | 2.10 | 2.28 | 2.34 |

¹ The percent of workers covered under State unemployment compensation programs who collected unemployment compensation benefits.

NA—Not available.

Sources: Office of Research, Legislation and Program Policies/ETA/UIS/DOL, Division of Actuarial Services, and U.S. Budget Appendixes.

BENEFITS

The States have developed diverse methods for determining if an individual qualifies for unemployment compensation and, if so, the amount and duration of his or her weekly payments. Among the most important of these factors are (1) a demonstrated ability and willingness to seek and accept suitable employment, (2) specified disqualifications related primarily to the circumstances of separation from the most recent employment and refusal of a job offer, and (3) the amount of employment and wages prior to becoming unemployed.

Eligibility conditions

All State laws provide that, to receive benefits, a claimant must be (1) able to work and (2) available for work. These requirements are positive conditions that must be continually met in order to receive benefits.

Only minor variations exist in State laws setting forth the requirements concerning "ability to work." A few States specify that a claimant must be mentally and physically able to work.

"Available for work" is often translated to mean being ready, willing, and able to work. In addition to registration for work at a local employment office, most State laws require that a claimant be actively seeking work or making a reasonable effort to obtain work. Without good cause, a person generally may not refuse an offer of or referral to "suitable work."

"Suitable work" is generally work in a claimant's customary occupation, which meets certain health, safety, moral, and labor standards. Most State laws list certain criteria by which the "suitability" of a work offer is to be tested. The usual criteria include the degree of risk to a claimant's health, safety, and morals; the physical fitness and prior training, experience, and earnings of the person; the length of unemployment and prospects for securing local work in a customary occupation; and the distance of the available work from the claimant's residence. Generally, as the length of unemployment increases the claimant is required to accept a wider range of jobs.

In addition, Federal law requires States to deny benefits provided under the extended benefit program to any individual who fails to accept any work that is offered in writing or is listed with the State employment service, or fails to apply for any work to which he or she is referred by the State agency, if the work is within the person's capabilities, pays wages equal to the highest of the Federal or any State or local minimum wage, pays a gross weekly wage that exceeds the person's average weekly unemployment compensation benefits plus any supplemental unemployment compensation, and is consistent with the State definition of "suitable" work in other respects.

States must refer extended benefits claimants to any job meeting these requirements. If the State, based on information provided by the individual, determines that the individual's prospects for obtaining work in his or her customary occupation within a reasonably short period are good, the determination of whether any work

is "suitable work" is made in accordance with State law rather than the above.

There are certain circumstances under which Federal law provides that State and extended benefits may not be denied. A State may not deny benefits to an otherwise eligible individual for refusing to accept new work under any of the following conditions: (1) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than in those prevailing for similar work in the locality; (3) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization. Further, benefits may not be denied solely on the grounds of pregnancy. The State is prohibited from canceling wage credits or totally denying benefits except in cases of misconduct, fraud, or receipt of disqualifying income.

There are also certain conditions under which Federal law requires that benefits be denied. For example, benefits must be denied to teachers and other professional employees of education institutions during summer (and other vacation periods) if they have a reasonable assurance of reemployment; to professional athletes between sport seasons; and to aliens not legally admitted to work in the United States.

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982

| State | Weekly benefit amount ¹ | | Required total earnings in base year ² | | Minimum work in base year (quarters) ³ | Average weekly benefit |
|---------------------------|------------------------------------|---------|---|----------------------------|---|------------------------|
| | Minimum | Maximum | For minimum weekly benefit | For maximum weekly benefit | | |
| Alabama..... | \$15 | \$90 | \$522 | \$3,204 | 2 | 75 |
| Alaska..... | 34-58 | 150-222 | 1,000 | 15,500 | 2 | 118 |
| Arizona..... | 25 | 95 | 938 | 3,544 | 2 | 85 |
| Arkansas..... | 31 | 136 | 930 | 4,080 | 2 | 88 |
| California..... | 30 | 136 | 1,100 | 4,641 | ..... | 89 |
| Colorado..... | 25 | 176 | 750 | 18,201 | ..... | 116 |
| Connecticut..... | 15-22 | 146-196 | 600 | 5,840 | 2 | 104 |
| Delaware..... | 20 | 150 | 720 | 5,400 | ..... | 103 |
| District of Columbia..... | 13-14 | 206 | 450 | 7,071 | 2 | 128 |
| Florida..... | 10 | 125 | 400 | 4,960 | 2 | 78 |
| Georgia..... | 27 | 115 | 413 | 4,275 | 2 | 77 |
| Hawaii..... | 5 | 169 | 150 | 5,070 | 2 | 109 |
| Idaho..... | 36 | 145 | 1,138 | 4,680 | 2 | 97 |
| Illinois..... | 45 | 148-198 | 3,829 | 4,214 | 2 | 130 |
| Indiana..... | 40 | 84-141 | 1,500 | 2,413 | 2 | 89 |
| Iowa..... | 17-18 | 146-176 | 600 | 4,168 | 2 | 120 |
| Kansas..... | 37 | 149 | 1,110 | 4,470 | 2 | 109 |

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982—
Continued

| State | Weekly benefit amount ¹ | | Required total earnings in base year ² | | Minimum work in base year (quarters) ³ | Average weekly benefit |
|----------------------|------------------------------------|---------|---|----------------------------|---|------------------------|
| | Minimum | Maximum | For minimum weekly benefit | For maximum weekly benefit | | |
| Kentucky | 22 | 140 | 1,000 | 4,412 | 2 | 100 |
| Louisiana | 10 | 183 | 300 | 5,490 | ..... | 114 |
| Maine | 20-25 | 115-173 | 1,322 | 2,519 | 2 | 85 |
| Maryland | 25-28 | 140 | 900 | 5,040 | 2 | 97 |
| Massachusetts | 12-18 | 156-234 | 1,200 | 4,030 | ..... | 100 |
| Michigan | 41-44 | 182 | ⁴ 1,318 | ⁴ 5,850 | 2 | 115 |
| Minnesota | 30 | 177 | 750 | 6,345 | 2 | 122 |
| Mississippi | 10 | 90 | 360 | 3,240 | 2 | 72 |
| Missouri | 14 | 105 | 450 | 3,150 | 2 | 87 |
| Montana | 36 | 145 | 1,000 | 5,780 | 2 | 101 |
| Nebraska | 12 | 106 | 600 | 2,750 | 2 | 92 |
| Nevada | 16 | 136 | 562 | 5,063 | 2 | 103 |
| New Hampshire | 26 | 132 | 1,700 | 16,500 | 2 | 81 |
| New Jersey | 20 | 145 | 600 | 4,340 | 2 | 103 |
| New Mexico | 26 | 130 | 813 | 4,193 | 2 | 87 |
| New York | 25 | 125 | 800 | 4,980 | 2 | 91 |
| North Carolina | 15 | 152 | 1,368 | 5,909 | 2 | 85 |
| North Dakota | 42 | 156 | 1,680 | 6,240 | 2 | 112 |
| Ohio | 10 | 147-233 | 400 | 5,840 | 2 | 124 |
| Oklahoma | 16 | 176 | 1,000 | 6,563 | 2 | 106 |
| Oregon | 41 | 158 | 1,000 | 12,600 | 2 | 103 |
| Pennsylvania | 35-40 | 190-198 | 1,320 | 7,520 | 2 | 116 |
| Rhode Island | 35-40 | 143-163 | 1,240 | 5,163 | 2 | 93 |
| South Carolina | 10 | 118 | 300 | 4,563 | 2 | 82 |
| South Dakota | 28 | 129 | 1,568 | 7,198 | 2 | 102 |
| Tennessee | 20 | 110 | 720 | 3,960 | 2 | 80 |
| Texas | 21 | 147 | 750 | 5,475 | 2 | 94 |
| Utah | 10 | 166 | 700 | 4,290 | 2 | 110 |
| Virgin Islands | 15 | 115 | 396 | 3,450 | 2 | 68 |
| Vermont | 18 | 135 | 700 | 5,380 | 2 | 90 |
| Virginia | 44 | 138 | 2,200 | 6,901 | 2 | 94 |
| Washington | 45 | 163 | 1,113 | 4,062 | ..... | 112 |
| West Virginia | 18 | 194 | 1,150 | 18,200 | 2 | 106 |
| Wisconsin | 34 | 179 | 990 | 5,340 | 2 | 119 |
| Wyoming | 24 | 165 | 958 | 6,560 | 2 | 116 |

TABLE 4.—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS IN 1982—
Continued

| State | Weekly benefit amount ¹ | | Required total earnings in base year ² | | Minimum work in base year (quarters) ³ | Average weekly benefit |
|-------------------|------------------------------------|---------|---|----------------------------|---|------------------------|
| | Minimum | Maximum | For minimum weekly benefit | For maximum weekly benefit | | |
| Puerto Rico | 7 | 84 | 280 | 3,360 | 2 | 55 |

¹ A range of amounts is shown for those States which provide dependents' allowances.

² In some States larger total earnings may be required in order for the benefits to be paid for the maximum number of weeks.

³ Required to qualify for minimum benefits. "2Q" denotes that State directly or indirectly requires work in at least 2 quarters of the base year. States without an entry have the minimum work requirement specified as a wage amount.

⁴ Effective March 31, 1981, through March 31, 1983. Michigan's weekly benefit amount is 70 percent of an individual's average weekly after-tax wage up to 58 percent of the State's average weekly wage. The qualifying wage is 20 times the State minimum hourly wage for 18 weeks. Figures shown were calculated by assuming that the after-tax wage is 80 percent of the pre-tax wage $((41 \times 18) / (0.7 \times 0.8) = 1,318$; and $(182 \times 18) / (0.7 \times 0.8) = 5,850$).

Source: Department of Labor.

Amount and Duration of Weekly Benefits

All States require that in order to receive benefits an individual must have earned a specified amount of wages and/or worked for a certain period of time prior to filing for unemployment compensation. The amount of wages or duration of previous unemployment that is required varies significantly from State to State. In general, the amount of a qualified claimant's weekly payment (up to a maximum amount specified in State law), and the number of weeks he or she can draw benefits, vary according to the claimant's previous wages.

The period of past wages used and the formulas for computing benefits from these past wages vary greatly among the States. In most of the States, the formula is designed to compensate for a fraction of the full-time weekly wage the individual was receiving while working, within the limits of State established minimum and maximum benefit amounts. Most of the States use a formula which determines benefits on the basis of wages earned in that quarter of recent employment in which wages were highest. A worker's weekly benefit rate, intended to represent a certain proportion of his or her average weekly wages in the high quarter, is computed directly from these wages. Table 4 provides information on the weekly benefit amounts payable in each State.

In most States, the number of weeks a person can collect benefits varies according to the amount of previous wages earned or weeks of employment prior to unemployment. Ten States provide "uniform duration" of benefits and entitle all qualifying claimants to the same maximum potential number of weeks of benefits, although the weekly benefit amount varies according to each claimant's previous employment record. Generally, States provide

up to a maximum of 26 weeks of State unemployment compensation benefits to unemployed individuals who meet the qualifying requirements of State law. As shown in Table 5, many claimants qualify for less than the maximum 26 weeks, and in 8 States, claimants may receive more than 26 weeks of State benefits. In fiscal year 1981, the average length of time a recipient received benefits was 15.4 weeks.

During 1981, the minimum duration (in weeks) of regular unemployment benefits increased in eight States; the minimum and maximum duration decreased in one State. Minimum weekly benefit amounts increased in 23 States. The maximum weekly benefit payable as well as the required base year earnings increased in all but 3 jurisdictions.

TABLE 5.—DURATION (IN WEEKS) OF REGULAR UNEMPLOYMENT BENEFITS IN 1982 ¹

| State | Minimum potential duration | Maximum potential duration | Earnings in base year required for maximum potential benefits ² |
|---------------------------|----------------------------|----------------------------|--|
| Alabama..... | 11 | 26 | \$7,017 |
| Alaska..... | 14 | 26 | 15,500 |
| Arizona..... | 12 | 26 | 7,409 |
| Arkansas..... | 10 | 26 | 10,605 |
| California..... | 12 | 26 | 7,070 |
| Colorado..... | 7 | 26 | 18,201 |
| Connecticut..... | 26 | 26 | 5,840 |
| Delaware..... | 18 | 26 | 7,798 |
| District of Columbia..... | 17 | 34 | 14,006 |
| Florida..... | 10 | 26 | 12,897 |
| Georgia..... | 4 | 26 | 11,956 |
| Hawaii..... | 26 | 26 | 5,070 |
| Idaho..... | 10 | 26 | 12,168 |
| Illinois..... | 26 | 26 | 4,214 |
| Indiana..... | 9 | 26 | 8,736 |
| Iowa..... | 15 | 26 | 11,388 |
| Kansas..... | 10 | 26 | 11,619 |
| Kentucky..... | 15 | 26 | 10,919 |
| Louisiana..... | 12 | 28 | 12,808 |
| Maine..... | 7 | 26 | 8,969 |
| Maryland..... | 26 | 26 | 5,040 |
| Massachusetts..... | 9 | 30 | 12,997 |
| Michigan..... | 13 | 26 | ³ 6,309 |
| Minnesota..... | 11 | 26 | 13,061 |
| Mississippi..... | 12 | 26 | 7,017 |

TABLE 5.—DURATION (IN WEEKS) OF REGULAR UNEMPLOYMENT BENEFITS IN 1982 ¹—
Continued

| State | Minimum potential duration | Maximum potential duration | Earnings in base year required for maximum potential benefits ² |
|----------------------|----------------------------|----------------------------|--|
| Missouri | 10 | 26 | 8,190 |
| Montana | 8 | 26 | 12,210 |
| Nebraska | 17 | 26 | 8,189 |
| Nevada | 11 | 26 | 10,605 |
| New Hampshire | 26 | 26 | 16,500 |
| New Jersey | 15 | 26 | 7,595 |
| New Mexico | 18 | 26 | 5,632 |
| New York | 26 | 26 | 4,980 |
| North Carolina | 13 | 26 | 11,856 |
| North Dakota | 12 | 26 | 11,929 |
| Ohio | 20 | 26 | 7,592 |
| Oklahoma | 20 | 26 | 13,725 |
| Oregon | 8 | 26 | 12,600 |
| Pennsylvania | 26 | 30 | 7,520 |
| Rhode Island | 12 | 26 | 10,844 |
| South Carolina | 10 | 26 | 9,201 |
| South Dakota | 18 | 26 | 10,059 |
| Tennessee | 12 | 26 | 8,577 |
| Texas | 9 | 26 | 14,152 |
| Utah | 10 | 36 | 14,157 |
| Virgin Islands | 26 | 26 | 3,450 |
| Vermont | 26 | 26 | 5,380 |
| Virginia | 12 | 26 | 13,800 |
| Washington | 16 | 30 | 14,669 |
| West Virginia | 28 | 28 | 18,200 |
| Wisconsin | 1 | 34 | 15,308 |
| Wyoming | 12 | 26 | 13,750 |
| Puerto Rico | 20 | 20 | 3,360 |

¹ Based on benefits for total unemployment. Amounts payable can be stretched out over a longer period in the case of partial unemployment.

² Based on maximum weekly benefit amount paid for maximum number of weeks. Total potential benefits equals a worker's weekly benefit amount times his potential duration.

³ Effective March 31, 1981, through March 31, 1983. Michigan's weekly benefit amount is 70 percent of an individual's average weekly after tax wage up to 58 percent of the State's average weekly wage. The current maximum is \$182 per week. The figure of \$6,309 was calculated based on $\$182 ((182 \times 26) / 0.75 = 6,309)$.

Source: Department of Labor.

Disqualifications

The major causes for disqualification from benefits are not being able to work or available for work, voluntary separation from work without good cause, discharge for misconduct connected with the work, refusal of suitable work without good cause, and unemployment resulting from a labor dispute. Disqualification for one of these reasons may result in a postponement of benefits for some prescribed period, a cancellation of benefit rights, or a reduction of benefits otherwise payable.

Of the 23.5 million "monetarily eligible" initial UI claimants in fiscal year 1980, 19.2 percent were disqualified. This figure subdivides into 5.6 percent for not being able to work or available for work, 5.7 percent for voluntarily leaving a job without good cause, 2.9 percent for being fired for misconduct on the job, 0.3 percent for refusing suitable work, and 4.7 percent for committing other disqualifying acts. The total disqualification rate ranged from a low of 5.7 percent in North Carolina to a high of 88.4 percent in Nebraska.

Service members who leave the military at the end of an enlistment period are disqualified from benefits if they were eligible to reenlist. Specifically, effective for separations from military service occurring on or after July 1, 1981, federally financed unemployment benefits are not payable unless the individual: (1) was discharged or released under honorable conditions; (2) did not resign or voluntarily leave the service; and (3) was not released or discharged for cause as defined by the Department of Defense. The provision is effective with respect to weeks of unemployment beginning after August 13, 1981.

Federal law requires that benefits provided under the extended benefits program will be denied to an individual for the entire period of his or her unemployment if he or she was disqualified from receiving State benefits because of voluntarily leaving employment, discharge for misconduct, or refusal of suitable work. Extended benefits will be denied even though the disqualification was subsequently lifted with respect to the State benefits prior to reemployment. The person could receive extended benefits if the disqualification is lifted because he or she became reemployed and met the work or wage requirement of State law.

Pension offset

In addition, Federal law requires that an individual's unemployment benefit must be reduced by the amount of any public or private work-related pension income a claimant is receiving if such pension was maintained or contributed to by a base period or chargeable employer. In determining the amount of the offset, States are permitted to take into account any employee contributions to the pension. Because almost all employers are covered by the social security old-age and survivor's program and contribute social security payroll taxes to the social security trust fund, most social security old-age recipients who claim unemployment compensation are subject to this pension offset.

FEDERAL UNEMPLOYMENT LOANS TO STATES

A State that has depleted its own unemployment funds may receive Federal loans as necessary to pay regular State benefits. States that borrow funds have two to three years to repay the loan, depending on the month the loan is received. (Technically, a State has until November 10 of the calendar year in which the second consecutive January 1 passes with the State still having an outstanding advance. This means that a State may have from 22 months and 10 days to 34 months and 10 days to repay the advance, depending on when it obtained the outstanding loan.) If a State does not fully repay the loan within the two to three year period, employers in the State become subject to an annual reduction in the 2.7 percent credit against the 3.4 percent FUTA tax of 0.3 percent. In other words, the 0.7 percent *net* Federal unemployment tax rate becomes subject to annual increases up to a maximum of 3.4 percent until sufficient revenue has been raised to repay the State's entire outstanding loan balance (See Figure 1).

The Omnibus Budget Reconciliation Act of 1981 modifies FUTA provisions regarding Federal unemployment loans to the States. Effective April 1, 1982 through December 31, 1987, States will be charged interest on new loans that are not repaid by the end of the fiscal year in which they are obtained. Under previous law, States could receive these loans interest-free. The interest rate will be the same rate as that paid by the Federal Government on State reserves in the Federal Unemployment Trust Fund for the quarter ending December 31 of the preceding year, but not higher than 10 percent per annum. A State may not pay the interest directly or indirectly from funds in their State accounts in the Federal Unemployment Trust Fund.

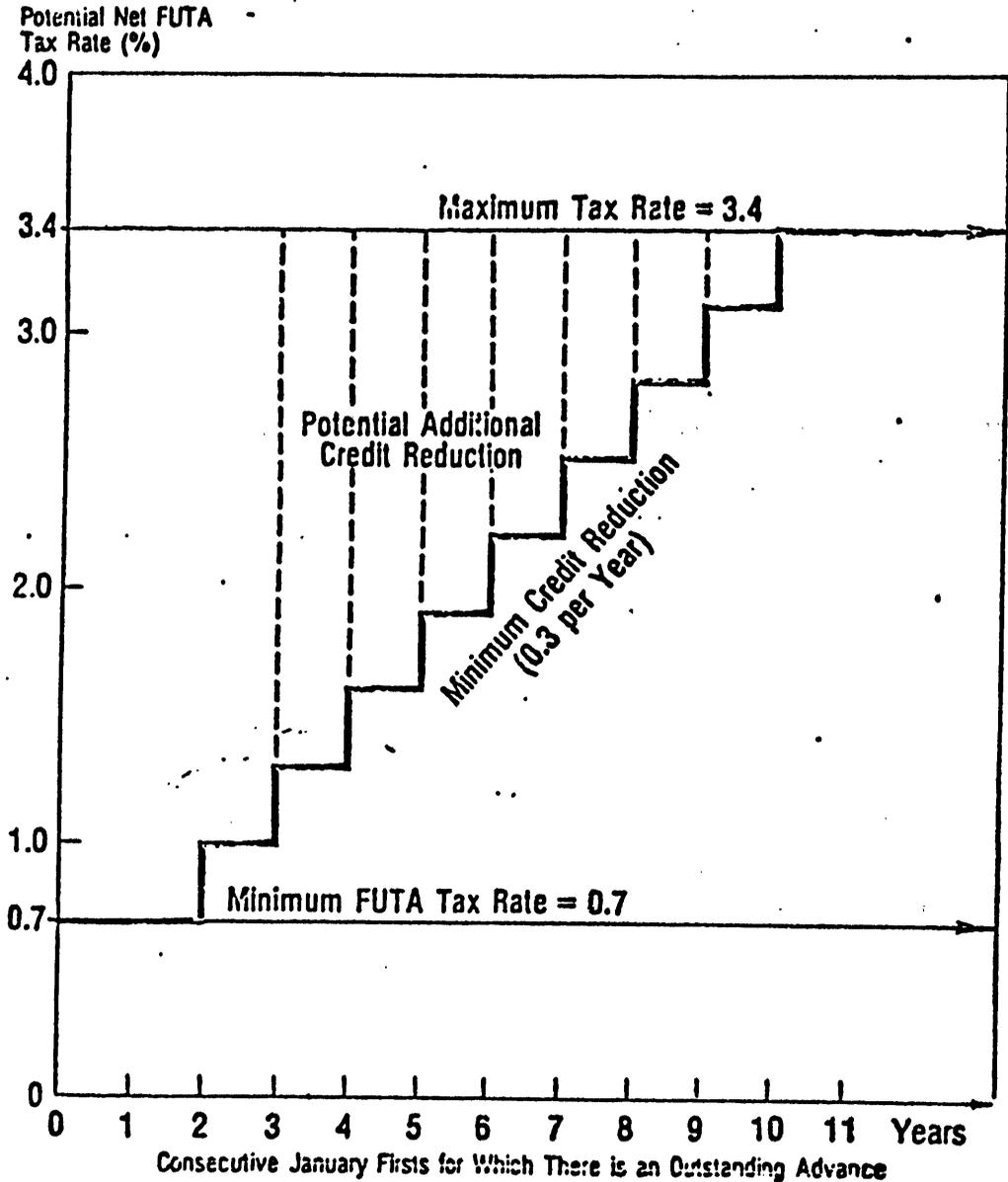
Effective for taxable years beginning January 1, 1981, and ending December 31, 1987, in States that meet certain solvency requirements, the 0.3 percent per year increase in the *net* FUTA tax resulting from overdue Federal loans would be limited to the higher of: (a) the total of any such increases in effect in the year prior to the year the State meets the solvency requirements; or (b) 0.6 percent. There are four solvency requirements. The first two requirements apply for taxable years 1981 through 1987; the last two requirements apply only for taxable years 1983 through 1987. A State qualifies for the limitation if the Secretary of Labor determines by November 10 of the tax year in question that:

- (1) the State has not reduced its State unemployment taxes;
- (2) the State has taken no action that results in a decrease in the solvency of the State unemployment trust fund (e.g., if it increases benefits it must provide for a commensurate increase in State unemployment taxes);
- (3) the average unemployment tax rate (taxes divided by total wages) in the State equals or exceeds the average unemployment benefit-cost rate (i.e., benefits divided by total wages) for the past five years; and
- (4) the State's outstanding loan balance on September 30 of the tax year in question is not greater than its outstanding loan balance on the second preceding September 30 for tax

year 1983, and the third preceding September 30 for subsequent years.

As of December 31, 1981, outstanding unemployment loans totaled \$6.271 billion. Table 6 shows the loans made to each State. In 1981, \$1.613 billion in new loans were approved for 9 jurisdictions. Figure 1 shows the potential FUTA tax increase in States with outstanding loans.

Figure 1.
 The Potential Net Federal Unemployment Tax Act
 (FUTA) Tax Rate in States with Outstanding Advances
 from the Federal Unemployment Account for Two
 Consecutive January Firsts



Source: Congressional Research Service.

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TABLE 6.—ADVANCES TO STATES FROM THE FEDERAL UNEMPLOYMENT ACCOUNT (FUA)
AS OF DEC. 31, 1981

[In millions of dollars, calendar year]

| States | 1972-74 | 1975-77 | 1978 | 1979 | 1980 | Loans requested and approved in 1981 | Repayments | Total outstanding |
|--------------------|--------------|----------------|--------------|-------------|----------------|--------------------------------------|----------------|-------------------|
| Alabama | | 56.7 | | | | | 56.7 | |
| Arkansas | | 30.0 | | | 29.2 | 34.8 | 30.0 | 64.0 |
| Conn..... 62.0 | | 415.0 | 37.0 | | | | 193.1 | 320.9 |
| Delaware | | 36.6 | 10.4 | | | 9.5 | 10.1 | 46.4 |
| D.C..... | | 59.0 | 8.4 | 6.1 | | | 22.4 | 51.1 |
| Florida | | 42.0 | | | | | 42.0 | |
| Hawaii | | 22.5 | | | | | 22.5 | |
| Illinois | | 758.6 | 187.9 | | 37.5 | 487.0 | 65.6 | 1,405.4 |
| Kentucky | | | | | | 52.1 | | 52.1 |
| Maine | | 22.9 | 13.5 | | | | 5.0 | 31.4 |
| Maryland | | 62.7 | | | | | 62.7 | |
| Mass | | 265.0 | | | | | 265.0 | |
| Michigan | | 624.0 | | | 842.0 | 233.0 | 624.0 | 1,075.0 |
| Minn..... | | 172.0 | | | 28.2 | 85.8 | 172.0 | 114.0 |
| Montana | | 9.3 | 1.2 | | | | 10.5 | |
| Nevada | | 7.6 | | | | | 7.6 | |
| N.J. | | 638.9 | 96.0 | | | | 122.5 | 612.4 |
| N.Y. | | 155.8 | 180.0 | | | | 335.8 | |
| Ohio | | 1.9 | | | 246.1 | 353.8 | 1.9 | 599.9 |
| Oregon | | 18.5 | | | | | 18.5 | |
| Pa | | 926.3 | 261.0 | 35.0 | 222.0 | 305.0 | 183.0 | 1,566.3 |
| P.R..... | | 75.2 | 13.5 | | | | 7.9 | 80.8 |
| R.I..... | | 74.8 | 31.0 | 5.0 | 18.5 | | 17.3 | 112.0 |
| Vermont | 5.3 | 42.6 | | | | | 11.7 | 36.2 |
| V.I..... | | 10.9 | | | | | 6.7 | 4.2 |
| Wash..... | 44.1 | 105.3 | | | | | 149.4 | |
| W. Va..... | | | | | 47.2 | 52.6 | | 99.8 |
| Total | 111.4 | 4,634.1 | 839.9 | 46.1 | 1,470.7 | 1,613.6 | 2,443.9 | 6,271.9 |

Source: U.S. Department of Labor, Unemployment Insurance Service, Division of State Program Management, Tax Administration Group.

EXTENDED BENEFITS

Under the permanent Federal-State extended benefits program, additional weeks of unemployment compensation are payable to individuals who exhaust their State benefits during periods of high unemployment. Under the extended benefits program, an individu-

al may receive additional weeks of benefits equal to one-half of the number of weeks of State benefits to which he or she was entitled. No one may receive more than 13 weeks of extended benefits, or more than 39 weeks of State plus extended benefits.

Until September 25, 1982, extended benefits are payable in a State when, for the most recent 13-week period, the State insured unemployment rate (IUR—the percentage of workers covered by the State unemployment compensation program who are currently claiming State benefits) averages or exceeds at least 4 percent and, in addition, is 20 percent higher than it was during the same 13-week period in the two previous years. When the "20 percent" factor is not met, a State, at its option, may provide extended benefits when the State IUR averages 5 percent. (39 States have incorporated the optional 5 percent trigger into their State law.)

Effective September 25, 1982, as a result of modifications enacted in the 1981 Budget Reconciliation Act, extended benefits are payable in a State when its insured unemployment rate equals or exceeds 5.0 percent (rather than 4.0 percent as under current law) and is 20 percent higher than the rate for the same period in the previous two years. If the "20 percent" factor is not met, at State option, extended benefits are payable if the State's insured unemployment rate equals or exceeds 6.0 percent (rather than 5.0 percent as under present law).

In addition, extended benefits claimants must have worked at least 20 weeks, or have an equivalent amount of wages, during the based period in order to receive extended benefits payments. A State may use one of the following measures of equivalent wages: (1) wages equal to 40 times the claimant's weekly benefit amount; or (2) wages equal to 1.50 times the claimant's wages earned in the quarter with the highest wages.

TABLE 7.—STATE EXTENDED BENEFIT INDICATORS FOR THE SECOND WEEK IN MARCH 1980, 1981, AND 1982

| | 13-week insured unemployment rate | | | Percent of prior 2 years | Date extended benefits triggered on |
|---------------------------|-----------------------------------|------|------------------|--------------------------|-------------------------------------|
| | 1980 | 1981 | 1982 | | |
| Alabama..... | 4.19 | 4.69 | 5.48 | 123 | Feb. 14, 1982. |
| Alaska..... | 9.15 | 9.45 | 9.01 | 96 | Jan. 19, 1975. |
| Arizona..... | 2.17 | 2.54 | 3.31 | 140 | Off |
| Arkansas..... | 5.08 | 5.57 | 6.53 | 122 | Mar. 7, 1982. |
| California..... | 3.93 | 4.18 | 4.97 | 122 | Feb. 7, 1982. |
| Colorado..... | 1.95 | 2.51 | 2.90 | 124 | Off |
| Connecticut..... | 2.93 | 3.20 | 3.66 | 119 | Off |
| Delaware..... | 3.63 | 5.10 | 5.03 | 115 | Off |
| District of Columbia..... | 2.73 | 2.63 | (²) | (²) | Off |
| Florida..... | 1.89 | 1.77 | 2.14 | 116 | Off |
| Georgia..... | 2.54 | 2.70 | 3.87 | 147 | Off |
| Hawaii..... | 2.57 | 2.88 | 3.55 | 130 | Off |
| Idaho..... | 6.12 | 6.14 | 8.84 | 144 | Oct. 18, 1981. |

TABLE 7.—STATE EXTENDED BENEFIT INDICATORS FOR THE SECOND WEEK IN MARCH
1980, 1981, AND 1982—Continued

| | 13-week insured unemployment rate | | | Percent of prior 2 years | Date extended benefits triggered on |
|---------------------|-----------------------------------|------|-------------------|--------------------------|-------------------------------------|
| | 1980 | 1981 | 1982 | | |
| Illinois..... | 4.31 | 5.84 | 5.38 | 115 | Mar. 7, 1982. |
| Indiana..... | 4.14 | 3.99 | 5.45 | 134 | Jan. 31, 1982. |
| Iowa..... | 2.97 | 3.69 | 5.21 | 156 | Feb. 14, 1982. |
| Kansas..... | 2.35 | 2.89 | 3.44 | 131 | Off |
| Kentucky..... | 5.80 | 5.70 | 6.71 | 116 | Off |
| Louisiana..... | 3.08 | 3.02 | 3.73 | 122 | Off |
| Maine..... | 5.15 | 5.58 | 5.75 | 107 | Feb. 21, 1982. |
| Maryland..... | 3.31 | 3.83 | 4.82 | 135 | Feb. 19, 1982. |
| Massachusetts..... | 3.70 | 3.95 | 4.59 | 120 | Mar. 28, 1982. |
| Michigan..... | 8.66 | 7.17 | ¹ 8.96 | 114 | Feb. 28, 1982. |
| Minnesota..... | 3.56 | 3.96 | 4.55 | 121 | Feb. 28, 1982. |
| Mississippi..... | 3.70 | 4.51 | ¹ 6.06 | 151 | Jan. 17, 1982. |
| Missouri..... | 4.45 | 4.53 | 5.13 | 114 | Mar. 21, 1982. |
| Montana..... | 5.36 | 5.40 | 6.39 | 118 | Off |
| Nebraska..... | 2.15 | 2.58 | 3.33 | 141 | Off |
| Nevada..... | 2.94 | 4.47 | 4.91 | 132 | Feb. 7, 1982. |
| New Hampshire..... | 2.30 | 2.69 | 3.05 | 122 | Off |
| New Jersey..... | 5.25 | 5.18 | 5.55 | 106 | Feb. 28, 1982. |
| New Mexico..... | 2.66 | 3.14 | 3.34 | 115 | Off |
| New York..... | 4.38 | 4.15 | 4.19 | 98 | Off |
| North Carolina..... | 2.82 | 3.73 | 5.61 | 171 | Jan. 31, 1982. |
| North Dakota..... | 3.95 | 4.55 | 4.42 | 104 | Off |
| Ohio..... | 4.83 | 5.12 | 6.73 | 135 | Jan. 17, 1982. |
| Oklahoma..... | 1.77 | 1.69 | 2.11 | 121 | Off |
| Oregon..... | 5.25 | 6.25 | 8.31 | 144 | Mar. 16, 1980. |
| Pennsylvania..... | 5.52 | 5.35 | 6.44 | 118 | Jan. 24, 1982. |
| Puerto Rico..... | 7.97 | 7.70 | 8.69 | 110 | Feb. 23, 1975. |
| Rhode Island..... | 6.25 | 6.15 | 7.15 | 115 | Jan. 24, 1982. |
| South Carolina..... | 3.01 | 4.14 | 5.86 | 163 | Jan. 10, 1982. |
| South Dakota..... | 2.34 | 3.00 | ¹ 2.59 | 98 | Off |
| Tennessee..... | 4.38 | 4.74 | 5.96 | 130 | Jan. 24, 1982. |
| Texas..... | 1.45 | 1.60 | 1.29 | 80 | Off |
| Utah..... | 3.40 | 3.88 | 4.76 | 130 | Feb. 28, 1982. |
| Vermont..... | 4.80 | 4.82 | 5.59 | 116 | Feb. 28, 1982. |
| Virginia..... | 2.04 | 2.41 | 3.04 ^a | 136 | Off |
| Virgin Islands..... | 3.28 | 3.13 | 4.35 | 127 | Feb. 21, 1982. |
| Washington..... | 4.77 | 5.41 | 7.15 | 140 | July 6, 1980. |
| West Virginia..... | 6.09 | 6.77 | 6.87 | 106 | Off. |
| Wisconsin..... | 5.14 | 6.31 | 6.82 | 119 | Jan. 3, 1982. |
| Wyoming..... | 1.79 | 2.42 | 2.95 | 133 | Off |
| United States..... | 3.18 | 3.36 | 4.07 | (²) | (³) |

¹ First week in March 1982.

² Not available.

³ Not applicable.

TAXATION OF UNEMPLOYMENT INSURANCE BENEFITS

The Revenue Act of 1978 (Public Law 95-600) provided that State and Federal unemployment insurance benefits would be subject to the Federal income tax for certain taxpayers. Effective for taxable years beginning after December 31, 1978, the amount of unemployment insurance benefits subject to the Federal tax is, generally, an amount equal to the lower of the amount of unemployment compensation or one-half of the excess of adjusted gross income, unemployment insurance payments, and excludable disability income over \$20,000 for single taxpayers, over \$25,000 for married taxpayers filing jointly, and over zero for married taxpayers filing separately.

ADMINISTRATIVE FINANCING

State unemployment insurance administrative expenses are federally financed through an earmarked portion of FUTA revenue. Under current law, 0.45 percent of FUTA receipts are available for administration. Appropriations for administrative grants to the States may not exceed an estimated 95 percent of the annual revenue yield from the 0.45 percent. The remaining 0.05 percent goes to finance Federal administration. (The additional FUTA revenue not earmarked for administrative purposes finances the Federal share of extended unemployment benefits and unemployment loans to the States.) Title III of the Social Security Act specifies the conditions which a State must meet to be eligible for administrative grants.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

GENERAL DESCRIPTION

The Federal Unemployment Benefits and Allowances (FUBA) account provides Federal Funds to finance Trade Readjustment Allowances (TRA), unemployment compensation (UC) for ex-military personnel, UC under the Redwoods program, and Disaster Relief. Unemployment compensation for Federal employees was transferred out of the FUBA account and into the Unemployment Trust Fund beginning in fiscal year 1982 by an amendment passed as part of the Omnibus Budget Reconciliation Act of 1980 (P.L. 96-499).

Estimated outlays for this account in the President's budget were \$270 million and \$180 million in fiscal year 1982 and fiscal year 1983, respectively.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

GENERAL DESCRIPTION

Advances are made to the Unemployment Trust Fund and the Other Funds accounts when they have insufficient funds. Advances are made to the Unemployment Trust Fund to cover underfunded extended benefits and regular State benefits and are repayable to the general fund without interest. Advances made to finance Federal employees benefits and the FUBA account are not repayable because these programs are financed from the general fund. This account also provides advances to the Black Lung Disability trust fund that are repayable with interest.

The Administration projects that \$3.8 billion and \$4.5 billion in advances from the General Fund to the Unemployment Trust Fund will be required in fiscal years 1982 and 1983, respectively, to finance additional State borrowing. This would increase the trust fund debt to the general fund from \$13.1 billion at the end of fiscal year 1981 to \$20.9 billion by the end of fiscal year 1983. About \$14 billion of this debt will be owed by insolvent State UC programs and about \$7 billion will be owed by the extended benefits program account for past advances to finance underfunded outlays incurred in response to the 1974-1975 recession.

GRANTS TO THE STATES FOR ADMINISTRATION OF THE UNEMPLOYMENT INSURANCE SERVICE AND THE EMPLOYMENT SERVICE ACCOUNT

FINANCING

Funding for the Employment Security system (the Unemployment Insurance Service and the Employment Service) is derived from a basic 0.7 percent Federal Unemployment Tax paid by employers on the first \$6,000 paid annually to each employee. An amount equal to 0.45 percentage points from the 0.7 percent tax is allocated to the Employment Security Administration Account (ESAA) of the unemployment trust fund. Up to 95 percent of this amount may be appropriated each year to finance State administrative costs and the remainder is available for Federal administrative costs.

ADMINISTRATION

The U.S. Department of Labor allocates funds for State administration.

PROGRAM DATA

[In millions, fiscal years]

| | 1970 | 1975 | 1980 | 1981 | 1982 | 1983 |
|------------------|-------|---------|---------|---------|----------------------|----------------------|
| Outlays..... | (1) | (1) | (1) | (1) | (1) | (1) |
| Obligations..... | \$662 | \$1,156 | \$1,874 | \$2,102 | ² \$2,148 | ² \$2,350 |

¹ Outlays and budget authority are under the jurisdiction of the appropriations committees.

² Includes supplemental appropriations requests of \$210 and \$283 million in fiscal years 1982 and 1983, respectively.

4. TRADE ADJUSTMENT ASSISTANCE

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

LEGISLATIVE OBJECTIVE

Congress originally authorized trade adjustment assistance (TAA) for workers under the Trade Expansion Act of 1962 (Public Law 87-794). The objective was to aid workers harmed by import competition resulting from Federal policies to encourage foreign trade for the benefit of the entire country. The premise of the program was that workers should not bear the costs of these Federal policies without some Federal aid.

There also is a trade adjustment assistance program for firms, briefly described at the end of this entry.

CERTIFICATION AND ELIGIBILITY REQUIREMENTS

Originally TAA for workers was available only if it could be demonstrated to the U.S. Tariff Commission (now the U.S. International Trade Commission) that increased imports resulting from trade concessions were the major factor causing or threatening to cause unemployment or underemployment.

Congress amended the program in the Trade Act of 1974 (Public Law 93-618). This act shifted the authority to certify workers to the Secretary of Labor, broke the necessary connection between trade concessions and increased imports, and required only that increased imports must have "contributed importantly" to the workers' unemployment or underemployment. Further amendments were made in the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35). These amendments strengthen the causal link between increased imports and worker layoffs and sales/production declines of the firm from "contributed importantly" to "a substantial cause"; require workers to have been eligible for and exhausted all State unemployment insurance (UI) before TAA benefits can be received, and change the level of TAA benefit payments from a national standard to the level of applicable State UI payments. H.R. 4717, as amended by the Senate, would maintain the "contribute importantly" causation standard until the program terminates at the end of fiscal year 1983.

Certification

To *certify a group of workers* eligible to apply for adjustment assistance, the Secretary must determine that three conditions are met:

1. A significant number or proportion of the workers in the firm or subdivision of the firm have been or are threatened to be totally or partially laid off;

2. Sales and/or production of the firm or subdivision have decreased absolutely; and

3. Increased imports of articles like or directly competitive with articles produced by the firm or subdivision must be "a substantial cause" of both the layoffs and the decline in sales and/or production.

An *individual worker* covered by a certification must file an *application* with his State employment security office for a trade readjustment allowance for any week of unemployment which begins after the certification "impact date" (i.e., the date on which total or partial layoffs began or threatened to begin). In order to qualify for such allowances, the individual worker must meet the following eligibility requirements:

1. His last total or partial layoff must have occurred not more than 1 year prior to the date of the petition, on or after the "impact date" (i.e. the date on which total or partial layoffs began or threatened to begin), and within 2 years after the date the Secretary of Labor issued the certification covering the worker, and before the termination date (if any) of the certification;

2. He was employed at least 26 of the 52 weeks immediately preceding the last layoff in adversely affected employment with a single firm or subdivision thereof at wages of \$30 per week or more;

3. He was eligible for and has exhausted all rights to unemployment insurance (UI), including extended benefits (EB) to which he is entitled and does not have an unexpired waiting period applicable to him for any such UI; and

4. He would not be disqualified for EB by reason of a failure to accept suitable work.

From April 1975 through Dec. 31, 1981, a total of 1,320,936 workers had been certified for TAA. Table 1 shows their distribution by industry.

TABLE 1.—NUMBER OF PETITIONS INSTITUTED AND CERTIFIED AND ESTIMATED NUMBER OF WORKERS PETITIONING AND CERTIFIED FOR TRADE ADJUSTMENT ASSISTANCE, TOTAL AND BY INDUSTRY FROM APR. 1975 THROUGH DEC. 31, 1981

| Year | Cases instituted | | Cases certified | | |
|-------------|------------------|-------------------|-----------------|---------|-------------------|
| | Petitions | Estimated workers | Petitions | Percent | Estimated workers |
| 1975 | 528 | 210,948 | 122 | 50 | 55,113 |
| 1976 | 1,014 | 218,505 | 430 | 50 | 143,549 |
| 1977 | 1,289 | 228,691 | 411 | 42 | 144,085 |
| 1978 | 1,732 | 171,291 | 853 | 42 | 164,779 |
| 1979 | 2,119 | 318,105 | 844 | 41 | 219,465 |
| 1980 | 5,348 | 1,000,672 | 934 | 29 | 565,652 |
| 1981 | 1,133 | 175,962 | 258 | 10 | 28,293 |
| Total | 13,163 | 2,324,174 | 3,852 | ..... | 1,320,936 |

Thousands

| | Thousands |
|--|-----------|
| Total estimated number of workers certified..... | 1,321 |
| Industry: | |
| Automobiles..... | 691 |
| Apparel..... | 143 |
| Steel..... | 132 |
| Footwear..... | 74 |
| Electronics..... | 58 |
| Fabricated metal products..... | 31 |
| Textiles..... | 25 |

Note: Since the new program went into effect on Oct. 1, 1981, an estimated 5,233 workers have been certified compared to 25,659 worker certifications during the comparable period of 1980.

BENEFITS

The program provides four types of benefit allowances and services to eligible workers.

1. Trade readjustment allowances: Prior to the changes made by the Omnibus Reconciliation Act of 1981 TRA benefits were set at 70 percent of the worker's former gross weekly wage not to exceed the current average weekly manufacturing wage (now \$289.00 per week), reduced by the amount of his unemployment compensation entitlement and 50 percent of any part-time earnings, for a period of generally no more than 52 weeks of unemployment. Workers age 60 or over or workers exhausting benefits while still in approved training programs could receive benefits up to an additional 26 weeks. Under current law, however—

The TRA weekly benefit amount is the same as, and a continuation of, the claimant's UI weekly benefit amount during his most recent UI benefit period, reduced by any training allowance and disqualifying income deductible under UI law. This change has shifted the TRA benefit level from a uniform national standard to a State standard.

The total amount of basic TRA benefits payable to a worker is reduced to a maximum of 52 times the TRA allowance level for a week of total unemployment minus the total amount of UI regular and extended benefits payable in the worker's most recent benefit period (e.g., a worker receiving 39 weeks of UI regular and extended benefits could receive a maximum 13 weeks of TRA benefits). UI and TRA payments combined are limited to a maximum 52 weeks in all cases involving extended benefits. TRA basic benefits may be collected only during the 52-week period following the week in which the worker has exhausted all his rights to regular unemployment compensation in his most recent benefit period. The purpose of the shortened collection period is to reduce payment of TRA benefits during periods of non-trade-related unemployment.

Workers may receive up to 26 additional weeks of TRA benefits to assist in completing approved training, if the worker applies for the training program within 210 days (compared to 180 days previously) after certification or layoff, whichever date is later. The additional benefits may be collected only during the 26-week period

(compared to 52-week period under the previous program) following the worker's last week of entitlement to basic TRA benefits. Workers age 60 and over are no longer eligible for additional weeks of TRA benefits.

TABLE 2.—TOTAL OUTLAYS FOR TRADE READJUSTMENT ALLOWANCES, NUMBER OF RECIPIENTS, AVERAGE WEEKLY PAYMENTS AND DURATION, FISCAL YEARS 1976 THROUGH 1982

| Fiscal year | Total outlays (millions) | Total number of recipients (thousands) | Average weekly payment per recipient | Average week's duration |
|-------------------------|-----------------------------|--|---|-------------------------------|
| 1976 ¹ | 79 | 62 | \$46 | 27.3 |
| 1977..... | 148 | 111 | 57 | 23.4 |
| 1978..... | 257 | 156 | 68 | 24.3 |
| 1979..... | 256 | 132 | 71 | 27.4 |
| 1980..... | 1,622 | 532 | 127 | 24.1 |
| 1981..... | 1,493 | 281 | 146 | 36.0 |
| 1982: Projected..... | 144 | 74 | 160 | 12.1 |

¹ Fiscal year 1976 is the first full year of experience under the program as amended by the Trade Act of 1974.

Source: Department of Labor.

2. *Employment services* (counseling, testing, placement) through State agencies whenever appropriate, and *training* may be provided under other laws, preferably on-the-job training, if no suitable employment is available but would be after training; supplemental assistance is available to defray reasonable transportation and subsistence expenses is available in the amount of the lesser of actual per diem expenses or 50 percent of prevailing Federal per diem and the prevailing mileage rates, for travel expenses.

3. *Job search allowances* for 90 percent of necessary expenses up to a maximum of \$600.

4. *Relocation allowances* if new employment is beyond the worker's commuting area for 90 percent of reasonable and necessary expenses plus a lump sum equal to the lower of 3 times the worker's average weekly wage or \$600.

Table 3 presents data on workers given such noncash benefits.

TABLE 3.—TRAINING, JOB SEARCH, AND RELOCATION ALLOWANCES: TOTAL NUMBER OF WORKERS AND OUTLAYS, FISCAL YEARS 1976 THROUGH 1981

| Fiscal year | Total number of workers | | | Total outlays (million) ¹ | | |
|-------------|-------------------------|------------|------------|--------------------------------------|------------|------------|
| | Entered training | Job search | Relocation | Training | Job search | Relocation |
| 1976..... | 823 | 23 | 26 | (2) | (2) | (2) |
| 1977..... | 4,213 | 277 | 191 | (3) | (3) | (3) |
| 1978..... | 8,337 | 1,072 | 631 | \$15.5 | 0.1 | \$0.6 |
| 1979..... | 4,458 | 1,181 | 855 | 11.5 | .3 | 1.1 |
| 1980..... | ⁴ 9,475 | 931 | 629 | 11.9 | .1 | .6 |
| 1981..... | ⁴ 20,362 | 1,397 | 1,806 | 4.9 | .2 | 1.8 |
| Total..... | 48,131 | 4,139 | 4,182 | | | |

¹ Excludes administrative costs.

² Total \$5.6.

³ Total \$6.5.

⁴ Of total workers entering training, 5,640 (59 percent) in 1980 and 18,940 (94 percent) in 1981 self-financed their training costs.

FUNDING

Federal funds, through annual appropriations from Treasury general revenues, cover only the portion of the worker's total entitlement represented by the continuation of UI benefits levels in the form of TRA payments, plus the salaries and expenses for ETA personnel administering the program. Funds made available under grants to States defray expenses of any employment services. A portion of the discretionary funds available to the Secretary of Labor under the CETA program are allocated annually for training and for job search and relocation allowances.

The States are reimbursed from Treasury general revenues for benefit payments and other costs incurred under the program. A penalty under section 239 of the Trade Act of 1974 provides for reduction by 15 percent of the credits for State unemployment taxes which employers are allowed against their liability for Federal unemployment tax if a State has not entered into or fulfilled its commitments under a cooperating agreement.

The continuing resolution for fiscal year 1982 includes \$238 million for trade readjustment allowances and \$25 of the \$98.6 million requested by the President for training and job search and relocation allowances. The President's proposed budget includes budget authority of \$144 million and outlays of \$118 million in fiscal year 1982, and \$10 million in budget authority and outlays in fiscal year 1983, based on a legislative proposal to eliminate all TRA payments effective July 1, 1982, except for workers already enrolled in approved training. Funds for training and job search and relocation allowances are included in a proposed \$180 million special program for various targeted groups.

TRADE ADJUSTMENT ASSISTANCE PROGRAM FOR FIRMS

Section 251 through 264 of the Trade Act of 1974 contain the procedures, eligibility requirements, benefits and their terms and conditions, and administrative provisions of the adjustment assistance program for firms adversely impacted by increased import competition, established under the Trade Expansion Act of 1962. Firms must complete a two-step procedure to receive adjustment assistance: (1) certification by the Secretary of Commerce that the petitioning firm is eligible to apply, and (2) approval by the Secretary of Commerce of the application by a certified firm for benefits, including the firm's proposal for economic adjustment. Minor modifications were made to the program in the Omnibus Reconciliation Act of 1981. Administration of the program was shifted in 1981 within the Department of Commerce from the Economic Development Administration to the International Trade Administration.

CERTIFICATION AND ELIGIBILITY REQUIREMENTS

To *certify a firm* as eligible to apply for adjustment assistance, the Secretary must determine that three conditions are met:

- (1) A significant number or proportion of the workers in the firm have been or are threatened to be totally or partially laid off;
- (2) Sales and/or production of the firm have decreased absolutely; and
- (3) Increased imports of articles like or directly competitive with articles produced by the firm have "contributed importantly" to both the layoffs and the decline in sales and/or production.

A *certified firm* may file an *application* with the Secretary of Commerce for trade adjustment assistance benefits at any time within two years after the date of the certification of eligibility. The application must include a proposal by the firm for its economic adjustment. The Secretary may furnish technical assistance to the firm in the preparation of a viable proposal. The firm's application must meet the following requirements for approval of technical and/or financial assistance:

- (1) The firm has no reasonable access to financing through the private capital market.
- (2) The adjustment proposal demonstrates that the assistance sought (a) is reasonably calculated to make a material contribution to the economic adjustment of the firm in establishing a competitive position in the same or a different industry; (b) gives adequate consideration to the interests of the workers in the firm; and (c) demonstrates the firm will make all reasonable efforts to use its own resources for economic development.

In addition, the Secretary must determine that a firm seeking financial assistance (1) does not have the required funds available from its own resources; and (2) there is reasonable assurance that the loan will be repaid.

BENEFITS

Technical assistance and financial assistance may be furnished singly or in combination to certified firms with approved applications.

1. *Technical assistance* may be given to implement the firm's economic adjustment proposal in addition to, or in lieu of, such assistance provided to develop the proposal. It may be furnished through existing Government agencies or through private individuals, firms, and institutions, including private consulting services. The Federal share of the cost cannot exceed 75 percent of the funds required. The Secretary may, however, make grants to intermediary organizations to defray up to 100 percent of administrative expenses incurred in providing technical assistance to a firm.

2. *Financial assistance* may be direct loans and/or loan guarantees for (1) acquiring, constructing, installing, modernizing, developing, converting, or expanding land, plant, buildings, equipment, facilities, or machinery; or (2) supplying such working capital as may be necessary to enable the firm to implement its adjustment proposal.

(a) Direct loans to any firm cannot exceed an aggregate amount of \$1 million outstanding at any time. The interest rate is determined by the Secretary of the Treasury plus an amount adequate to cover administrative costs and probable losses under the program.

(b) Loan guarantees to any firm cannot exceed an aggregate amount of \$3 million outstanding at any time. No loan can be guaranteed for more than 90 percent of the balance of the loan outstanding.

TABLE 4.—NUMBER OF FIRMS RECEIVING LOANS AND THE TOTAL AMOUNT OF DIRECT LOANS AND LOAN GUARANTEES AUTHORIZED FOR THE PERIOD FROM APRIL 1975 TO DEC. 31, 1981

[Dollars in thousands]

| | |
|--|--------------------|
| Number of firms certified | 1,321 |
| Number certified by industry: ¹ | |
| Apparel | 442 |
| Footwear | 133 |
| Handbags | 53 |
| Textiles | 50 |
| Technical assistance: Number of firms receiving assistance | ² 2,487 |
| Total assistance authorized | \$71,446 |
| Individual firms | 45,659 |
| Industry-wide | 25,787 |
| Financial assistance: Number of firms receiving loans | 300 |
| Total loans authorized | \$327,798 |
| Direct loans | 189,676 |
| Loan guarantees | 138,122 |

¹ Includes calendar years 1977-81 only.

² Double counting is unavoidable since most firms receive more than 1 category of technical assistance.

FUNDING

Funds to cover all costs are subject to annual appropriations from Treasury general revenues. The continuing resolution for fiscal year 1982 includes \$13 million for technical assistance, \$12.5 million of direct loans, \$28.5 million for loan guarantees, and \$2 million for salaries and expenses. No funds are included for this program in the President's proposed budget for fiscal year 1983.

5. REVENUE SHARING

LEGISLATIVE OBJECTIVE

The State and Local Fiscal Assistance Act of 1972 (P.L. 92-512) established a trust fund to provide general revenue sharing payments to State and local governments. Payments were intended to supplement existing Federal aid and to stimulate the economy by returning an anticipated Federal surplus to the States. The original act authorized payments through December 1976. Amendments of 1976 (P.L. 96-488) extended the program through fiscal year 1980 at an annual level of \$6.9 billion. Amendments of 1980 (P.L. 96-604) extended the program through fiscal year 1983, but eliminated State governments from general revenue sharing payments during fiscal year 1981.

ELIGIBILITY

Under the program prior to October 1, 1980, one-third of funds went to States and two-thirds to local governmental units. During fiscal year 1981, State governments were ineligible. In fiscal year 1982 and fiscal year 1983, payments to State governments are reauthorized, but require congressional appropriation. Further, to be eligible at that time, a State must decline an equal amount, or refund an equal amount, in categorical grant funds from the Federal Government.

BENEFITS

The 1980 amendments provide for the distribution of approximately \$13.8 billion to units of local government over a 3-year period starting October 1980. Amounts to be distributed to each unit of government are determined by applying a set of formulas to descriptive data pertaining to each unit. The formula and data are used to determine each government's share of the total amount.

TABLE 1.—GENERAL REVENUE SHARING ENTITLEMENTS BY STATE, FISCAL YEARS 1976 AND 1981 ACTUAL, FISCAL YEAR 1982 ESTIMATED AND ESTIMATED TOTAL PAYMENTS THROUGH FISCAL YEAR 1982

| | Fiscal year 1976 | Fiscal year 1981 ¹ | Fiscal year 1982 estimated ² | Estimated total payments through fiscal year 1982 |
|----------------------------|------------------|-------------------------------|---|---|
| Totals | \$6,411,739,534 | \$4,574,037,853 | \$4,566,840,364 | \$64,800,226,946 |
| Alabama | 101,779,197 | 74,155,623 | 73,895,231 | 1,056,619,052 |
| Alaska | 9,707,054 | 13,150,421 | 20,777,928 | 150,145,476 |
| Arizona | 65,702,825 | 62,005,026 | 64,854,833 | 707,679,368 |
| Arkansas | 66,106,191 | 44,315,556 | 48,184,041 | 659,591,509 |
| California | 660,415,465 | 495,167,420 | 519,887,710 | 7,075,889,867 |
| Colorado | 69,399,064 | 53,199,591 | 51,997,450 | 708,374,739 |
| Connecticut | 85,531,981 | 56,441,629 | 54,336,875 | 819,266,184 |
| Delaware | 19,200,809 | 14,090,317 | 13,741,448 | 197,919,576 |
| District of Columbia | 26,658,045 | 18,884,937 | 18,657,312 | 275,602,821 |
| Florida | 197,989,668 | 160,126,006 | 168,866,777 | 1,981,902,944 |
| Georgia | 132,731,848 | 108,097,224 | 114,209,191 | 1,404,107,544 |
| Hawaii | 27,933,830 | 21,406,221 | 22,269,315 | 300,729,355 |
| Idaho | 24,681,225 | 18,928,279 | 18,175,083 | 250,909,540 |
| Illinois | 380,178,547 | 224,034,544 | 220,245,583 | 3,264,901,629 |
| Indiana | 128,444,988 | 87,662,782 | 82,331,567 | 1,326,472,458 |
| Iowa | 83,203,708 | 56,240,345 | 54,560,092 | 835,734,703 |
| Kansas | 58,013,719 | 40,704,891 | 36,405,030 | 586,818,774 |
| Kentucky | 103,471,199 | 76,787,494 | 73,771,011 | 1,060,532,372 |
| Louisiana | 136,340,266 | 94,673,921 | 96,520,659 | 1,417,815,957 |
| Maine | 40,434,980 | 27,876,307 | 28,090,686 | 399,327,447 |

| | | | | |
|---------------------|-------------|-------------|-------------|---------------|
| Maryland | 126,372,032 | 88,822,447 | 86,456,718 | 1,278,668,515 |
| Massachusetts..... | 206,726,465 | 144,279,881 | 138,566,966 | 2,053,458,038 |
| Michigan | 267,649,131 | 191,601,954 | 179,460,103 | 2,714,156,322 |
| Minnesota..... | 132,793,442 | 92,086,436 | 85,369,550 | 1,293,546,061 |
| Mississippi..... | 95,219,845 | 62,116,250 | 62,472,299 | 974,675,133 |
| Missouri | 122,431,583 | 82,897,612 | 80,668,117 | 1,206,141,137 |
| Montana..... | 23,822,569 | 17,302,033 | 17,123,031 | 247,141,194 |
| Nebraska | 42,176,590 | 31,990,690 | 29,678,264 | 435,082,891 |
| Nevada..... | 14,994,545 | 13,801,661 | 13,410,952 | 157,308,274 |
| New Hampshire..... | 20,394,746 | 15,262,179 | 14,347,618 | 211,782,226 |
| New Jersey..... | 198,938,290 | 149,954,545 | 146,996,056 | 2,067,500,652 |
| New Mexico | 39,892,655 | 30,099,596 | 31,146,887 | 413,530,213 |
| New York | 720,232,528 | 476,198,036 | 474,751,824 | 7,176,376,181 |
| North Carolina..... | 156,031,718 | 116,432,747 | 121,496,436 | 1,628,892,458 |
| North Dakota..... | 20,315,999 | 12,318,301 | 12,431,086 | 200,291,982 |
| Ohio | 259,672,429 | 181,755,228 | 178,023,300 | 2,602,542,538 |
| Oklahoma | 69,615,085 | 54,229,168 | 55,681,022 | 726,741,775 |
| Oregon | 66,606,971 | 53,811,311 | 52,119,242 | 693,592,247 |
| Pennsylvania | 337,964,041 | 229,293,732 | 221,677,374 | 3,313,795,664 |
| Rhode Island | 27,455,138 | 20,516,509 | 19,394,129 | 283,303,887 |

TABLE 1.—GENERAL REVENUE SHARING ENTITLEMENTS BY STATE, FISCAL YEARS 1976 AND 1981 ACTUAL, FISCAL YEAR 1982 ESTIMATED AND ESTIMATED TOTAL PAYMENTS THROUGH FISCAL YEAR 1982—Continued

| | Fiscal year 1976 | Fiscal year 1981 ¹ | Fiscal year 1982 estimated ² | Estimated total payments through fiscal year 1982 |
|---------------------|------------------|-------------------------------|---|---|
| South Carolina..... | 88,713,199 | 66,044,965 | 69,135,471 | 892,427,909 |
| South Dakota | 25,394,087 | 15,552,779 | 14,650,556 | 240,292,798 |
| Tennessee..... | 117,910,766 | 86,819,268 | 84,495,858 | 1,212,940,853 |
| Texas | 306,583,152 | 225,671,195 | 237,985,739 | 3,157,244,917 |
| Utah..... | 37,467,306 | 32,584,658 | 34,443,227 | 393,737,716 |
| Vermont | 18,669,456 | 13,568,288 | 12,694,590 | 188,844,339 |
| Virginia..... | 128,559,145 | 95,545,383 | 95,073,655 | 1,331,739,294 |
| Washington | 93,880,184 | 69,786,354 | 68,695,245 | 938,620,407 |
| West Virginia..... | 57,259,603 | 42,970,294 | 42,466,444 | 610,150,068 |
| Wisconsin..... | 159,994,878 | 102,408,113 | 93,986,831 | 1,554,529,506 |
| Wyoming..... | 10,077,347 | 10,367,706 | 10,163,952 | 120,830,436 |

¹ States were not eligible to receive general revenue sharing funds in fiscal year 1981. These data represent payments to local governments only.

² State governments are eligible to receive funds in fiscal year 1982 subject to Congressional appropriation action and a giveback or giveup of other categorical grant funds. No funds have been requested at this time. These data represent payments to local governments only.

Source: U.S. Department of the Treasury. Office of Revenue Sharing, Entitlement summaries, various years.

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP-12

| Name | State | Counties | Municipalities | Townships | Indian tribes and Alaskan Native villages | Total |
|---------------------------|---------------|---------------|----------------|---------------|---|---------------|
| Alabama..... | \$302,771,607 | \$240,381,056 | \$421,040,332 | ..... | ..... | \$964,192,995 |
| Alaska..... | 39,134,021 | 19,868,773 | 65,305,133 | ..... | \$1,647,654 | 125,955,581 |
| Arizona..... | 194,645,622 | 182,829,377 | 227,562,122 | ..... | 22,912,640 | 627,949,761 |
| Arkansas..... | 193,875,343 | 222,022,445 | 184,640,374 | ..... | ..... | 600,538,162 |
| California..... | 2,020,344,987 | 2,498,352,558 | 1,911,934,651 | ..... | 1,666,596 | 6,432,298,792 |
| Colorado..... | 201,035,363 | 156,515,778 | 285,136,317 | ..... | 393,366 | 643,080,824 |
| Connecticut..... | 235,863,910 | ..... | 256,756,455 | \$257,616,537 | 11,096 | 750,247,998 |
| Delaware..... | 59,725,242 | 74,801,573 | 46,084,016 | ..... | ..... | 180,610,831 |
| District of Columbia..... | 252,135,693 | ..... | ..... | ..... | ..... | 252,135,693 |
| Florida..... | 554,522,692 | 604,569,664 | 616,451,065 | ..... | 227,065 | 1,775,770,486 |
| Georgia..... | 395,223,000 | 507,434,804 | 361,047,113 | ..... | ..... | 1,263,704,917 |
| Hawaii..... | 85,715,309 | 48,917,025 | 138,499,174 | ..... | ..... | 273,131,508 |
| Idaho..... | 71,336,086 | 88,612,424 | 67,212,785 | ..... | 840,354 | 228,001,649 |
| Illinois..... | 939,580,305 | 437,093,509 | 1,335,344,487 | 275,848,620 | ..... | 2,987,866,921 |
| Indiana..... | 385,259,997 | 297,326,600 | 435,992,800 | 103,310,293 | ..... | 1,221,889,690 |
| Iowa..... | 241,101,767 | 299,418,194 | 226,065,958 | ..... | 115,667 | 766,701,586 |
| Kansas..... | 169,497,066 | 178,950,070 | 171,866,720 | 19,388,751 | 117,844 | 539,820,451 |
| Kentucky..... | 324,484,067 | 305,427,776 | 337,714,030 | ..... | ..... | 967,625,873 |
| Louisiana..... | 394,483,319 | 340,224,506 | 534,181,057 | ..... | 67,032 | 1,297,502,240 |
| Louisiana sheriffs..... | ..... | 28,546,326 | ..... | ..... | ..... | ..... |

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP-12—Continued

| Name | State | Counties | Municipalities | Townships | Indian tribes and Alaskan Native villages | Total |
|---------------------|---------------|-------------|----------------|-------------|---|---------------|
| Maine..... | 114,395,367 | 18,867,356 | 101,739,098 | 128,596,021 | 369,113 | 363,966,955 |
| Maryland..... | 367,500,219 | 492,520,914 | 309,785,124 | ..... | ..... | 1,169,806,257 |
| Massachusetts..... | 589,435,954 | 73,219,415 | 703,140,012 | 512,636,897 | ..... | 1,878,432,278 |
| Michigan..... | 779,885,191 | 517,889,915 | 1,023,126,996 | 165,027,014 | 287,775 | 2,486,216,891 |
| Minnesota..... | 371,418,368 | 437,074,647 | 326,070,579 | 47,612,264 | 2,641,048 | 1,184,816,906 |
| Mississippi..... | 289,037,957 | 395,308,988 | 212,009,800 | ..... | 442,964 | 896,799,709 |
| Missouri..... | 347,270,483 | 251,308,578 | 490,620,969 | 15,203,019 | ..... | 1,104,403,049 |
| Montana..... | 70,727,316 | 99,446,916 | 49,453,612 | ..... | 5,838,006 | 225,465,850 |
| Nebraska..... | 124,129,057 | 135,344,666 | 128,752,351 | 8,252,002 | 608,335 | 397,086,411 |
| Nevada..... | 43,797,145 | 61,451,312 | 34,812,848 | ..... | 724,532 | 140,785,837 |
| New Hampshire..... | 60,731,385 | 18,251,251 | 59,210,256 | 55,427,559 | ..... | 193,620,451 |
| New Jersey..... | 589,423,698 | 448,456,479 | 556,504,779 | 288,134,993 | ..... | 1,882,519,949 |
| New Mexico..... | 119,648,467 | 109,512,788 | 127,483,345 | ..... | 18,145,062 | 374,789,662 |
| New York..... | 2,072,715,463 | 949,604,225 | 3,083,054,919 | 474,040,506 | 1,368,365 | 6,580,783,478 |
| North Carolina..... | 464,015,004 | 570,627,457 | 442,818,230 | ..... | 1,285,464 | 1,478,746,155 |
| North Dakota..... | 58,394,422 | 66,508,048 | 42,482,749 | 14,602,590 | 2,647,796 | 184,635,605 |
| Ohio..... | 746,466,602 | 521,306,869 | 950,852,052 | 159,751,301 | ..... | 2,378,376,824 |
| Oklahoma..... | 205,885,803 | 142,216,565 | 305,219,027 | ..... | 4,365,071 | 657,686,466 |
| Oregon..... | 195,772,548 | 162,688,743 | 268,716,039 | ..... | 765,538 | 627,942,868 |
| Pennsylvania..... | 952,800,422 | 584,722,414 | 1,121,369,723 | 373,855,015 | 2,800 | 3,032,750,374 |

TABLE 2.—GENERAL REVENUE SHARING RECIPIENTS PAID THROUGH 3D QUARTER EP-12—Continued

| Name | State | Counties | Municipalities | Townships | Indian tribes and Alaskan Native villages | Total |
|----------------------|----------------|----------------|----------------|---------------|---|----------------|
| Rhode Island | 81,193,933 | | 123,229,565 | 54,398,670 | | 258,822,168 |
| South Carolina..... | 255,186,918 | 298,712,570 | 253,207,256 | | | 807,105,744 |
| South Dakota | 69,793,660 | 81,646,620 | 52,649,314 | 10,499,377 | 7,047,386 | 221,636,357 |
| Tennessee | 346,783,798 | 320,100,966 | 440,132,952 | | | 1,107,017,716 |
| Texas | 900,497,712 | 731,760,783 | 1,231,759,160 | | 189,816 | 2,864,207,471 |
| Utah..... | 109,110,038 | 116,623,381 | 123,519,160 | | 2,168,421 | 351,421,000 |
| Vermont | 54,275,397 | 1,604,870 | 39,248,536 | 77,677,519 | | 172,806,322 |
| Virginia | 374,683,579 | 339,660,519 | 498,290,317 | | 16,213 | 1,212,650,628 |
| Washington..... | 267,152,666 | 260,963,278 | 321,878,217 | 3,401 | 2,739,561 | 852,737,123 |
| West Virginia | 207,557,819 | 166,642,813 | 182,791,220 | | | 556,991,852 |
| Wisconsin..... | 451,398,175 | 439,603,494 | 460,272,126 | 81,023,262 | 1,751,051 | 1,434,048,108 |
| Wyoming..... | 33,433,011 | 51,262,973 | 22,428,199 | | 978,325 | 108,102,508 |
| National Total | 18,775,251,973 | 15,396,202,271 | 21,709,463,119 | 3,122,905,611 | 82,381,956 | 59,086,204,930 |

6. EARNED INCOME TAX CREDIT

This fund is used to pay an income tax filer whose earned income credit exceeds his tax liability owed.

LEGISLATIVE OBJECTIVE

The Earned Income Tax Credit (EITC), which was added to the Internal Revenue Code in 1975, is intended to give a cash income supplement to working parents with relatively low earnings. For tax filers too poor to owe income taxes, or whose tax liability is smaller than their credit, the U.S. Treasury makes a direct payment of the credit.

ELIGIBILITY

The credit is available to a parent (or parents) with earnings whose adjusted gross income is not above \$10,000 annually and who maintains a household¹ for (a) a child who is either under 19 or a student; or (b) a son or daughter who is an adult but disabled and who can be claimed as his tax dependent.

To receive the credit, a person need *not* owe or pay any income tax. However, he must apply for the credit, either by filing an income tax return at the end of the tax year or by filing an earned income eligibility certificate with his employer for advance payments of the credit. To be eligible for EITC, married couples must file a joint income tax return.

BENEFITS

The EITC equals 10 percent of the first \$5,000 of earnings, including net earnings from self-employment, but may not exceed \$500 per family. The size of the credit is unrelated to the number of a worker's dependents. Between earnings of \$5,000 and \$6,000, the maximum credit of \$500 is received. For each dollar of adjusted gross income (or, if higher, earned income) above \$6,000 the credit is reduced by 12.5 cents. As a result, it ends when adjusted gross income reaches \$10,000.

DATA

In fiscal year 1981 earned income tax credits totaled \$1.976 billion, of which \$1.326 billion represented Treasury payments to tax filers whose credit exceeded their current year tax liability and \$.650 billion, credits deducted from tax liability. Some 6.9 million families received the credit, which averaged \$286 per family.

¹ IRS has ruled that those who use AFDC funds to pay part of the cost of maintaining a home for a child may *not* count these welfare benefits as their own contribution. Thus, an AFDC parent is ineligible for the credit unless her earnings at least equal the AFDC grant.

7. PENSION BENEFIT GUARANTY CORPORATION (PBGC)

LEGISLATIVE OBJECTIVE

The Pension Benefit Guaranty Corporation (PBGC) was established under title IV of the Employee Retirement Income Security Act of 1974 (ERISA) (88 Stat. 829) to protect the retirement income of plan participants and their beneficiaries covered under private sector, defined benefit pension plans. ERISA requires PBGC to:

Encourage the continuation and maintenance of voluntary private pension plans for the benefit of their participants;

Provide for the timely and uninterrupted payment of pension benefits under plans covered by title IV; and

Maintain insurance premiums at the lowest level consistent with carrying out the Corporation's obligations under title IV.

ELIGIBILITY CRITERIA

Individuals protected by the pension plan termination insurance program are participants and beneficiaries of defined benefit pension plans that either affect interstate commerce or are qualified under the Internal Revenue Code. Only vested benefits are insured. Pension plans specifically excluded are government and church plans, individual account plans (i.e., defined contribution plans such as profit-sharing, money purchase, thrift and savings, and stock bonus plans), and plans of fraternal societies financed entirely by member contributions.

BENEFITS

Pension benefits for vested employees under defined benefit plans are guaranteed by the Pension Benefit Guaranty Corporation. The limitation on insured benefits under single employer plans is the lesser of 100 percent of the employee's wages or \$1,381 a month. The dollar amount is adjusted annually to reflect changes in the Social Security contribution and benefit base.

Different benefit guaranty levels exist for participants in multiemployer pension plans. As a result of the Multiemployer Pension Plan Amendments Act of 1980, only the first \$5 of the monthly benefit accrual rate is 100 percent guaranteed for each year of a participant's service and 75 percent of the next \$15 of basic monthly benefits is guaranteed. (The 75 percent guarantee is reduced to 65 percent for plans that do not meet specified funding requirements.)

FINANCING

The financial structure of PBGC's programs includes both revolving and trust funds, borrowing authority, and other sources of income. The Multiemployer Pension Plan Amendments Act of 1980

established six revolving funds for use of PBGC in carrying out its responsibilities under title IV of the act.

Revolving funds

(1) One fund is used in connection with the basic benefits insurance program related to single employer plans.

(2) A second fund is used in connection with the basic benefits insurance program related to multiemployer pension plans.

(3) A third fund is used in connection with the supplemental guaranteed benefits program related to multiemployer pension plans.

(4) A fourth fund is used in connection with the reimbursement of uncollectible withdrawal liability program for multiemployer plans.

(5) A fifth fund is to be used in connection with nonbasic benefits insurance program related to multiemployer pensions plans.

(6) A sixth fund is to be used in connection with nonbasic benefits insurance program related to single employer pension plans.

Trust funds

(1) *Plan Assets.* The assets of plans for which PBGC has become trustee are the primary source of funding for the trust fund.

(2) *Employer Liability.* An employer sponsoring a covered pension plan that terminates with insufficient assets to pay benefits is liable for up to 30 percent of the employer's net worth in the case of single employer plans, and in the case of the multiemployer plans, an amount equal to an employer's share of the plan's total unfunded vested liability determined under the basic rule or one of the alternative rules which the plan may adopt.

(3) *Investment Income.* Assets of plans and employer liability collections are invested in a diversified portfolio of private and public sector securities so as to realize the highest possible rate of return consistent with an appropriate level of risk for the type of program administered.

Sources of income

(1) *Insurance Premiums.* The principal revenue is required premiums paid by ongoing covered plans. The Corporation is required to prescribe insurance premium rates and coverage schedules to provide sufficient revenues to carry out its title IV functions, including the payment of guaranteed benefits and administrative expenses. Premiums for each participant in a single employer plan are set at \$2.60. Multiemployer plans are assessed a per capita premium rate beginning with \$1.00, increasing to \$1.40 for the first four plan years beginning after September 26, 1980, \$1.80 for the fifth and sixth plan years; \$2.20 for the seventh and eighth plan years, and \$2.60 for the ninth and succeeding plan years.

(2) *Investment Income.* Whenever the Corporation determines that its revolving fund balances are in excess of current needs, it may request the investment of such amounts by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

Borrowing authority

In addition to the premium and investment incomes which are generated for the revolving funds, the Corporation is authorized to borrow up to \$100 million from the United States Treasury to carry out its responsibilities.

ADMINISTRATION

The Pension Benefit Guaranty Corporation is a U.S. Government Agency governed by a Board of Directors consisting of the Secretary of Labor, who is Chairman, the Secretary of Commerce, and the Secretary of the Treasury. The Corporation is a self-financing, wholly-owned Government corporation. To assist the Corporation in discharging its responsibilities, the Act provides for a 7-member Advisory Committee, appointed by the President, for staggered 3-year terms. The committee is to advise the Corporation as to its policies and procedures relating to the appointment of trustees in termination proceedings, investment of moneys, plan liquidations, and other matters as requested by the Corporation.

DATA

Termination insurance program covers 88 million participants and beneficiaries in defined benefit pension plans.

1. BUDGET AUTHORITY AND OUTLAYS

[In millions of dollars, fiscal years] ¹

| | 1970 | 1975 | 1981 | 1982 |
|-----------------------|------------------|------|------|-------|
| Federal outlays..... | (²) | -34 | -38 | -63.2 |
| Budget authority..... | (²) | 0 | 0 | 0 |

¹ Receipts greater than outlays produce a negative outlay.

² Not in existence.

2. PBGC TRUSTEESHIP

| Recipients | 1980 | 1979 | 1978 | 1977 | 1976 (15 mo) | 1975 (10 mo) |
|--|--------|--------|--------|--------|--------------------|--------------------|
| Plan in PBGC trusteeship..... | 514 | 389 | 266 | 145 | 48 | 3 |
| Participants with guaranteed benefits in trustee plans..... | 48,500 | 42,676 | 27,000 | 16,000 | 6,435 | 386 |
| Potential plan trustee- ships pending..... | 211 | 259 | 260 | 281 | (¹) | (¹) |

¹ Data unavailable for this period.

8. MEDICAID

SUMMARY

Medicaid is a federally aided, State-designed and administered program authorized by Title XIX of the Social Security Act, which provides medical assistance for certain categories of low-income persons who are aged, blind, disabled or members of families with dependent children. Subject to Federal guidelines, States determine eligibility and the scope of benefits to be provided.

LEGISLATIVE OBJECTIVE

Section 1901 of the Social Security Act specifies that the purpose of the program is to enable each State, as far as practicable under the conditions in such State, to furnish: (1) medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, whose income and resources are insufficient to meet the cost of necessary medical services, and (2) rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care. Table 1 shows budgetary data and the number of persons with medicaid coverage. Tables 2 and 3 present State-by-State estimates for Federal program outlays.

TABLE 1. MEDICAID OVERVIEW

[In millions of dollars, fiscal years]

| | Actual— | | Current law estimates— | | |
|-----------------------|---------|--------|------------------------|--------|--------|
| | 1975 | 1980 | 1981 | 1982 | 1983 |
| Federal outlays | 6,840 | 13,957 | 16,833 | 18,101 | 19,917 |

[In thousands]

| | Fiscal year— | | | | |
|-------------------------------|--------------|------|------|------|------|
| | 1975 | 1980 | 1981 | 1982 | 1983 |
| Recipients: Total | 22.5 | 21.7 | 22.5 | 22.8 | 22.1 |
| Aged | 4.2 | 3.4 | 3.4 | 3.5 | 3.6 |
| Blind | .1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Disabled | 2.4 | 2.8 | 2.8 | 2.9 | 3.0 |
| Adults in AFDC Families | 5.1 | 5.0 | 4.9 | 5.0 | 4.8 |
| Children under 21 | 10.7 | 10.4 | 11.2 | 11.3 | 10.6 |

TABLE 2.—MEDICAL ASSISTANCE: FEDERAL SHARE OF MEDICAL VENDOR PAYMENTS, AND STATE AND LOCAL ADMINISTRATION, BY STATE; FISCAL YEAR 1981-83

[Based on November 1981 States estimates for fiscal year 1981-83; in thousands of dollars]

| States and territories | Fiscal year (estimate) | | |
|---------------------------|------------------------|---------------|---------------|
| | 1981 | 1982 | 1983 |
| Alabama | 226,212,000 | 259,800,000 | 281,656,000 |
| Alaska | 24,275,000 | 27,915,000 | 31,843,000 |
| Arizona | 0 | 0 | 0 |
| Arkansas | 214,344,000 | 230,050,000 | 258,195,000 |
| California | 1,953,228,000 | 2,220,744,000 | 3,326,017,000 |
| Colorado | 123,596,000 | 137,640,000 | 154,335,000 |
| Connecticut | 200,725,000 | 229,022,000 | 252,021,000 |
| Delaware | 29,684,000 | 32,104,000 | 35,310,000 |
| District of Columbia..... | 86,593,000 | 102,326,000 | 118,365,000 |
| Florida | 315,891,000 | 348,479,000 | 405,206,000 |
| Georgia | 381,887,000 | 413,954,000 | 465,211,000 |
| Hawaii | 60,263,000 | 70,273,000 | 80,974,000 |
| Idaho | 42,944,000 | 47,260,000 | 50,540,000 |
| Illinois | 760,819,000 | 830,158,000 | 839,850,000 |
| Indiana | 264,588,000 | 342,882,000 | 360,622,000 |
| Iowa | 160,904,000 | 166,832,000 | 183,668,000 |
| Kansas | 123,998,000 | 128,099,000 | 137,527,000 |
| Kentucky | 266,001,000 | 295,177,000 | 323,674,000 |
| Louisiana | 333,988,000 | 406,722,000 | 467,621,000 |
| Maine | 121,657,000 | 142,033,000 | 156,330,000 |
| Maryland | 253,959,000 | 273,497,000 | 313,301,000 |
| Massachusetts..... | 635,040,000 | 684,561,000 | 732,906,000 |
| Michigan | 705,923,000 | 805,416,000 | 853,031,000 |
| Minnesota..... | 394,472,000 | 457,926,000 | 505,634,000 |
| Mississippi..... | 206,965,000 | 234,695,000 | 268,383,000 |
| Missouri | 274,591,000 | 289,152,000 | 331,016,000 |
| Montana | 59,345,000 | 55,094,000 | 64,504,000 |
| Nebraska | 81,730,000 | 87,759,000 | 94,127,000 |
| Nevada | 34,179,000 | 42,062,000 | 53,042,000 |
| New Hampshire..... | 53,999,000 | 59,361,000 | 66,382,000 |

TABLE 2.—MEDICAL ASSISTANCE: FEDERAL SHARE OF MEDICAL VENDOR PAYMENTS, AND STATE AND LOCAL ADMINISTRATION, BY STATE; FISCAL YEAR 1981-83—Continued

[Based on November 1981 States estimates for fiscal year 1981-83; in thousands of dollars]

| States and territories | Fiscal year (estimate) | | |
|-------------------------------|------------------------|----------------|----------------|
| | 1981 | 1982 | 1983 |
| New Jersey..... | 476,437,000 | 490,607,000 | 544,017,000 |
| New Mexico..... | 69,581,000 | 78,543,000 | 90,432,000 |
| New York..... | 2,890,948,000 | 3,316,140,000 | 3,670,699,000 |
| North Carolina..... | 348,642,000 | 406,826,000 | 461,293,000 |
| North Dakota..... | 40,423,000 | 49,636,000 | 56,203,000 |
| Ohio..... | 609,885,000 | 701,997,000 | 797,944,000 |
| Oklahoma..... | 246,443,000 | 228,052,000 | 272,929,000 |
| Oregon..... | 125,886,000 | 123,432,000 | 126,136,000 |
| Pennsylvania..... | 856,063,000 | 1,006,163,000 | 1,107,875,000 |
| Rhode Island..... | 115,736,000 | 114,087,000 | 123,721,000 |
| South Carolina..... | 215,970,000 | 219,023,000 | 244,151,000 |
| South Dakota..... | 51,153,000 | 53,021,000 | 55,159,000 |
| Tennessee..... | 316,302,000 | 389,720,000 | 462,193,000 |
| Texas..... | 761,470,000 | 706,470,000 | 880,136,000 |
| Utah..... | 73,831,000 | 78,841,000 | 90,896,000 |
| Vermont..... | 57,614,000 | 58,267,000 | 60,695,000 |
| Virginia..... | 274,759,000 | 294,930,000 | 303,925,000 |
| Washington..... | 223,868,000 | 220,404,000 | 241,048,000 |
| West Virginia..... | 92,390,000 | 105,303,000 | 117,466,000 |
| Wisconsin..... | 525,595,000 | 619,482,000 | 694,239,000 |
| Wyoming..... | 9,065,000 | 10,912,000 | 13,637,000 |
| Guam..... | 900,000 | 1,400,000 | 1,400,000 |
| Northern Mariana Islands..... | 96,000 | 176,000 | 181,000 |
| Puerto Rico..... | 30,000,000 | 45,000,000 | 45,000,000 |
| Virgin Islands..... | 1,000,000 | 1,500,000 | 1,500,000 |
| Total..... | 16,804,957,000 | 18,726,755,000 | 20,674,166,000 |

Note: HCFA has assumed that in most cases these reductions do not reflect Reconciliation Act reductions.

TABLE 3A.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1982 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981

[In thousands of dollars]

| State | Fiscal year— | | | |
|---------------------------|------------------|--|---|--|
| | 1981 obligations | 1982 ¹ estimated target level | Current 1982 State estimate (November 1981) | 1982 ² appropriation estimate (3 percent) |
| Alabama | 220,829 | 246,177 | 259,800 | 252,006 |
| Alaska | 25,707 | 26,302 | 27,915 | 27,077 |
| Arkansas | 225,777 | 244,804 | 230,050 | 223,148 |
| California | 2,008,814 | 2,218,296 | 2,220,744 | 2,154,122 |
| Colorado | 127,191 | 131,910 | 137,640 | 133,511 |
| Connecticut | 206,089 | 212,146 | 229,022 | ³ 224,441 |
| Delaware | 30,955 | 32,735 | 32,104 | 31,141 |
| District of Columbia..... | 85,030 | 103,535 | 102,326 | 99,256 |
| Florida | 317,440 | 350,455 | 348,479 | 338,024 |
| Georgia..... | 388,865 | 413,434 | 413,954 | 401,535 |
| Hawaii..... | 64,098 | 63,017 | 70,273 | 68,165 |
| Idaho..... | 39,730 | 45,062 | 47,260 | 45,842 |
| Illinois | 803,016 | 825,760 | 830,158 | 805,253 |
| Indiana | 282,327 | 283,036 | 342,882 | 332,595 |
| Iowa..... | 164,773 | 165,654 | 166,832 | 161,827 |
| Kansas | 126,783 | 133,582 | 128,099 | 124,256 |
| Kentucky | 260,850 | 290,138 | 295,117 | 286,264 |
| Louisiana..... | 314,102 | 368,961 | 406,722 | 394,521 |
| Maine..... | 113,663 | 123,478 | 142,033 | 137,772 |
| Maryland..... | 254,071 | 267,816 | 273,497 | ³ 268,027 |
| Massachusetts..... | 622,333 | 685,876 | 684,561 | ³ 670,870 |
| Michigan | 708,265 | 772,014 | 805,416 | ⁴ 789,307 |
| Minnesota..... | 397,706 | 429,242 | 457,926 | 444,189 |
| Mississippi..... | 210,920 | 225,959 | 234,695 | 227,654 |
| Missouri | 260,496 | 286,947 | 289,152 | 280,478 |
| Montana..... | 47,336 | 50,007 | 55,094 | 53,441 |
| Nebraska..... | 82,164 | 89,633 | 87,759 | 85,126 |
| Nevada..... | 35,919 | 32,672 | 42,062 | 40,800 |
| New Hampshire..... | 52,600 | 61,335 | 59,361 | 57,580 |
| New Jersey..... | 439,458 | 507,279 | 490,607 | ³ 480,795 |
| New Mexico..... | 70,552 | 72,935 | 78,543 | 76,187 |
| New York | 3,087,492 | 2,863,923 | 3,316,140 | ³ 3,249,818 |
| North Carolina..... | 351,090 | 378,179 | 406,826 | 394,621 |
| North Dakota..... | 39,878 | 43,351 | 49,636 | 48,146 |
| Ohio | 633,856 | 690,889 | 701,997 | 680,938 |

TABLE 3A.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1982 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981—Continued

[In thousands of dollars]

| State | Fiscal year— | | | |
|--|------------------|--|---|--|
| | 1981 obligations | 1982 ¹ estimated target level | Current 1982 State estimate (November 1981) | 1982 ² appropriation estimate (3 percent) |
| Oklahoma | 240,937 | 248,738 | 228,052 | 221,210 |
| Oregon | 126,427 | 134,647 | 123,432 | 119,729 |
| Pennsylvania | 858,164 | 925,845 | 1,006,163 | 975,978 |
| Rhode Island..... | 108,354 | 114,144 | 114,087 | ³ 111,805 |
| South Carolina..... | 217,790 | 224,545 | 219,023 | 212,452 |
| South Dakota | 45,911 | 48,637 | 53,021 | 51,431 |
| Tennessee..... | 329,034 | 353,542 | 389,720 | 378,029 |
| Texas..... | 770,902 | 819,598 | 706,470 | 685,276 |
| Utah..... | 71,428 | 80,082 | 78,841 | 76,476 |
| Vermont | 53,744 | 59,003 | 58,267 | 56,518 |
| Virginia..... | 254,153 | 286,137 | 294,930 | 286,082 |
| Washington | 224,260 | 239,729 | 220,404 | ³ 215,996 |
| West Virginia..... | 96,780 | 97,823 | 105,303 | 102,144 |
| Wisconsin..... | 541,736 | 581,983 | 605,372 | 587,211 |
| Wyoming..... | 9,412 | 10,021 | 10,912 | 10,585 |
| Subtotal..... | 17,049,207 | 17,961,013 | 18,678,679 | 18,179,655 |
| Territories..... | 32,331 | | 48,076 | 48,076 |
| Fraud abuse/TPL ⁴ | | | | 105,067 |
| Other program adjustments..... | | | | 52,314 |
| Financial adjustments..... | -8,075 | | | -126,512 |
| Subtotal..... | 17,049,207 | 17,961,013 | 18,726,755 | 18,258,600 |
| Proposed legislation..... | | | | -278,000 |
| Less: Computable transfer of administration block grant..... | | | | -896,000 |
| Total..... | 17,073,463 | 17,961,013 | 18,726,755 | 17,084,600 |

¹ 109 percent of State's February 1981 estimate of Federal share of fiscal year 1981 expenditures.

² Estimated appropriation reflecting impact of 3 percent reduction in Federal funds authorized under Public Law 97-35; in certain cases (see footnotes 3 and 4) the State's reduction is only 2 percent. The State figures do not reflect any lowering of the reduction attributable to meeting fraud and abuse/third party recovery offsets.

³ State operates a qualified hospital cost review program; reduction only 2 percent.

⁴ State sustains high unemployment rate; reduction only 2 percent.

⁵ Estimated national total of offset for fraud and abuse/third party recovery activities; based on assumption that approximately 75 percent of the States will qualify for one-half of the year.

TABLE 3B.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1983 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981

[In thousands of dollars]

| State | Current fiscal year 1983 State estimate (Nov. 1981) | Result of ¹ general percentage reduction (4 percent) | Fiscal year 1982 ² incentive rebate | Fiscal year 1983 appropriation estimate |
|----------------------|---|---|--|---|
| Alabama | 281,656 | 270,390 | | 270,390 |
| Alaska | 31,843 | 30,569 | | 30,569 |
| Arkansas | 258,195 | 247,867 | 6,902 | 254,769 |
| California | 2,326,017 | 2,232,976 | | 2,232,976 |
| Colorado | 154,335 | 148,162 | | 148,162 |
| Connecticut | 252,021 | ³ 244,460 | | 244,460 |
| Delaware | 35,310 | 33,898 | 631 | 34,529 |
| Dist. of Col. | 118,365 | 113,631 | 1,209 | 114,840 |
| Florida | 405,206 | 388,998 | 1,976 | 390,974 |
| Georgia | 465,211 | 446,603 | | 446,603 |
| Hawaii | 80,974 | 77,735 | | 77,735 |
| Idaho | 50,540 | 48,518 | | 48,518 |
| Illinois | 839,850 | 806,256 | | 806,256 |
| Indiana | 360,622 | 346,197 | | 346,197 |
| Iowa | 183,668 | 176,321 | | 176,321 |
| Kansas | 137,527 | 132,026 | 3,843 | 135,869 |
| Kentucky | 323,674 | 310,727 | | 310,727 |
| Louisiana | 467,621 | 448,917 | | 448,917 |
| Maine | 156,330 | 150,007 | | 150,007 |
| Maryland | 313,301 | ³ 303,902 | | 303,902 |
| Massachusetts | 732,906 | ³ 710,918 | 1,315 | 712,233 |
| Michigan | 853,031 | ⁴ 827,440 | | 827,440 |
| Minnesota | 505,634 | 485,408 | | 485,408 |
| Mississippi | 268,383 | 257,648 | | 257,648 |
| Missouri | 331,016 | 317,776 | | 317,776 |
| Montana | 64,504 | 61,924 | | 61,924 |
| Nebraska | 94,127 | 90,362 | 1,874 | 92,236 |
| Nevada | 53,042 | 50,920 | | 50,920 |
| New Hampshire | 66,382 | 63,727 | 1,781 | 65,508 |
| New Jersey | 544,017 | ³ 527,696 | 9,812 | 537,508 |
| New Mexico | 90,432 | 86,815 | | 86,815 |
| New York | 3,670,699 | ³ 3,560,578 | | 3,560,578 |
| North Carolina | 461,293 | 442,841 | | 442,841 |
| North Dakota | 56,203 | 53,954 | | 53,954 |
| Ohio | 797,944 | 766,026 | | 766,026 |

TABLE 3B.—ESTIMATE OF FEDERAL MEDICAID REIMBURSEMENT TO STATES IN FISCAL YEAR 1983 REFLECTING IMPACT OF OMNIBUS RECONCILIATION ACT OF 1981—Continued

[In thousands of dollars]

| State | Current fiscal year 1983 State estimate (Nov. 1981) | Result of ¹ general percentage reduction (4 percent) | Fiscal year 1982 ^a incentive rebate | Fiscal year 1983 appropriation estimate |
|---|---|---|--|---|
| Oklahoma | 272,929 | 262,011 | 6,842 | 268,853 |
| Oregon | 126,136 | 121,091 | 3,703 | 124,794 |
| Pennsylvania | 1,107,875 | 1,063,560 | ..... | 1,063,560 |
| Rhode Island..... | 123,721 | ^b 120,009 | 57 | 120,066 |
| South Carolina..... | 244,151 | 234,385 | 5,522 | 239,907 |
| South Dakota | 55,159 | 52,952 | ..... | 52,952 |
| Tennessee..... | 462,193 | 443,705 | ..... | 443,705 |
| Texas..... | 880,136 | 844,930 | 21,194 | 866,124 |
| Utah..... | 90,896 | 87,260 | 1,241 | 88,501 |
| Vermont | 60,695 | 58,267 | ..... | 58,267 |
| Virginia..... | 303,925 | 291,768 | 4,408 | 291,768 |
| Washington | 241,048 | ^c 233,817 | ..... | 238,225 |
| West Virginia..... | 117,466 | 112,767 | ..... | 112,767 |
| Wisconsin..... | 694,239 | 666,469 | ..... | 666,469 |
| Wyoming..... | 13,637 | 13,091 | ..... | 13,091 |
| Subtotal..... | 20,626,085 | 19,868,275 | 72,310 | 19,940,585 |
| Territories..... | 48,081 | 48,081 | ..... | 48,081 |
| Fraud abuse/TPL ^d : | | | | |
| 1982..... | | 35,023 | -7,748 | 27,275 |
| 1983..... | | 77,348 | ..... | 77,348 |
| Other program adjustments..... | | -175,827 | ..... | -175,827 |
| Subtotal..... | 20,674,166 | 19,852,900 | 64,562 | 19,917,162 |
| Proposed legislation..... | | | | -2,101,300 |
| Less: Transfer of administration block grant..... | | | | -810,000 |
| Total..... | 20,674,166 | 19,852,900 | 64,562 | 17,006,162 |

¹ Estimated appropriation reflecting impact of 4 percent reduction authorized by Public Law 97-35. In certain cases reduction is only 3 percent (see footnotes 3 and 4). The State figures do not reflect any lowering of the reduction attributable to meeting fraud and abuse offset.

^a States which fell below their fiscal year 1982 target (see table 3A) and were entitled to a rebate.

^b State operates a qualified hospital cost review program; reduction only 3 percent.

^c State sustains high unemployment rate; reduction only 3 percent.

^d Estimated national totals for fraud and abuse (and for fiscal year 1982, third party recovery) activities fiscal year 1983 estimate based on assumption that approximately 50 percent of the States will qualify for one-half of the year.

TABLE 3C.—CROSSWALK FROM THE ATTACHED STATE TABLES TO THE AGGREGATE RECONCILIATION SAVINGS

| | Current fiscal year 1982 State estimate | Fiscal year 1982 appropriation estimate | Difference |
|----------------------------|---|---|-----------------|
| Fiscal year 1982 | \$18,678,679 | ¹ \$18,179,655 | —\$499,124 |
| Fraud/abuse offset..... | | + 105,067 | + 105,067 |
| Total savings | 18,678,679 | 18,284,722 | —393,957 |

| | Current fiscal year 1983 State estimate | Fiscal year 1983 appropriation estimate | Difference |
|---|---|---|-----------------|
| Fiscal year 1983 | \$20,626,085 | \$19,868,275 | —\$757,810 |
| Fraud/abuse offset: | | | |
| 1982..... | | 35,023 | + 35,023 |
| 1983..... | | 77,348 | + 77,348 |
| Incentive rebate..... | | 64,562 | + 64,562 |
| Adjustment to reconciliation savings ² | | 9,000 | + 9,000 |
| Total savings | 20,626,085 | 20,054,298 | —571,877 |

¹ Includes 3 percent reduction and the unemployment and hospital rate setting offset.

² The 1983 current law budget includes \$225 million in savings due to the Medicaid impact of the 1981 Reconciliation Act changes to the AFDC program. Since this reduces the budget, the savings from the 4-percent reduction would also be reduced. Therefore, the savings were reduced by 4 percent of \$25 million, or \$9 million.

ELIGIBILITY CRITERIA

States having medicaid programs must cover the "categorically needy." In general, categorically needy individuals are persons receiving cash assistance payments under the Aid to Families with Dependent Children (AFDC) program or aged, blind, or disabled persons receiving benefits under the supplemental security income program. A State must cover under medicaid all recipients of AFDC payments. A State is, however, provided certain options (based, in large measure, on its coverage levels in effect prior to implementation of SSI in 1974) in determining the extent of coverage for persons receiving Federal SSI benefits and/or State supplementary SSI payments. States may cover certain additional groups of persons as "categorically needy" under their medicaid programs. These may include persons aged 18 to 21, and persons who would be eligible for cash assistance, except that they are patients in medical facilities (other than for persons under 65 who are in tuberculosis institutions or persons over 21 and under 65 who are in mental institutions).

States may also include the "medically needy"—those whose incomes and resources are large enough to cover daily living expenses, according to income levels set by the State, within certain

limits, but not large enough to pay for medical care, providing that they are aged, blind, disabled, or members of families with children. P.L. 97-35 provided that if a state offers medically needy coverage to any group it must, at a minimum, provide ambulatory services to children and prenatal and delivery services to pregnant women.

All States (except Arizona) and the District of Columbia, Guam, Puerto Rico, the Virgin Islands, and the Northern Mariana Islands, have medicaid programs. Twenty jurisdictions cover only the "categorically needy," while 34, cover both the "categorically needy" and the "medically needy." As of January 1, 1982, the following States and jurisdictions provide medically needy coverage:

| | | |
|------------------|--------------------------|----------------|
| Arkansas | Massachusetts | Puerto Rico |
| California | Michigan | Rhode Island |
| Connecticut | Minnesota | Tennessee |
| Washington, D.C. | Montana | Utah |
| Guam | Nebraska | Vermont |
| Hawaii | New Hampshire | Virgin Islands |
| Illinois | New York | Virginia |
| Kansas | North Carolina | Washington |
| Kentucky | North Dakota | West Virginia |
| Louisiana | Northern Mariana Islands | Wisconsin |
| Maine | Oklahoma | |
| Maryland | Pennsylvania | |

Tables 4 and 5 show State medicaid coverage criteria as of December 1980. Table 6 shows the number of medicaid recipients by maintenance assistance status, State by State, for fiscal year 1980.

TABLE 4.—MEDICAID COVERAGE UNDER AFDC BY JURISDICTION, DECEMBER 1980

| Medicaid jurisdiction | AFDC State plan includes | | | Optional categorically needy | | | | | |
|---------------------------|----------------------------------|-----------------|---|------------------------------|---|--|--|--|---|
| | Families with unemployed parents | Unborn children | Children age 18-21 regularly attending school | Caretaker relatives | All financially eligible individuals under age 21 | Individuals eligible but not receiving aid | Individuals eligible but in institutions | Individuals who would be eligible if AFDC is broad as Social Security Act allows | Individuals who would be eligible if child care cost paid from earnings |
| Alabama..... | | X | X | | X | | X | | |
| Alaska..... | | | X | | | X | X | | |
| Arkansas..... | | | X | | X | | X | | X |
| California..... | X | X | X | X | X | X | X | | |
| Colorado..... | X | X | X | X | | X | X | | |
| Connecticut..... | X | X | X | X | X | X | | | |
| Delaware..... | X | X | X | X | | | X | X | |
| District of Columbia..... | X | X | X | X | X | X | X | X | X |
| Florida..... | | X | | | | | X | | |
| Georgia..... | | | X | | X | | X | | |
| Guam..... | X | X | X | | | | | | |
| Hawaii..... | X | X | X | X | X | | X | X | |
| Idaho..... | | | X | | X | X | X | | |
| Illinois..... | X | | X | | | | X | X | |
| Indiana..... | | | | | | | | | |
| Iowa..... | X | | X | | | | X | X | |
| Kansas..... | X | X | X | X | | | | | |
| Kentucky..... | | | X | X | X | X | | X | |

| | | | | | | | | |
|---------------------|---|---|---|---|---|---|---|---|
| Louisiana..... | X | X | X | X | X | X | X | X |
| Maine..... | | | X | X | X | X | X | X |
| Maryland..... | X | X | X | X | X | X | X | X |
| Massachusetts..... | X | X | X | X | X | X | X | X |
| Michigan..... | X | X | X | X | X | X | X | X |
| Minnesota..... | X | X | X | X | X | X | X | X |
| Mississippi..... | | | X | X | X | X | X | X |
| Missouri..... | X | X | X | X | X | X | X | X |
| Montana..... | X | X | X | X | X | X | X | X |
| Nebraska..... | X | X | X | X | X | X | X | X |
| Nevada..... | | X | X | X | X | X | X | X |
| New Hampshire..... | | | X | X | X | X | X | X |
| New Jersey..... | X | X | X | X | X | X | X | X |
| New Mexico..... | | X | X | X | X | X | X | X |
| New York..... | X | X | X | X | X | X | X | X |
| North Carolina..... | | | X | X | X | X | X | X |
| North Dakota..... | | X | X | X | X | X | X | X |

TABLE 4.—MEDICAID COVERAGE UNDER AFDC BY JURISDICTION, DECEMBER 1980—Continued

| Medicaid jurisdiction | AFDC State plan includes | | | Optional categorically needy | | | | | |
|-------------------------|----------------------------------|-----------------|---|------------------------------|---|--|--|--|---|
| | Families with unemployed parents | Unborn children | Children age 18-21 regularly attending school | Caretaker relatives | All financially eligible individuals under age 21 | Individuals eligible but not receiving aid | Individuals eligible but in institutions | Individuals who would be eligible if AFDC is broad as Social Security Act allows | Individuals who would be eligible if child care cost paid from earnings |
| Northern Marianas | X | X | X | X | X | X | | | X |
| Ohio | X | X | X | | | | X | X | X |
| Oklahoma | | | X | X | X | X | X | | X |
| Oregon | | | X | X | X | X | X | X | |
| Pennsylvania | X | X | | X | X | X | X | X | X |
| Puerto Rico | | | | X | X | X | X | X | |
| Rhode Island | X | X | X | X | X | X | X | | |
| South Carolina | | X | X | X | X | | X | | |
| South Dakota | | X | | | | | X | | |
| Tennessee | | X | X | | X | | | | |
| Texas | | | X | | | | X | | |
| Utah | X | X | X | X | X | X | X | | |
| Vermont | X | X | X | X | X | X | X | | |
| Virgin Islands | | | X | X | X | X | X | X | |
| Virginia | | | X | X | | X | X | | X |
| Washington | X | X | X | | X | X | X | | X |
| West Virginia | X | X | X | | | X | | | |
| Wisconsin | X | X | | X | X | X | X | | X |
| Wyoming | | X | X | | | | X | | |

Source: State Plans Branch, Bureau of Program Operations, HCFA.

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980

| Medicaid jurisdiction | All SSI recipients | More restricted standard | Optional categorically needy | | | | |
|----------------------------|--------------------|--------------------------|------------------------------|-------|----------|--|--|
| | | | State supplement recipients | | | Individuals eligible but not receiving aid | Individuals eligible but in institutions |
| | | | Aged | Blind | Disabled | | |
| Alabama | X | X | X | X | X | X | X |
| Alaska | X | X | X | X | X | X | X |
| Arkansas | X | ..... |  |  |  |  | X |
| California | X | X | X | X | X | X | X |
| Colorado | X | X | | | | X | X |
| Connecticut ..... |  | ..... | X | X | X | X | |
| Delaware | X | X | X | X | X | X | X |
| District of Columbia | X | ..... |  |  |  | X | X |

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980—Continued

| Medicaid jurisdiction | All SSI recipients | More restricted standard | Optional categorically needy | | | | | |
|-------------------------|--------------------|--------------------------|------------------------------|-------|----------|--|--|---|
| | | | State supplement recipients | | | Individuals eligible but not receiving aid | Individuals eligible but in institutions | |
| | | | Aged | Blind | Disabled | | | |
| Florida..... | X | | | | | | | X |
| Georgia..... | X | | | | | | | X |
| Guam ¹ | | | | | | | | |
| Hawaii..... | | X | X | X | X | | | X |
| Idaho..... | X | | X | X | X | X | | |
| Illinois..... | | X | X | X | X | | | X |
| Indiana..... | | X | X | X | X | | | |
| Iowa..... | X | | X | X | X | | | X |
| Kansas..... | X | | | | | | | |
| Kentucky..... | X | | X | X | X | | | |
| Louisiana..... | X | | | | | | | X |
| Maine..... | X | | X | X | X | X | | X |
| Maryland..... | X | | X | X | X | X | | X |
| Massachusetts..... | X | | X | X | X | X | | X |
| Michigan..... | X | | X | X | X | | | |
| Minnesota..... | | X | X | X | X | | | X |
| Mississippi..... | | X | | | | | | X |
| Missouri..... | | X | X | X | X | | | X |
| Montana..... | X | | X | X | X | X | | X |
| Nebraska..... | | X | X | X | X | | | X |

| | | | | | | | | |
|--------------------------------------|---|---|---|---|---|---|---|---|
| Nevada..... | X | | X | X | | | | X |
| New Hampshire..... | | X | X | X | X | X | X | X |
| New Jersey..... | X | | X | X | X | X | X | X |
| New Mexico..... | X | | | | | | | X |
| New York..... | | X | X | X | X | X | X | X |
| North Carolina..... | | X | X | X | X | X | X | X |
| North Dakota..... | | X | | | | | X | X |
| Northern Marianas ¹ | X | | | | | | X | X |
| Ohio..... | | X | | | | | | |
| Oklahoma..... | | X | X | X | X | X | X | X |
| Oregon..... | X | | X | X | X | X | X | X |
| Pennsylvania..... | X | | X | X | X | X | X | X |
| Puerto Rico ¹ | X | | | | | | X | X |
| Rhode Island..... | X | | X | X | X | X | X | X |
| South Carolina..... | X | | X | X | X | | | X |
| South Dakota..... | X | | X | X | X | | | X |
| Tennessee..... | X | | | | | | | |
| Texas..... | X | | | | | | | X |
| Utah..... | | X | | | | | X | X |
| Vermont..... | X | | X | X | X | | X | X |

TABLE 5.—MEDICAID COVERAGE UNDER SSI BY JURISDICTION, DECEMBER 1980—Continued

| Medicaid jurisdiction | All SSI recipients | More restricted standard | Optional categorically needy | | | | |
|-----------------------------------|--------------------|--------------------------|------------------------------|-------|----------|--|--|
| | | | State supplement recipients | | | Individuals eligible but not receiving aid | Individuals eligible but in institutions |
| | | | Aged | Blind | Disabled | | |
| Virgin Islands ¹ | | | | | | X | X |
| Virginia..... | | X | X | X | X | X | X |
| Washington | X | | X | X | X | X | X |
| West Virginia..... | X | | | | | X | |
| Wisconsin | X | | X | X | X | X | X |
| Wyoming | X | | | | | | X |

¹ Eligibility determination for the territories is based on separate regulations which are found in 42 CFR 436. The Medicaid agency may not require a separate application for Medicaid from an individual if the individual receives cash assistance under a State plan for OAA, AFDC, AB, APTD, or AABD.

Source: State Plans Branch, Bureau of Program Operations, HCFA.

TABLE 6.—MEDICAID RECIPIENTS BY MAINTENANCE ASSISTANCE STATUS AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Categorically needy | | Medically needy |
|----------------------------|-------------------|-------------------------|-----------------------------|------------------|
| | | Receiving cash payments | Not receiving cash payments | |
| United States | 21,604,387 | 16,312,485 | 1,546,696 | 3,964,759 |
| Region I: | | | | |
| Boston | 1,363,547 | 1,002,608 | 65,651 | 296,887 |
| Connecticut | 216,570 | 160,628 | ..... | 55,942 |
| Maine | 145,608 | 97,031 | 28,860 | 19,437 |
| Massachusetts..... | 774,913 | 580,361 | ..... | 194,552 |
| New Hampshire..... | 44,859 | 30,696 | 8,155 | 6,008 |
| Rhode Island | 127,800 | 94,190 | 15,189 | 18,421 |
| Vermont | 53,797 | 39,702 | 13,447 | 2,527 |
| Region II: | | | | |
| New York..... | 4,363,716 | 2,389,147 | 297,731 | 1,676,838 |
| New Jersey..... | 676,260 | 607,526 | 68,734 | ..... |
| New York | 2,288,073 | 1,637,621 | ..... | 650,452 |
| Puerto Rico | 1,386,103 | 139,996 | 288,707 | 1,017,400 |
| Virgin Islands | 13,280 | 4,004 | 290 | 8,986 |
| Region III: | | | | |
| Philadelphia | 2,188,770 | 1,771,479 | 120,903 | 310,619 |
| Delaware | 49,205 | 44,372 | 6,066 | ..... |
| District of Columbia..... | 126,691 | 110,444 | 1,830 | 14,417 |
| Maryland | 312,538 | 256,650 | ..... | 55,888 |
| Pennsylvania | 1,250,560 | 989,711 | 96,803 | 164,046 |
| Virginia..... | 320,420 | 259,879 | 6,823 | 65,236 |
| West Virginia..... | 129,356 | 110,423 | 9,381 | 11,032 |
| Region IV: | | | | |
| Atlanta..... | 3,040,732 | 2,628,156 | 239,830 | 182,914 |
| Alabama | 324,364 | 306,620 | 17,744 | ..... |
| Florida | 500,652 | 454,434 | 46,218 | ..... |
| Georgia..... | 430,255 | 389,914 | 50,509 | ..... |
| Kentucky | 410,248 | 320,809 | 2,953 | 86,486 |
| Mississippi..... | 306,879 | 252,742 | 54,137 | ..... |
| North Carolina | 376,656 | 302,461 | 21,757 | 52,438 |
| South Carolina..... | 337,304 | 307,282 | 30,022 | ..... |
| Tennessee..... | 354,374 | 293,894 | 16,490 | 43,990 |
| Region V: | | | | |
| Chicago..... | 3,785,842 | 3,139,928 | 328,632 | 363,085 |
| Illinois | 1,048,621 | 859,809 | ..... | 188,812 |
| Indiana | 205,278 | 160,490 | 44,788 | ..... |
| Michigan | 973,443 | 884,115 | ..... | 89,328 |
| Minnesota..... | 325,359 | 245,778 | 24,243 | 55,338 |
| Ohio | 808,638 | 681,859 | 172,582 | ..... |
| Wisconsin..... | 424,503 | 307,877 | 87,019 | 29,607 |

TABLE 6.—MEDICAID RECIPIENTS BY MAINTENANCE ASSISTANCE STATUS AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Categorically needy | | Medically needy |
|----------------------|------------------|-------------------------|-----------------------------|-----------------|
| | | Receiving cash payments | Not receiving cash payments | |
| Region VI: | | | | |
| Dallas | 1,616,932 | 1,405,349 | 199,883 | 44,742 |
| Arkansas | 222,459 | 183,631 | 20,508 | 22,631 |
| Louisiana | 365,238 | 326,233 | 28,978 | 10,027 |
| New Mexico | 87,862 | 81,242 | 6,620 | ..... |
| Oklahoma | 253,647 | 204,140 | 37,423 | 12,084 |
| Texas | 687,726 | 610,103 | 106,354 | ..... |
| Region VII: | | | | |
| Kansas City | 720,176 | 562,773 | 97,467 | 66,689 |
| Iowa | 178,429 | 152,609 | 32,573 | ..... |
| Kansas | 148,962 | 94,142 | 2,398 | 52,422 |
| Missouri | 321,485 | 260,979 | 60,506 | ..... |
| Nebraska | 71,300 | 55,043 | 1,990 | 14,267 |
| Region VIII: | | | | |
| Denver | 321,769 | 271,490 | 49,525 | 18,032 |
| Colorado | 141,271 | 137,747 | 16,929 | ..... |
| Montana | 45,818 | 31,850 | 12,200 | 1,768 |
| North Dakota | 31,387 | 18,326 | 6,467 | 6,594 |
| South Dakota | 34,866 | 28,642 | 6,224 | ..... |
| Utah | 57,376 | 44,897 | 6,682 | 9,670 |
| Wyoming | 11,051 | 10,028 | 1,023 | ..... |
| Region IX: | | | | |
| San Francisco | 3,549,523 | 2,633,346 | 38,615 | 944,940 |
| California | 3,417,680 | 2,531,980 | 26,100 | 925,720 |
| Hawaii | 106,641 | 80,219 | 7,202 | 19,220 |
| Nevada | 25,202 | 21,147 | 5,313 | ..... |
| Region X: | | | | |
| Seattle | 653,380 | 508,209 | 108,459 | 60,013 |
| Alaska | 17,156 | 16,225 | 931 | ..... |
| Idaho | 43,984 | 35,157 | 10,529 | ..... |
| Oregon | 277,083 | 202,779 | 74,304 | ..... |
| Washington | 315,157 | 254,048 | 22,695 | 60,013 |

BENEFITS

Federal law requires States to include the following basic services for categorically needy recipients under their medicaid programs: inpatient hospital services; outpatient hospital services; laboratory and X-ray services; skilled nursing facility services for individuals 21 and older; home health care services for individuals eligible for skilled nursing facility services; physicians' services; family planning services; rural health clinic services; and early and

periodic screening, diagnosis and treatment services for individuals under 21. In addition, States may provide any number of other services if they elect to do so, including drugs, eyeglasses, private duty nursing, intermediate care facility services, inpatient psychiatric care for the aged and persons under 21, physical therapy, dental care, etc. Table 7 shows services offered under State programs as of August 1981. For both the mandatory and optional services, States may set limitations on the amount, duration, and scope of coverage (for example, a limitation on the number of days of hospital care or on the number of physician visits).

Federal law, as amended by P.L. 97-35, establishes the following requirements for coverage of the medically needy: (1) if a State provides medically needy coverage to any group it must provide ambulatory services to children and prenatal and delivery services for pregnant women; (2) if a State provides institutional services for any medically needy group, it must also provide ambulatory services for this population group; and (3) if the State provides medically needy coverage for persons in intermediate care facilities for the mentally retarded (ICF/MRs), it must offer to all groups covered in its medically needy program the same mix of institutional and non-institutional services as required under prior law (i.e. either all of the mandatory services or alternatively the care and services listed in 7 of the 17 paragraphs in the law defining covered services).

By law, medicaid recipients are generally permitted to obtain medical assistance from any institution, agency, community pharmacy, or person qualified to perform the service if such individual or entity undertakes to provide it. This is known as the "freedom of choice" provision. P.L. 97-35 authorized certain exemptions from this requirement including permitting States to: (1) purchase laboratory services and medical devices under a competitive bidding arrangement; (2) "lock in" recipients who overutilize services to particular providers; and (3) "lock out" providers who have significantly abused the program. The legislation also permitted the Secretary to grant waivers from the freedom-of-choice requirement. Under the waiver authority, States are able to restrict the providers from whom beneficiaries can obtain nonemergency services, providing certain conditions, including access to services of adequate quality, are met.

Public Law 97-35 also authorized the Secretary to waive Federal requirements to enable a State to provide home and community-based services, pursuant to a written plan of care, to individuals who have been determined to otherwise require long-term institutional care. The State must provide assurances that the average per capita expenditure for individuals provided services under the waiver does not exceed the average per capita amount which would have been expended for such individuals if the waivers had not been in effect.

TABLE 7

Medicaid Services by Jurisdiction as of August 1981

| FMAP SEE ABOVE | State | Practitioners' Services | | | | | | | | Drugs and Devices | | | | Outpatient Services | | | | | | |
|----------------------|-----------------|-------------------------|-----------------------|-----------------------|-----------------------------|-----------------|-------------------|----------------------|----------------|-------------------|-----------------------------|--------------------|---------|---------------------|---------|--------------------|---------------------|---------------------|-----------------------|--------------------|
| | | Physician Services | Occupational Services | Chiropractic Services | Other Practitioner Services | Dental Services | Podiatry Services | Occupational Therapy | Speech Therapy | Language Disorder | Non-Pharmaceutical Services | Prescription Drugs | Devices | Prosthetic Devices | Empathy | Screening Services | Preventive Services | Diagnostic Services | Chiropractic Services | Emergency Services |
| 71 | Alabama | | | | | | | | | | | | | | | | | | | |
| 25 | Alaska | | | | | | | | | | | | | | | | | | | |
| 61 | Arizona | | | | | | | | | | | | | | | | | | | |
| 71 | Arkansas | | | | | | | | | | | | | | | | | | | |
| 26 | California | | | | | | | | | | | | | | | | | | | |
| 53 | Colorado | | | | | | | | | | | | | | | | | | | |
| 50 | Connecticut | | | | | | | | | | | | | | | | | | | |
| 50 | Delaware | | | | | | | | | | | | | | | | | | | |
| 50 | D.C. | | | | | | | | | | | | | | | | | | | |
| 49 | Florida | | | | | | | | | | | | | | | | | | | |
| 87 | Georgia | | | | | | | | | | | | | | | | | | | |
| 50 | Guam | | | | | | | | | | | | | | | | | | | |
| 60 | Hawaii | | | | | | | | | | | | | | | | | | | |
| 86 | Idaho | | | | | | | | | | | | | | | | | | | |
| 57 | Illinois | | | | | | | | | | | | | | | | | | | |
| 59 | Indiana | | | | | | | | | | | | | | | | | | | |
| 59 | Iowa | | | | | | | | | | | | | | | | | | | |
| 54 | Kansas | | | | | | | | | | | | | | | | | | | |
| 69 | Kentucky | | | | | | | | | | | | | | | | | | | |
| 69 | Louisiana | | | | | | | | | | | | | | | | | | | |
| 70 | Maine | | | | | | | | | | | | | | | | | | | |
| 25 | Maryland | | | | | | | | | | | | | | | | | | | |
| 51 | Massachusetts | | | | | | | | | | | | | | | | | | | |
| 41 | Michigan | | | | | | | | | | | | | | | | | | | |
| 78 | Minnesota | | | | | | | | | | | | | | | | | | | |
| 80 | Mississippi | | | | | | | | | | | | | | | | | | | |
| 64 | Missouri | | | | | | | | | | | | | | | | | | | |
| 64 | Montana | | | | | | | | | | | | | | | | | | | |
| 61 | Nebraska | | | | | | | | | | | | | | | | | | | |
| 61 | Nevada | | | | | | | | | | | | | | | | | | | |
| 61 | New Hampshire | | | | | | | | | | | | | | | | | | | |
| 50 | New Jersey | | | | | | | | | | | | | | | | | | | |
| 66 | New Mexico | | | | | | | | | | | | | | | | | | | |
| 50 | New York | | | | | | | | | | | | | | | | | | | |
| 52 | North Carolina | | | | | | | | | | | | | | | | | | | |
| 51 | North Dakota | | | | | | | | | | | | | | | | | | | |
| 51 | RI, Puerto Rico | | | | | | | | | | | | | | | | | | | |
| 54 | Texas | | | | | | | | | | | | | | | | | | | |
| 67 | Utah | | | | | | | | | | | | | | | | | | | |
| 54 | Vermont | | | | | | | | | | | | | | | | | | | |
| 57 | Virginia | | | | | | | | | | | | | | | | | | | |
| 57 | Virgin Islands | | | | | | | | | | | | | | | | | | | |
| 57 | Washington | | | | | | | | | | | | | | | | | | | |
| 67 | West Virginia | | | | | | | | | | | | | | | | | | | |
| 56 | Wisconsin | | | | | | | | | | | | | | | | | | | |
| 54 | Wyoming | | | | | | | | | | | | | | | | | | | |
| 1 | 0 | 18 | 18 | 10 | 9 | 11 | 18 | 7 | 7 | 11 | 19 | 11 | 18 | 17 | 3 | 6 | 9 | 12 | 18 | 18 |
| 1 | 1 | 18 | 17 | 17 | 20 | 12 | 24 | 18 | 21 | 22 | 31 | 22 | 30 | 24 | 18 | 20 | 17 | 12 | 28 | 28 |
| 1 | 44 | 62 | 61 | 77 | 29 | 34 | 54 | 74 | 30 | 31 | 57 | 41 | 64 | 48 | 18 | 20 | 21 | 42 | 44 | 44 |

¹ FMAP-Federal Medicaid Assistance Percentage: Rate of Federal financial participation in a State's medical vendor payment expenditures on behalf of individuals and families eligible under Title XIX of the Social Security Act. Percentages, effective from October 1, 1979, through September 30, 1981 are rounded.

² Categorically Needy: People receiving federally supported financial assistance.

³ Medically Needy: People who are eligible for medical but not for financial assistance.

FINANCING

The Federal Government helps States share in the cost of medic-aid services by means of a variable matching formula that is periodically adjusted. The matching rate, which is inversely related to a State's per capita income, can range from 50 to 83 percent though no State currently receives higher than 77.86 percent. Federal matching for the territories is set at 50 percent with a maximum dollar limit placed on the amount each territory can receive. The Federal share of administrative costs is 50 percent for all States except for certain items where the authorized rate is higher. Table 8 shows Federal matching rates for medicaid by State.

Public Law 97-35 provided that the amount of Federal matching payments to which a State is otherwise entitled is to be reduced by 3 percent in FY82, 4 percent in FY83, and 4.5 percent in FY84. A State can lower the amount of its reduction by 1 percentage point for each of the following: (1) operating a qualified hospital cost review program; (2) sustaining an unemployment rate exceeding 150 percent of the national average; and (3) demonstrating recoveries from fraud and abuse activities, and with respect to FY82, third-party recoveries equal to 1 percent of Federal payments.

A State is entitled to a dollar for dollar offset in its reductions if total Federal Medicaid expenditures in a year fall below a specified target amount. In no case can the amount recovered exceed the total amount of reductions. In FY82, the target amount is equal to 109 percent of the State's estimates for FY81. In FY83 and FY84, the target amounts are equal to the FY82 target increased or decreased by the same percentage as the increase or decrease in the index of medical care component of the consumer price index over the same period. The reduction and offset provisions do not apply to the territories or to Arizona which does not currently have a Medicaid program.

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

| | |
|----------------------------|-------|
| Alabama | 71.13 |
| Alaska | 50.00 |
| Arizona ¹ | |
| Arkansas | 72.16 |
| California | 50.00 |
| Colorado | 52.28 |
| Connecticut | 50.00 |
| Delaware | 50.00 |
| District of Columbia | 50.00 |
| Florida | 57.92 |

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

| | |
|-------------------------------|-------|
| Georgia..... | 66.28 |
| Guam..... | 50.00 |
| Hawaii..... | 50.00 |
| Idaho..... | 65.43 |
| Illinois..... | 50.00 |
| Indiana..... | 56.73 |
| Iowa..... | 55.35 |
| Kansas..... | 52.50 |
| Kentucky..... | 67.95 |
| Louisiana..... | 66.85 |
| Maine..... | 70.63 |
| Maryland..... | 50.00 |
| Massachusetts..... | 53.56 |
| Michigan..... | 50.00 |
| Minnesota..... | 54.39 |
| Mississippi..... | 77.36 |
| Missouri..... | 60.38 |
| Montana..... | 65.34 |
| Nebraska..... | 58.12 |
| Nevada..... | 50.00 |
| New Hampshire..... | 59.41 |
| New Jersey..... | 50.00 |
| New Mexico..... | 67.19 |
| New York..... | 50.88 |
| North Carolina..... | 67.81 |
| North Dakota..... | 62.11 |
| Northern Mariana Islands..... | 50.00 |
| Ohio..... | 55.10 |
| Oklahoma..... | 59.91 |
| Oregon..... | 52.81 |
| Pennsylvania..... | 56.78 |
| Puerto Rico..... | 50.00 |
| Rhode Island..... | 57.77 |
| South Carolina..... | 70.77 |
| South Dakota..... | 68.19 |
| Tennessee..... | 68.53 |
| Texas..... | 55.75 |
| Utah..... | 68.64 |
| Vermont..... | 68.59 |
| Virgin Islands..... | 50.00 |
| Virginia..... | 56.74 |

TABLE 8.—CURRENT FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

[Effective for the period Oct. 1, 1981–Sept. 30, 1983]

| | |
|--------------------|-------|
| Washington | 50.00 |
| West Virginia..... | 67.95 |
| Wisconsin..... | 58.02 |
| Wyoming..... | 50.00 |

¹ Not applicable; no title XIX program in effect.

PAYMENT FOR SERVICES

States have considerable leeway in setting reimbursement levels for services. They are required to reimburse hospitals, skilled nursing facilities, and intermediate care facilities at rates that are reasonable and adequate to meet the cost which must be incurred by efficiently and economically operated facilities in order to meet applicable laws and quality and safety standards. In developing their payment rates for hospitals States are required to take into account the situation of facilities which serve a disproportionate number of low income patients. Further, hospital payment rates must be sufficient to assure that medicaid patients have reasonable access to services of adequate quality.

States must set reimbursement levels for physicians, other practitioners, and laboratories, and for other noninstitutional services and items at rates which are sufficient to make sure that these services and items are available to the medicaid population at least to the extent that they are available to the general population. Federal law no longer requires that payment for physicians' and certain other services cannot exceed medicare's reasonable charge level. Thus, with certain exceptions, States must simply assure that payment for these services and items be consistent with efficiency, economy and quality of care.

Payments for covered services are made directly to the provider of services and the provider is required to accept the medicaid payment as payment in full for covered services.

Federal law permits States to impose nominal copayments and deductible amounts with respect to optional services for the categorically needy and for all services for the medically needy. In addition, nursing homes residents are required to turn over their excess income to help pay for the cost of their care; in general they are allowed to retain \$25 for their personal needs.

ADMINISTRATION

Medicaid is a State-administered program. At the Federal level, the Health Care Financing Administration (HCFA) of the Department of Health and Human Services is responsible for overseeing State operations.

Federal law requires that one State agency be designated as the single State agency responsible for the administration of the medic-

aid program. Traditionally, that agency has been either the State welfare agency, the State health agency, or the umbrella human resources agency. Though the single State agency bears ultimate responsibility for administration of the medicaid program, that agency often contracts with other State agencies to carry out some program functions. In addition, States may process claims for reimbursement themselves or contract with fiscal agents or health insuring agencies to process these claims.

ADDITIONAL PROGRAM DATA

Tables 9-14 provide additional State-by-State data on the medicaid program. Tables 9 and 10 present expenditure data. Tables 11-14 include data on program recipients by category.

TABLE 9A.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total payments | Inpatient hospital | | Skilled nursing facilities |
|-------------------------|----------------|--------------------|-----------------|----------------------------|
| | | General hospital | Mental hospital | |
| United States | 23,301,072,045 | 6,271,101,166 | 872,778,741 | 3,708,734,417 |
| Region I: | | | | |
| Boston | 1,781,795,119 | 550,784,930 | 71,550,688 | 298,293,700 |
| Connecticut | 349,673,332 | 64,280,447 | 47,574,413 | 145,435,226 |
| Maine | 131,319,771 | 30,891,328 | ..... | 3,225,391 |
| Massachusetts..... | 1,009,262,162 | 377,984,048 | 18,936,305 | 142,935,367 |
| New Hampshire..... | 71,894,256 | 10,811,937 | 685 | 3,649,427 |
| Rhode Island | 160,378,523 | 56,228,111 | 1,706,915 | 2,089,881 |
| Vermont | 59,267,075 | 10,589,059 | 3,332,370 | 958,408 |
| Region II: | | | | |
| New York..... | 5,399,697,566 | 1,329,859,563 | 441,904,716 | 1,103,966,788 |
| New Jersey..... | 755,928,888 | 171,476,347 | 44,497,749 | 14,329,200 |
| New York..... | 4,542,635,370 | 1,128,217,400 | 397,406,967 | 1,089,637,588 |
| Puerto Rico | 99,555,685 | 29,457,948 | ..... | ..... |
| Virgin Islands | 1,577,623 | 707,868 | ..... | ..... |
| Region III: | | | | |
| Philadelphia | 2,054,051,234 | 653,934,776 | 99,639,319 | 217,342,765 |
| Delaware | 45,250,234 | 12,124,011 | 886,565 | 327,417 |
| District of Columbia... | 168,475,960 | 92,362,588 | ..... | 2,262,159 |
| Maryland | 319,577,879 | 132,346,984 | ..... | 7,460 |
| Pennsylvania | 1,058,194,477 | 300,073,628 | 98,266,527 | 205,021,742 |
| Virginia..... | 358,961,768 | 81,784,167 | 486,227 | 9,508,628 |
| West Virginia..... | 103,590,916 | 35,243,398 | ..... | 215,359 |
| Region IV: | | | | |
| Atlanta..... | 2,664,318,779 | 685,781,024 | 37,930,885 | 322,768,417 |
| Alabama | 263,459,809 | 59,801,345 | 120,513 | 38,284,359 |
| Florida..... | 392,017,997 | 128,377,375 | 5,696,664 | 56,267,134 |
| Georgia..... | 462,444,432 | 116,806,724 | ..... | 62,695,718 |
| Kentucky | 295,606,715 | 76,612,678 | 2,522,517 | 18,736,460 |
| Mississippi..... | 211,044,459 | 54,018,304 | ..... | 49,091,463 |

TABLE 9A.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total payments | Inpatient hospital | | Skilled nursing facilities |
|----------------------|----------------|--------------------|-----------------|----------------------------|
| | | General hospital | Mental hospital | |
| North Carolina | 401,066,128 | 105,634,469 | 10,334,654 | 57,011,096 |
| South Carolina | 259,172,262 | 61,896,548 | 12,847,258 | 26,318,312 |
| Tennessee | 379,506,977 | 82,633,581 | 6,409,279 | 14,363,875 |
| Region V: | | | | |
| Chicago | 4,703,498,457 | 1,271,326,165 | 162,644,627 | 882,524,942 |
| Illinois | 1,191,914,747 | 425,736,532 | 87,563,456 | 101,782,500 |
| Indiana | 354,228,096 | 75,780,137 | 2,190,831 | 44,975,662 |
| Michigan | 1,071,680,997 | 352,511,023 | 24,060,422 | 133,824,028 |
| Minnesota | 590,361,587 | 78,279,374 | 11,177,322 | 170,833,619 |
| Ohio | 809,431,930 | 233,025,930 | 26,940,065 | 184,719,101 |
| Wisconsin | 685,881,100 | 105,993,169 | 10,712,531 | 246,390,032 |
| Region VI: | | | | |
| Dallas | 1,966,437,189 | 388,698,901 | 6,476,533 | 74,233,721 |
| Arkansas | 234,660,263 | 46,214,886 | 176,775 | 28,782,852 |
| Louisiana | 415,232,001 | 82,663,672 | 2,075,654 | 3,795,239 |
| New Mexico | 70,257,232 | 20,285,939 | ..... | 996,846 |
| Oklahoma | 265,433,438 | 67,308,141 | 4,224,104 | 71,587 |
| Texas | 980,854,255 | 172,226,263 | ..... | 40,587,197 |
| Region VII: | | | | |
| Kansas City | 835,836,265 | 189,575,122 | 10,695,078 | 13,141,134 |
| Iowa | 230,231,390 | 41,969,410 | 2,000,716 | 1,120,403 |
| Kansas | 201,771,290 | 47,297,014 | 6,212,599 | 2,215,744 |
| Missouri | 295,051,588 | 79,149,196 | 70,303 | 3,775,046 |
| Nebraska | 108,781,997 | 21,159,502 | 2,411,460 | 6,029,941 |
| Region VIII: | | | | |
| Denver | 439,713,617 | 82,959,868 | 8,764,766 | 54,438,003 |
| Colorado | 181,712,992 | 33,197,210 | 5,062,775 | 23,549,589 |
| Montana | 62,339,140 | 12,458,556 | 4,014 | 2,067,051 |
| North Dakota | 46,741,977 | 8,905,439 | 2,059,561 | 15,696,985 |
| South Dakota | 54,906,601 | 8,452,578 | ..... | 3,534,882 |
| Utah | 79,564,611 | 16,313,254 | 1,638,416 | 7,934,471 |
| Wyoming | 14,448,296 | 3,632,831 | ..... | 1,655,025 |
| Region IX: | | | | |
| San Francisco | 2,869,204,878 | 992,478,199 | 26,373,188 | 600,428,777 |
| California | 2,728,153,733 | 958,813,666 | 25,983,035 | 579,552,107 |
| Hawaii | 96,161,524 | 20,601,154 | ..... | 19,953,213 |
| Nevada | 44,889,621 | 13,063,379 | 390,153 | 923,457 |
| Region X: | | | | |
| Seattle | 586,518,941 | 125,702,618 | 6,798,941 | 141,596,170 |
| Alaska | 26,663,196 | 4,841,190 | 5,753 | 2,346,683 |
| Idaho | 51,972,100 | 9,093,800 | ..... | 9,631,830 |
| Oregon | 178,936,582 | 29,687,387 | 5,645,742 | 4,699,795 |
| Washington | 328,947,063 | 82,080,241 | 1,147,446 | 124,917,862 |

TABLE 9B.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Intermediate care facilities | | Physician | Dental |
|------------------------------|------------------------------|---------------|---------------|-------------|
| | Mentally retarded | All other | | |
| United States | 1,976,730,785 | 4,221,263,507 | 1,872,881,787 | 462,518,268 |
| Region I: | | | | |
| Boston | 158,628,970 | 317,089,310 | 97,128,459 | 31,931,504 |
| Connecticut | 339,122 | 16,651,538 | 16,522,617 | 3,997,610 |
| Maine | | 61,094,288 | 11,975,855 | 2,122,822 |
| Massachusetts..... | 121,437,511 | 129,266,359 | 52,959,908 | 21,071,754 |
| New Hampshire..... | 4,070,364 | 40,301,364 | 3,676,035 | 754,033 |
| Rhode Island | 23,328,400 | 51,456,184 | 5,231,710 | 2,947,684 |
| Vermont | 9,453,573 | 18,319,577 | 6,762,304 | 1,037,601 |
| Region II: | | | | |
| New York..... | 402,162,182 | 772,067,049 | 181,622,282 | 69,698,235 |
| New Jersey..... | 113,566,236 | 211,625,493 | 54,644,838 | 22,202,409 |
| New York..... | 288,595,946 | 560,441,556 | 126,937,533 | 47,483,980 |
| Puerto Rico | | | | |
| Virgin Islands | | | 39,911 | 11,846 |
| Region III: | | | | |
| Philadelphia | 276,952,471 | 353,993,107 | 128,321,752 | 27,226,517 |
| Delaware..... | 6,517,097 | 12,970,521 | 5,028,239 | 306,150 |
| District of Columbia..... | 9,491,204 | 13,656,136 | 14,557,341 | 1,219,920 |
| Maryland | | 106,624,007 | 20,914,647 | 6,623,637 |
| Pennsylvania | 205,699,735 | 76,190,461 | 38,526,438 | 11,623,306 |
| Virginia..... | 54,186,380 | 113,854,290 | 34,000,558 | 5,302,360 |
| West Virginia..... | 1,058,055 | 30,697,692 | 15,294,529 | 2,151,144 |
| Region IV: | | | | |
| Atlanta..... | 210,616,653 | 626,563,742 | 264,022,632 | 56,401,231 |
| Alabama | 7,596,084 | 85,512,180 | 28,926,929 | 3,596,696 |
| Florida | 13,547,703 | 79,808,921 | 34,562,982 | 4,524,997 |
| Georgia..... | 38,653,775 | 101,012,942 | 46,248,219 | 9,607,198 |
| Kentucky | 20,715,626 | 79,899,032 | 37,750,561 | 9,625,922 |
| Mississippi..... | 9,719,600 | 29,188,045 | 24,928,818 | 4,481,959 |
| North Carolina | 44,466,053 | 69,885,869 | 32,496,372 | 14,144,987 |
| South Carolina..... | 31,899,046 | 62,780,796 | 24,350,930 | 5,389,763 |
| Tennessee..... | 44,018,766 | 118,475,957 | 34,757,821 | 5,029,709 |

TABLE 9B.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Intermediate care facilities | | Physician | Dental |
|----------------------|------------------------------|-------------|-------------|-------------|
| | Mentally retarded | All other | | |
| Region V: | | | | |
| Chicago..... | 369,532,779 | 843,685,642 | 387,572,041 | 102,272,846 |
| Illinois | | 224,818,582 | 109,273,705 | 31,831,222 |
| Indiana..... | 25,784,809 | 139,726,694 | 18,022,318 | 2,864,248 |
| Michigan..... | 101,870,244 | 161,194,533 | 139,113,192 | 22,398,946 |
| Minnesota..... | 116,214,494 | 104,852,500 | 34,800,431 | 12,389,079 |
| Ohio..... | 69,573,154 | 97,675,030 | 58,519,523 | 14,435,944 |
| Wisconsin..... | 56,090,078 | 115,418,303 | 27,842,872 | 18,353,407 |
| Region VI: | | | | |
| Dallas..... | 285,108,664 | 726,417,108 | 193,922,051 | 22,058,579 |
| Arkansas..... | 25,655,369 | 67,660,296 | 23,959,961 | 4,864,755 |
| Louisiana..... | 65,638,026 | 144,902,078 | 36,949,903 | 6,721,501 |
| New Mexico..... | 6,493,020 | 16,273,387 | 10,951,643 | 2,242,435 |
| Oklahoma..... | 27,540,867 | 107,450,933 | 21,773,390 | 2,970,156 |
| Texas..... | 159,781,382 | 390,130,414 | 100,287,154 | 5,259,732 |
| Region VII: | | | | |
| Kansas City..... | 118,303,152 | 299,715,572 | 55,804,387 | 23,683,520 |
| Iowa..... | 39,428,797 | 92,417,581 | 18,892,378 | 7,016,449 |
| Kansas..... | 33,124,151 | 66,180,094 | 12,252,977 | 4,124,997 |
| Missouri..... | 30,532,825 | 100,237,873 | 18,031,042 | 10,826,970 |
| Nebraska..... | 15,217,379 | 40,880,024 | 6,627,990 | 1,715,104 |
| Region VIII: | | | | |
| Denver..... | 57,494,559 | 143,136,753 | 30,363,529 | 6,686,612 |
| Colorado..... | 25,740,200 | 52,470,458 | 9,474,685 | 2,107,472 |
| Montana..... | 4,523,668 | 27,831,236 | 6,119,916 | 1,869,653 |
| North Dakota..... | | 9,754,638 | 3,703,675 | 1,609,312 |
| South Dakota..... | 11,202,344 | 23,487,692 | 3,532,119 | 539,988 |
| Utah..... | 16,028,347 | 22,728,713 | 6,062,959 | 378,655 |
| Wyoming..... | | 6,864,016 | 1,470,175 | 181,532 |
| Region IX: | | | | |
| San Francisco..... | 46,130,168 | 55,187,048 | 476,556,926 | 100,938,569 |
| California..... | 33,445,392 | 25,617,095 | 457,630,506 | 93,724,478 |
| Hawaii..... | 9,019,400 | 12,265,206 | 14,619,553 | 6,498,577 |
| Nevada..... | 3,665,376 | 17,304,747 | 4,306,867 | 715,514 |
| Region X: | | | | |
| Seattle..... | 51,801,187 | 83,408,176 | 57,567,728 | 21,620,655 |
| Alaska..... | 5,840,575 | 9,313,620 | 1,872,659 | 509,303 |
| Idaho..... | 7,254,342 | 13,352,667 | 4,200,431 | 942,261 |
| Oregon..... | 36,823,817 | 51,817,945 | 18,760,367 | 5,515,977 |
| Washington..... | 1,882,453 | 8,923,944 | 32,734,271 | 14,653,114 |

TABLE 9C.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Other practitioner | Outpatient hospital | Clinic | Laboratory and X-ray |
|----------------------------|--------------------|---------------------|-------------|----------------------|
| United States | 195,196,081 | 1,102,136,919 | 321,836,477 | 121,245,611 |
| Region I: | | | | |
| Boston | 12,730,767 | 88,257,879 | 24,430,636 | 7,603,081 |
| Connecticut | 3,041,789 | 17,033,844 | 8,520,462 | 1,342,002 |
| Maine | 1,340,137 | 6,289,577 | 1,150,311 | 49,765 |
| Massachusetts | 6,852,938 | 54,296,082 | 13,720,163 | 5,135,559 |
| New Hampshire | 553,051 | 2,138,454 | 995,158 | 127,825 |
| Rhode Island | 508,529 | 6,333,871 | ..... | 354,803 |
| Vermont | 434,323 | 2,166,051 | 44,542 | 593,127 |
| Region II: | | | | |
| New York | 19,635,956 | 369,578,885 | 123,124,334 | 22,226,522 |
| New Jersey | 5,696,291 | 41,539,298 | 5,013,042 | 3,682,624 |
| New York | 13,939,665 | 257,433,309 | 118,111,292 | 18,541,122 |
| Puerto Rico ..... | ..... | 70,097,737 | ..... | ..... |
| Virgin Islands ..... | ..... | 508,541 | ..... | 2,776 |
| Region III: | | | | |
| Philadelphia | 9,701,602 | 97,923,243 | 21,672,079 | 7,342,643 |
| Delaware | 199,588 | 3,099,049 | 71,686 | 296,411 |
| District of Columbia | 1,316,369 | 16,559,758 | 1,587,831 | 789,620 |
| Maryland | 2,542,640 | 31,265,683 | ..... | 1,060,183 |
| Pennsylvania | 4,378,686 | 25,188,163 | 15,984,105 | 4,842,571 |
| Virginia | 186,863 | 18,221,925 | 3,687,152 | 248,763 |
| West Virginia | 1,077,456 | 3,588,665 | 341,305 | 105,095 |
| Region IV: | | | | |
| Atlanta | 8,667,137 | 112,377,223 | 36,411,200 | 10,124,263 |
| Alabama | 114,735 | 11,568,775 | ..... | 3,747,015 |
| Florida | 978,746 | 22,619,368 | ..... | 317,806 |
| Georgia | 2,067,994 | 18,444,598 | 7,805,202 | 483,309 |
| Kentucky | 1,335,127 | 13,900,927 | 10,087,571 | 140,617 |
| Mississippi | 873,871 | 7,383,651 | 88,235 | 412,120 |
| North Carolina | 1,675,648 | 14,882,217 | 9,383,385 | 2,074,091 |
| South Carolina | 1,016,496 | 8,383,209 | ..... | 250,543 |
| Tennessee | 604,520 | 15,194,478 | 9,046,807 | 2,698,762 |
| Region V: | | | | |
| Chicago | 48,013,423 | 159,075,608 | 68,930,227 | 23,801,813 |
| Illinois | 11,579,391 | 44,857,105 | 41,046,969 | 7,578,102 |
| Indiana | 1,677,971 | 7,141,128 | 636,817 | 703,247 |
| Michigan | 8,267,961 | 23,334,114 | 1,280,185 | 13,473,797 |
| Minnesota | 3,944,917 | 12,908,874 | 666,599 | 225,061 |
| Ohio | 9,623,227 | 50,588,168 | 4,065,540 | 1,479,053 |
| Wisconsin | 12,919,956 | 20,246,219 | 21,234,117 | 342,553 |
| Region VI: | | | | |
| Dallas | 9,448,179 | 44,273,966 | 7,567,222 | 11,172,058 |

TABLE 9C.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Other practitioner | Outpatient hospital | Clinic | Laboratory and X-ray |
|----------------------|--------------------|---------------------|------------|----------------------|
| Arkansas | 1,109,127 | 6,584,140 | 921,027 | 324,074 |
| Louisiana | 344,371 | 12,545,749 | 5,856,688 | 741,777 |
| New Mexico | 794,114 | 4,041,767 | 639,380 | 281,054 |
| Oklahoma | 294,966 | 975,993 | ..... | 2,147,598 |
| Texas | 6,950,601 | 20,126,317 | 150,127 | 7,677,555 |
| Region VII: | | | | |
| Kansas City | 8,647,820 | 28,165,550 | 12,805,649 | 2,939,300 |
| Iowa | 2,514,953 | 5,956,356 | 723,022 | 187,526 |
| Kansas | 1,952,802 | 5,394,405 | 5,619,349 | 1,724,959 |
| Missouri | 3,217,203 | 14,525,448 | 4,993,569 | 694,824 |
| Nebraska | 962,862 | 2,289,341 | 1,469,709 | 331,991 |
| Region VIII: | | | | |
| Denver | 4,415,152 | 13,327,953 | 7,223,856 | 1,635,002 |
| Colorado | 1,802,327 | 8,031,811 | 5,877,821 | 633,731 |
| Montana | 1,011,244 | 1,423,582 | 319,336 | 123,227 |
| North Dakota | 656,801 | 726,470 | 384,805 | 106,934 |
| South Dakota | 217,051 | 968,061 | 284,419 | 186,069 |
| Utah | 649,258 | 1,764,753 | 357,475 | 566,554 |
| Wyoming | 78,471 | 413,276 | ..... | 18,487 |
| Region IX: | | | | |
| San Francisco | 66,251,702 | 167,874,457 | 18,901,285 | 27,647,476 |
| California | 64,882,462 | 163,327,231 | 18,690,876 | 26,167,862 |
| Hawaii | 992,351 | 3,583,689 | 195,586 | 1,388,590 |
| Nevada | 376,889 | 963,537 | 14,823 | 91,024 |
| Region X: | | | | |
| Seattle | 7,684,343 | 21,282,155 | 769,989 | 6,753,453 |
| Alaska | 237,756 | 787,811 | 106,507 | 5,724 |
| Idaho | 105,901 | 1,841,620 | 23,098 | 1,051,444 |
| Oregon | 2,211,328 | 6,537,168 | ..... | 2,749,871 |
| Washington | 5,129,358 | 12,115,556 | 640,384 | 2,946,414 |

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Home health | Prescribed drugs | Family planning | Other care |
|----------------------|-------------|------------------|-----------------|-------------|
| United States | 331,842,248 | 1,321,205,480 | 80,527,947 | 441,072,641 |
| Region I: | | | | |
| Boston | 18,680,571 | 73,177,410 | 5,062,988 | 26,444,256 |
| Connecticut | 4,086,848 | 15,392,965 | 182,038 | 5,272,411 |
| Maine | 1,085,073 | 8,212,743 | 151,706 | 3,730,775 |
| Massachusetts | 11,553,904 | 34,651,079 | 3,738,607 | 14,722,598 |

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Home health | Prescribed drugs | Family planning | Other care |
|------------------------------|-------------|------------------|-----------------|-------------|
| New Hampshire..... | 638,186 | 3,364,872 | 157,881 | 654,984 |
| Rhode Island | 257,666 | 8,087,475 | 357,207 | 1,490,087 |
| Vermont | 1,058,894 | 3,468,276 | 475,569 | 573,401 |
| Region II: | | | | |
| New York..... | 265,461,329 | 163,269,464 | 19,083,938 | 116,036,323 |
| New Jersey..... | 9,219,632 | 42,945,161 | 3,873,800 | 11,616,768 |
| New York | 256,241,697 | 120,136,947 | 15,199,188 | 104,311,180 |
| Puerto Rico | | | | |
| Virgin Islands | | 187,356 | 10,950 | 108,375 |
| Region III: | | | | |
| Philadelphia | 7,470,151 | 117,586,426 | 6,117,871 | 28,826,512 |
| Delaware..... | 337,801 | 2,045,679 | 925,920 | 114,100 |
| District of Columbia..... | 2,781,475 | 5,732,398 | 511,207 | 5,647,954 |
| Maryland..... | 879,068 | 16,264,300 | | 1,049,270 |
| Pennsylvania | 1,981,026 | 58,761,465 | 2,607,656 | 9,048,968 |
| Virginia..... | 1,355,747 | 23,949,898 | 1,791,147 | 10,397,663 |
| West Virginia..... | 135,034 | 10,832,686 | 281,941 | 2,568,557 |
| Region IV: | | | | |
| Atlanta..... | 14,223,941 | 237,136,476 | 11,914,524 | 29,379,431 |
| Alabama | 1,493,897 | 19,983,722 | 683,131 | 2,030,428 |
| Florida..... | 923,064 | 38,149,562 | 809,397 | 5,434,278 |
| Georgia..... | 2,662,569 | 45,888,132 | 2,070,518 | 7,997,534 |
| Kentucky | 4,098,288 | 14,922,219 | 2,439,652 | 2,819,518 |
| Mississippi..... | 769,776 | 26,855,170 | 1,638,594 | 1,594,853 |
| North Carolina | 1,377,302 | 32,400,633 | 1,799,835 | 3,499,517 |
| South Carolina..... | 1,205,408 | 17,962,585 | 1,681,331 | 3,190,037 |
| Tennessee..... | 1,693,637 | 40,974,453 | 792,066 | 2,813,266 |
| Region V: | | | | |
| Chicago..... | 14,126,744 | 295,496,032 | 13,053,224 | 61,442,344 |
| Illinois | 2,747,365 | 92,142,232 | | 10,957,586 |
| Indiana | 1,407,111 | 26,530,358 | 893,658 | 5,893,107 |
| Michigan | 2,917,798 | 69,755,452 | 7,810,148 | 9,869,154 |
| Minnesota..... | 2,754,977 | 23,011,685 | 1,874,336 | 16,428,319 |
| Ohio | 958,315 | 47,953,068 | 939,929 | 8,908,883 |
| Wisconsin..... | 3,314,178 | 36,103,237 | 1,535,153 | 9,385,295 |
| Region VI: | | | | |
| Dallas | 2,252,744 | 144,791,770 | 6,902,780 | 43,112,913 |
| Arkansas | 257,714 | 21,445,199 | 1,295,159 | 5,408,929 |
| Louisiana | 477,092 | 45,205,390 | 1,324,616 | 5,990,245 |
| New Mexico | 466,898 | 5,293,736 | 103,024 | 1,438,989 |
| Oklahoma | 5,440 | 8,620,731 | 323,816 | 21,725,716 |
| Texas | 1,045,600 | 64,226,714 | 3,856,165 | 8,549,034 |

TABLE 9D.—MEDICAID MEDICAL VENDOR PAYMENTS BY TYPE OF MEDICAL SERVICE AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Home health | Prescribed drugs | Family planning | Other care |
|----------------------|-------------|------------------|-----------------|------------|
| Region VII: | | | | |
| Kansas City..... | 2,664,397 | 60,219,253 | 3,789,799 | 5,686,532 |
| Iowa..... | 569,510 | 13,915,936 | 1,368,891 | 2,149,462 |
| Kansas..... | 654,549 | 13,021,467 | 885,535 | 1,110,648 |
| Missouri..... | 768,809 | 25,516,437 | 1,040,822 | 1,671,221 |
| Nebraska..... | 671,529 | 7,765,413 | 494,551 | 755,201 |
| Region VIII: | | | | |
| Denver..... | 1,194,460 | 22,125,199 | 1,288,366 | 4,659,539 |
| Colorado..... | 686,954 | 10,827,473 | 504,359 | 1,746,127 |
| Montana..... | 317,259 | 2,880,440 | 152,858 | 1,237,100 |
| North Dakota..... | 45,203 | 2,696,522 | 56,409 | 339,223 |
| South Dakota..... | 15,648 | 1,919,874 | 139,985 | 425,891 |
| Utah..... | 114,469 | 3,796,419 | 369,464 | 861,404 |
| Wyoming..... | 14,927 | 4,471 | 65,291 | 49,794 |
| Region IX: | | | | |
| San Francisco..... | 3,427,252 | 178,927,242 | 10,375,949 | 97,706,640 |
| California..... | 2,832,348 | 172,486,642 | 9,312,503 | 95,687,530 |
| Hawaii..... | 298,228 | 4,738,327 | 833,483 | 1,174,167 |
| Nevada..... | 296,676 | 1,702,273 | 229,963 | 844,943 |
| Region X: | | | | |
| Seattle..... | 2,340,659 | 28,476,208 | 2,938,508 | 27,778,151 |
| Alaska..... | 16,587 | ..... | 37,879 | 741,149 |
| Idaho..... | 182,894 | 2,222,144 | 285,960 | 1,783,708 |
| Oregon..... | 208,818 | 8,786,691 | 1,371,637 | 4,138,039 |
| Washington..... | 1,932,360 | 17,485,373 | 1,243,032 | 21,115,255 |

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total payments | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|----------------|-----------------|-------------|--------------------------------|
| United States..... | 23,301,072,045 | 8,686,661,597 | 142,910,237 | 7,014,942,703 |
| Region I: | | | | |
| Boston..... | 1,781,795,119 | 788,925,772 | 14,417,657 | 528,037,435 |
| Connecticut..... | 349,673,332 | 158,150,528 | 762,546 | 99,443,655 |
| Maine..... | 131,319,771 | 17,441,891 | 389,757 | 36,501,250 |
| Massachusetts..... | 1,009,262,162 | 467,087,815 | 11,352,765 | 301,052,398 |
| New Hampshire..... | 71,894,256 | 43,960,210 | 1,191,007 | 14,538,044 |
| Rhode Island..... | 160,378,523 | 79,087,969 | 581,559 | 55,982,993 |
| Vermont..... | 59,267,075 | 23,197,359 | 140,023 | 20,519,095 |
| Region II: | | | | |
| New York..... | 5,399,697,566 | 2,160,623,165 | 22,245,884 | 1,221,164,713 |

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total payments | Age 65 and over | Blindness | Permanent and totally disabled |
|---------------------------|----------------|-----------------|------------|--------------------------------|
| New Jersey..... | 755,928,888 | 277,554,978 | 1,760,837 | 194,056,012 |
| New York..... | 4,542,635,370 | 1,882,763,371 | 20,373,720 | 1,022,601,733 |
| Puerto Rico..... | 99,555,685 | ..... | 105,634 | 4,411,714 |
| Virgin Islands..... | 1,577,623 | 304,816 | 5,693 | 95,254 |
| Region III: | | | | |
| Philadelphia..... | 2,054,051,234 | 712,853,471 | 9,109,792 | 629,719,503 |
| Delaware..... | 45,250,234 | 14,588,382 | 129,998 | 14,205,299 |
| District of Columbia..... | 168,475,960 | 36,102,334 | 249,937 | 55,595,539 |
| Maryland..... | 319,577,879 | 114,363,864 | 539,901 | 69,342,219 |
| Pennsylvania..... | 1,058,194,477 | 366,576,475 | 5,673,683 | 357,681,787 |
| Virginia..... | 358,961,768 | 151,160,884 | 2,047,633 | 110,774,641 |
| West Virginia..... | 103,590,916 | 30,061,532 | 486,640 | 22,120,018 |
| Region IV: | | | | |
| Atlanta..... | 2,664,318,779 | 1,090,675,134 | 21,664,265 | 882,343,132 |
| Alabama..... | 263,459,809 | 124,802,265 | 1,522,127 | 75,510,490 |
| Florida..... | 392,017,997 | 171,174,259 | 2,367,732 | 118,120,711 |
| Georgia..... | 462,444,432 | 169,898,866 | 3,719,072 | 187,196,060 |
| Kentucky..... | 295,606,715 | 95,508,382 | 2,165,556 | 100,682,053 |
| Mississippi..... | 211,044,459 | 102,739,625 | 1,548,260 | 50,300,446 |
| North Carolina..... | 401,066,128 | 157,179,063 | 5,310,834 | 132,981,176 |
| South Carolina..... | 259,172,262 | 121,539,102 | 2,173,287 | 76,290,342 |
| Tennessee..... | 379,506,977 | 147,833,572 | 2,857,397 | 141,261,854 |
| Region V: | | | | |
| Chicago..... | 4,703,498,457 | 1,494,150,839 | 19,914,499 | 1,645,492,331 |
| Illinois..... | 1,191,914,747 | 240,591,822 | 2,940,350 | 464,774,570 |
| Indiana..... | 354,228,096 | 150,751,550 | 2,636,108 | 133,261,735 |
| Michigan..... | 1,071,680,997 | 277,148,069 | 3,590,949 | 355,052,324 |
| Minnesota..... | 590,361,587 | 271,109,058 | 2,464,893 | 206,118,632 |
| Ohio..... | 809,431,930 | 272,012,166 | 4,190,221 | 261,844,495 |
| Wisconsin..... | 685,881,100 | 282,538,174 | 4,091,978 | 224,440,575 |
| Region VI: | | | | |
| Dallas..... | 1,966,437,189 | 902,092,224 | 11,997,712 | 651,015,590 |
| Arkansas..... | 234,660,263 | 99,542,716 | 2,472,963 | 81,271,245 |
| Louisiana..... | 415,232,001 | 175,242,070 | 2,485,442 | 147,726,249 |
| New Mexico..... | 70,257,232 | 18,412,803 | 883,616 | 27,104,619 |
| Oklahoma..... | 265,433,438 | 114,392,810 | 653,333 | 80,974,590 |
| Texas..... | 980,854,255 | 494,501,825 | 5,502,358 | 313,938,887 |
| Region VII: | | | | |
| Kansas City..... | 835,836,265 | 334,942,385 | 6,631,384 | 253,733,516 |
| Iowa..... | 230,231,390 | 94,614,437 | 1,432,028 | 69,176,262 |
| Kansas..... | 201,771,290 | 69,489,808 | 741,442 | 65,801,068 |
| Missouri..... | 295,051,588 | 122,742,623 | 3,705,293 | 82,992,477 |
| Nebraska..... | 108,781,997 | 48,095,517 | 752,621 | 35,763,709 |

TABLE 10A.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total payments | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|----------------|-----------------|------------|--------------------------------|
| Region VIII: | | | | |
| Denver | 439,713,617 | 189,490,419 | 2,700,319 | 142,685,884 |
| Colorado | 181,712,992 | 75,385,009 | 1,727,231 | 60,611,745 |
| Montana | 62,339,140 | 26,975,311 | 524,959 | 21,908,599 |
| North Dakota | 46,741,977 | 27,782,230 | 70,483 | 7,683,051 |
| South Dakota | 54,906,601 | 26,210,340 | 176,396 | 19,525,395 |
| Utah | 79,564,611 | 25,688,578 | 179,798 | 29,862,550 |
| Wyoming | 14,448,296 | 7,448,951 | 21,452 | 3,094,544 |
| Region IX: | | | | |
| San Francisco | 2,869,204,878 | 799,779,533 | 28,553,679 | 887,203,657 |
| California | 2,728,153,733 | 747,283,804 | 27,611,692 | 848,160,686 |
| Hawaii | 96,161,524 | 34,366,174 | 203,681 | 21,915,286 |
| Nevada | 44,889,621 | 18,129,555 | 738,306 | 17,127,685 |
| Region X: | | | | |
| Seattle | 586,518,941 | 213,128,655 | 5,675,046 | 173,546,942 |
| Alaska | 26,663,196 | 7,329,020 | 190,291 | 12,678,835 |
| Idaho | 51,972,100 | 19,739,402 | 79,063 | 19,099,813 |
| Oregon | 178,936,582 | 55,240,919 | 4,201,372 | 54,172,773 |
| Washington | 328,947,063 | 130,819,314 | 1,204,320 | 87,595,521 |

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total payments | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|----------------|-----------------------------|--|----------------------------|
| United States .. | 23,301,072,045 | 3,170,226,734 | 3,272,432,029 | 913,898,745 |
| Region I: | | | | |
| Boston | 1,781,795,119 | 205,188,716 | 213,635,097 | 31,590,442 |
| Connecticut | 349,673,332 | 53,430,017 | 37,758,403 | 128,183 |
| Maine | 131,319,771 | 38,845,938 | 36,197,534 | 1,943,401 |
| Massachusetts | 1,009,262,162 | 87,839,323 | 113,903,252 | 28,026,609 |
| New Hampshire .. | 71,894,256 | 4,788,535 | 7,239,949 | 176,511 |
| Rhode Island ... | 160,378,523 | 12,115,226 | 12,083,193 | 527,583 |
| Vermont | 59,267,075 | 8,169,677 | 6,452,766 | 788,155 |
| Region II: | | | | |
| New York | 5,399,697,566 | 766,007,875 | 691,319,648 | 538,336,281 |
| New Jersey | 755,928,888 | 122,222,779 | 114,419,066 | 45,915,216 |
| New York | 4,542,635,370 | 621,759,588 | 555,491,623 | 439,645,335 |
| Puerto Rico | 99,555,685 | 21,424,433 | 20,954,124 | 52,659,780 |
| Virgin Islands .. | 1,577,623 | 601,075 | 454,835 | 115,950 |

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total payments | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|---------------------------|----------------|-----------------------------|--|----------------------------|
| Region III: | | | | |
| Philadelphia | 2,054,051,234 | 357,506,749 | 310,218,636 | 34,643,083 |
| Delaware | 45,250,234 | 7,402,449 | 8,177,886 | 746,220 |
| District of Columbia..... | 168,475,960 | 38,018,291 | 38,419,989 | 89,870 |
| Maryland | 319,577,879 | 75,669,540 | 59,662,355 | ..... |
| Pennsylvania ... | 1,058,194,477 | 175,205,615 | 134,906,487 | 18,150,430 |
| Virginia..... | 358,961,768 | 41,779,506 | 49,134,066 | 4,065,038 |
| West Virginia... | 103,590,916 | 19,431,348 | 19,917,853 | 11,591,525 |
| Region IV: | | | | |
| Atlanta..... | 2,664,318,779 | 313,189,383 | 333,352,696 | 23,094,169 |
| Alabama | 263,459,809 | 27,755,549 | 33,869,378 | ..... |
| Florida | 392,017,997 | 51,416,223 | 48,939,072 | ..... |
| Georgia..... | 462,444,432 | 46,161,974 | 54,366,308 | 1,102,152 |
| Kentucky | 295,606,715 | 42,549,739 | 50,879,156 | 3,821,829 |
| Mississippi..... | 211,044,459 | 34,154,197 | 22,057,482 | 244,449 |
| North Carolina | 401,066,128 | 41,733,712 | 53,297,576 | 10,563,767 |
| South Carolina | 259,172,262 | 20,742,627 | 36,222,941 | 2,203,963 |
| Tennessee..... | 379,506,977 | 48,675,362 | 33,720,783 | 5,158,009 |
| Region V: | | | | |
| Chicago..... | 4,703,498,457 | 692,191,004 | 795,536,912 | 56,212,872 |
| Illinois | 1,191,914,747 | 249,032,924 | 228,076,313 | 6,498,768 |
| Indiana | 354,228,096 | 21,800,220 | 45,778,483 | ..... |
| Michigan | 1,071,680,997 | 172,506,806 | 253,443,863 | 9,938,986 |
| Minnesota..... | 590,361,587 | 39,067,979 | 46,117,642 | 25,483,383 |
| Ohio | 809,431,930 | 117,763,633 | 153,621,415 | ..... |
| Wisconsin..... | 685,881,100 | 92,019,442 | 68,499,196 | 14,291,735 |
| Region VI: | | | | |
| Dallas | 1,966,437,189 | 197,531,062 | 191,013,576 | 12,787,025 |
| Arkansas | 234,660,263 | 20,392,975 | 21,143,939 | 9,836,425 |
| Louisiana..... | 415,232,001 | 50,060,218 | 37,776,448 | 1,941,574 |
| New Mexico | 70,257,232 | 11,454,813 | 11,492,305 | 909,076 |
| Oklahoma | 265,433,438 | 45,584,988 | 23,727,767 | 99,950 |
| Texas | 980,854,255 | 70,038,068 | 96,873,117 | ..... |
| Region VII: | | | | |
| Kansas City..... | 835,836,265 | 102,219,373 | 112,697,395 | 26,612,212 |
| Iowa..... | 230,231,390 | 27,476,934 | 32,306,254 | 5,225,475 |
| Kansas | 201,771,290 | 25,555,560 | 22,257,402 | 17,926,010 |
| Missouri | 295,051,588 | 38,249,733 | 47,171,573 | 189,889 |
| Nebraska..... | 108,781,997 | 10,937,146 | 10,962,166 | 2,270,838 |

TABLE 10B.—MEDICAID MEDICAL VENDOR PAYMENTS BY BASIS OF ELIGIBILITY OF RECIPIENT AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total payments | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|----------------|-----------------------------|--|----------------------------|
| Region VIII: | | | | |
| Denver | 439,713,617 | 37,534,496 | 50,832,227 | 16,470,272 |
| Colorado | 181,712,992 | 15,523,284 | 22,100,405 | 6,365,318 |
| Montana | 62,339,140 | 4,853,700 | 7,260,321 | 816,250 |
| North Dakota... | 46,741,977 | 4,893,132 | 4,894,783 | 1,418,288 |
| South Dakota .. | 54,906,601 | 4,399,016 | 4,271,260 | 324,194 |
| Utah | 79,564,611 | 5,899,673 | 10,387,790 | 7,546,222 |
| Wyoming | 14,448,296 | 1,965,691 | 1,917,658 | ..... |
| Region IX: | | | | |
| San Francisco | 2,869,204,878 | 430,499,207 | 584,960,228 | 138,208,574 |
| California | 2,728,153,733 | 410,264,901 | 560,010,390 | 134,822,260 |
| Hawaii | 96,161,524 | 16,783,076 | 20,224,481 | 2,668,826 |
| Nevada | 44,889,621 | 3,451,230 | 4,725,357 | 717,488 |
| Region X: | | | | |
| Seattle | 586,518,941 | 68,358,869 | 88,865,614 | 36,943,815 |
| Alaska | 26,663,196 | 3,766,669 | 2,356,206 | 342,175 |
| Idaho | 51,972,100 | 6,901,042 | 5,788,932 | 363,848 |
| Oregon | 178,936,582 | 16,769,652 | 30,072,951 | 18,478,915 |
| Washington | 328,947,063 | 40,921,506 | 50,647,525 | 17,758,877 |

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| United States | 21,604,387 | 3,416,381 | 92,313 | 2,723,532 |
| Region I: | | | | |
| Boston | 1,363,547 | 252,414 | 8,872 | 139,735 |
| Connecticut | 216,570 | 31,750 | 194 | 21,690 |
| Maine | 145,608 | 22,402 | 270 | 16,678 |
| Massachusetts | 774,913 | 154,408 | 7,650 | 88,607 |
| New Hampshire | 44,859 | 9,523 | 367 | 4,494 |
| Rhode Island | 127,800 | 25,512 | 283 | 11,653 |
| Vermont | 53,797 | 8,819 | 108 | 6,613 |
| Region II: | | | | |
| New York | 4,363,716 | 376,733 | 5,433 | 336,339 |
| New Jersey | 676,260 | 62,412 | 1,061 | 60,748 |
| New York | 2,288,073 | 313,008 | 3,821 | 240,076 |
| Puerto Rico | 1,386,103 | ..... | 543 | 35,277 |
| Virgin Islands | 13,280 | 1,313 | 8 | 238 |

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|---------------------------|------------------|-----------------|-----------|--------------------------------|
| Region III: | | | | |
| Philadelphia | 2,188,770 | 269,246 | 6,016 | 262,675 |
| Delaware | 49,205 | 4,675 | 131 | 4,904 |
| District of Columbia..... | 126,691 | 11,564 | 107 | 13,508 |
| Maryland | 312,538 | 39,647 | 361 | 34,393 |
| Pennsylvania | 1,250,560 | 127,720 | 3,619 | 140,567 |
| Virginia..... | 320,420 | 65,012 | 1,405 | 46,218 |
| West Virginia..... | 129,356 | 20,628 | 393 | 23,085 |
| Region IV: | | | | |
| Atlanta..... | 3,040,732 | 707,967 | 19,609 | 529,498 |
| Alabama | 324,364 | 91,784 | 1,759 | 56,973 |
| Florida | 500,652 | 116,833 | 2,576 | 92,587 |
| Georgia..... | 430,255 | 101,604 | 2,878 | 89,175 |
| Kentucky | 410,248 | 73,746 | 2,400 | 64,353 |
| Mississippi..... | 306,879 | 82,009 | 1,457 | 33,682 |
| North Carolina..... | 376,656 | 79,741 | 2,703 | 53,419 |
| South Carolina..... | 337,304 | 78,097 | 2,504 | 61,801 |
| Tennessee..... | 354,374 | 84,153 | 3,332 | 77,508 |
| Region V: | | | | |
| Chicago..... | 3,785,842 | 456,042 | 8,823 | 472,761 |
| Illinois | 1,048,621 | 80,991 | 1,569 | 136,732 |
| Indiana | 205,278 | 33,898 | 923 | 27,774 |
| Michigan | 973,443 | 94,050 | 1,741 | 108,855 |
| Minnesota..... | 325,359 | 53,580 | 812 | 37,776 |
| Ohio | 808,638 | 126,447 | 2,842 | 114,603 |
| Wisconsin..... | 424,503 | 67,076 | 936 | 47,021 |
| Region VI: | | | | |
| Dallas | 1,616,932 | 475,153 | 7,910 | 248,012 |
| Arkansas | 222,459 | 63,211 | 1,562 | 40,562 |
| Louisiana..... | 365,238 | 99,545 | 1,674 | 62,884 |
| New Mexico | 87,862 | 12,120 | 408 | 14,378 |
| Oklahoma | 253,647 | 53,970 | 472 | 25,389 |
| Texas | 687,726 | 246,307 | 3,794 | 104,799 |
| Region VII: | | | | |
| Kansas City..... | 720,176 | 139,406 | 4,637 | 79,936 |
| Iowa..... | 178,429 | 32,518 | 960 | 17,335 |
| Kansas | 148,962 | 22,425 | 351 | 13,450 |
| Missouri | 321,485 | 68,880 | 3,095 | 40,192 |
| Nebraska..... | 71,300 | 15,583 | 231 | 8,959 |
| Region VIII: | | | | |
| Denver | 321,769 | 66,288 | 1,327 | 38,513 |
| Colorado..... | 141,271 | 32,896 | 237 | 17,321 |
| Montana..... | 45,818 | 7,415 | 816 | 6,300 |
| North Dakota..... | 31,387 | 8,000 | 42 | 3,020 |

TABLE 11A.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| South Dakota | 34,866 | 8,243 | 127 | 4,426 |
| Utah..... | 57,376 | 7,790 | 80 | 6,348 |
| Wyoming..... | 11,051 | 1,944 | 25 | 1,098 |
| Region IX: | | | | |
| San Francisco | 3,549,523 | 583,938 | 23,540 | 541,371 |
| California..... | 3,417,680 | 566,580 | 23,020 | 530,120 |
| Hawaii..... | 106,641 | 11,354 | 149 | 7,184 |
| Nevada..... | 25,202 | 6,004 | 371 | 4,067 |
| Region X: | | | | |
| Seattle | 653,380 | 89,194 | 6,146 | 74,692 |
| Alaska..... | 17,156 | 1,828 | 58 | 2,157 |
| Idaho..... | 43,984 | 6,829 | 92 | 5,788 |
| Oregon | 277,083 | 32,144 | 1,758 | 26,068 |
| Washington..... | 315,157 | 48,393 | 4,238 | 40,679 |

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|-------------------------|------------------|-----------------------------|--|----------------------------|
| United States | 21,604,387 | 9,285,461 | 4,774,245 | 1,507,390 |
| Region I: | | | | |
| Boston | 1,363,547 | 593,122 | 271,115 | 80,057 |
| Connecticut | 216,570 | 114,554 | 47,986 | 390 |
| Maine..... | 145,608 | 69,246 | 34,178 | 2,554 |
| Massachusetts..... | 774,913 | 313,832 | 146,624 | 73,792 |
| New Hampshire..... | 44,859 | 22,234 | 7,504 | 737 |
| Rhode Island | 127,800 | 46,400 | 22,418 | 1,534 |
| Vermont | 53,797 | 26,856 | 12,405 | 1,050 |
| Region II: | | | | |
| New York..... | 4,363,716 | 1,797,549 | 940,831 | 906,831 |
| New Jersey..... | 676,260 | 365,463 | 169,146 | 17,430 |
| New York..... | 2,288,073 | 1,019,917 | 479,660 | 231,591 |
| Puerto Rico | 1,386,103 | 405,470 | 289,404 | 655,409 |
| Virgin Islands | 13,280 | 6,699 | 2,621 | 2,401 |
| Region III: | | | | |
| Philadelphia | 2,188,770 | 1,065,882 | 533,666 | 67,336 |
| Delaware..... | 49,205 | 25,671 | 12,933 | 2,370 |
| District of Columbia... | 126,691 | 67,618 | 33,286 | 608 |
| Maryland..... | 312,538 | 164,457 | 73,680 | ..... |

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|------------------|-----------------------------|--|----------------------------|
| Pennsylvania | 1,250,560 | 613,605 | 307,704 | 57,345 |
| Virginia..... | 320,420 | 141,283 | 72,581 | 7,013 |
| West Virginia..... | 129,356 | 53,248 | 33,482 | ..... |
| Region IV: | | | | |
| Atlanta..... | 3,040,732 | 1,222,680 | 534,789 | 17,013 |
| Alabama..... | 324,364 | 116,347 | 57,501 | ..... |
| Florida..... | 500,652 | 199,003 | 90,653 | ..... |
| Georgia..... | 430,255 | 169,894 | 54,123 | 2,405 |
| Kentucky..... | 410,248 | 176,997 | 92,752 | ..... |
| Mississippi..... | 306,879 | 143,668 | 45,221 | 842 |
| North Carolina..... | 376,656 | 157,737 | 77,836 | 5,220 |
| South Carolina..... | 337,304 | 120,992 | 68,637 | 5,273 |
| Tennessee..... | 354,374 | 138,042 | 48,066 | 3,273 |
| Region V: | | | | |
| Chicago..... | 3,785,842 | 1,885,430 | 966,895 | 44,251 |
| Illinois..... | 1,048,621 | 584,114 | 235,857 | 9,358 |
| Indiana..... | 205,278 | 84,169 | 58,514 | ..... |
| Michigan..... | 973,443 | 493,953 | 266,830 | 8,014 |
| Minnesota..... | 325,359 | 122,121 | 91,429 | 19,641 |
| Ohio..... | 808,638 | 392,007 | 221,099 | ..... |
| Wisconsin..... | 424,503 | 209,066 | 93,166 | 7,238 |
| Region VI: | | | | |
| Dallas..... | 1,616,932 | 631,314 | 267,290 | 21,496 |
| Arkansas..... | 222,459 | 74,830 | 32,950 | 14,856 |
| Louisiana..... | 365,238 | 139,902 | 56,482 | 4,751 |
| New Mexico..... | 87,862 | 41,658 | 17,546 | 1,752 |
| Oklahoma..... | 253,647 | 127,689 | 45,990 | 137 |
| Texas..... | 687,726 | 247,235 | 114,322 | ..... |
| Region VII: | | | | |
| Kansas City..... | 720,176 | 309,447 | 164,552 | 30,752 |
| Iowa..... | 178,429 | 83,333 | 46,691 | 6,146 |
| Kansas..... | 148,962 | 61,864 | 29,341 | 21,531 |
| Missouri..... | 321,485 | 135,168 | 73,571 | 579 |
| Nebraska..... | 71,300 | 29,082 | 14,949 | 2,496 |
| Region VIII: | | | | |
| Denver..... | 321,769 | 140,750 | 76,844 | 15,140 |
| Colorado..... | 141,271 | 63,004 | 34,443 | 6,775 |
| Montana..... | 45,818 | 18,871 | 10,236 | 1,766 |
| North Dakota..... | 31,387 | 12,086 | 6,089 | 1,950 |
| South Dakota..... | 34,866 | 14,829 | 6,325 | 916 |
| Utah..... | 57,376 | 26,210 | 17,517 | 3,733 |
| Wyoming..... | 11,051 | 5,750 | 2,234 | ..... |

TABLE 11B.—MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|------------------|-----------------------------|--|----------------------------|
| Region IX: | | | | |
| San Francisco | 3,549,523 | 1,359,470 | 850,384 | 258,377 |
| California | 3,417,680 | 1,298,820 | 818,640 | 246,620 |
| Hawaii | 106,641 | 51,236 | 26,209 | 10,509 |
| Nevada | 25,202 | 9,414 | 5,535 | 1,248 |
| Region X: | | | | |
| Seattle | 653,380 | 279,817 | 167,879 | 66,137 |
| Alaska | 17,156 | 8,622 | 3,560 | 931 |
| Idaho | 43,984 | 23,039 | 9,443 | 1,122 |
| Oregon | 277,083 | 106,267 | 75,075 | 35,771 |
| Washington | 315,157 | 141,889 | 79,801 | 28,313 |

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled | Dependent children under 21 | Adults in families with dependent children |
|----------------------------|------------------|-----------------|-----------|--------------------------------|-----------------------------|--|
| United States | 16,312,485 | 2,046,783 | 76,470 | 2,123,681 | 8,003,845 | 4,070,273 |
| Region I: | | | | | | |
| Boston | 1,002,608 | 111,836 | 6,273 | 109,778 | 528,806 | 242,971 |
| Connecticut | 160,628 | 4,711 | 80 | 6,706 | 105,495 | 43,636 |
| Maine | 97,031 | 10,901 | 257 | 11,459 | 50,669 | 23,745 |
| Massachusetts | 580,361 | 84,460 | 5,508 | 61,678 | 292,200 | 136,515 |
| New Hampshire | 30,696 | 1,924 | 175 | 2,570 | 19,372 | 6,655 |
| Rhode Island | 94,190 | 5,401 | 156 | 22,224 | 44,386 | 22,023 |
| Vermont | 39,702 | 4,439 | 97 | 5,141 | 19,684 | 10,397 |
| Region II: | | | | | | |
| New York | 2,389,147 | 207,873 | 4,360 | 243,178 | 1,277,557 | 656,179 |
| New Jersey | 607,526 | 35,530 | 999 | 53,387 | 351,631 | 165,979 |
| New York | 1,637,621 | 172,029 | 3,203 | 178,186 | 846,225 | 437,978 |
| Puerto Rico | 139,996 | ..... | 154 | 11,410 | 77,250 | 51,182 |
| Virgin Islands | 4,004 | 314 | 4 | 195 | 2,451 | 1,040 |
| Region III: | | | | | | |
| Philadelphia | 1,771,479 | 148,970 | 4,880 | 218,480 | 918,804 | 481,705 |
| Delaware | 44,372 | 3,350 | 130 | 4,421 | 24,603 | 12,067 |
| District of Columbia | 110,444 | 7,391 | 97 | 10,462 | 61,519 | 30,975 |
| Maryland | 256,650 | 18,462 | 330 | 28,740 | 141,048 | 68,070 |
| Pennsylvania | 989,711 | 67,891 | 2,876 | 120,855 | 518,436 | 279,673 |

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled | Dependent children under 21 | Adults in families with dependent children |
|----------------------|------------------|-----------------|-----------|--------------------------------|-----------------------------|--|
| Virginia..... | 259,879 | 35,674 | 1,066 | 33,556 | 127,045 | 63,679 |
| West Virginia..... | 110,423 | 16,202 | 381 | 20,446 | 46,153 | 27,241 |
| Region IV: | | | | | | |
| Atlanta..... | 2,628,156 | 539,357 | 17,178 | 472,303 | 1,101,407 | 499,047 |
| Alabama..... | 306,620 | 78,116 | 1,739 | 54,946 | 116,025 | 55,794 |
| Florida..... | 454,434 | 91,423 | 2,537 | 88,618 | 185,344 | 86,512 |
| Georgia..... | 389,914 | 75,464 | 2,755 | 81,720 | 158,954 | 72,157 |
| Kentucky..... | 320,809 | 56,144 | 2,322 | 57,766 | 134,896 | 69,681 |
| Mississippi..... | 252,742 | 60,001 | 1,244 | 20,774 | 129,824 | 40,899 |
| North Carolina..... | 302,461 | 54,343 | 2,408 | 42,449 | 136,744 | 66,517 |
| South Carolina..... | 307,282 | 60,856 | 2,405 | 59,088 | 118,190 | 66,743 |
| Tennessee..... | 293,894 | 63,010 | 1,768 | 66,942 | 121,430 | 40,744 |
| Region V: | | | | | | |
| Chicago..... | 3,139,928 | 149,079 | 6,371 | 278,250 | 1,789,551 | 918,183 |
| Illinois..... | 859,809 | 13,888 | 770 | 55,188 | 564,530 | 225,433 |
| Indiana..... | 160,490 | 9,645 | 657 | 12,215 | 80,976 | 56,997 |
| Michigan..... | 884,115 | 50,068 | 1,605 | 83,351 | 488,688 | 260,403 |
| Minnesota..... | 245,778 | 13,096 | 603 | 23,505 | 119,628 | 88,946 |
| Ohio..... | 681,859 | 36,439 | 1,828 | 68,691 | 371,503 | 204,804 |
| Wisconsin..... | 307,871 | 25,943 | 908 | 35,300 | 164,126 | 81,600 |
| Region VI: | | | | | | |
| Dallas..... | 1,405,349 | 351,451 | 7,653 | 219,537 | 582,870 | 244,767 |
| Arkansas..... | 183,631 | 46,687 | 1,478 | 34,674 | 71,263 | 30,458 |
| Louisiana..... | 326,233 | 81,296 | 1,629 | 57,886 | 132,844 | 52,578 |
| New Mexico..... | 81,242 | 9,701 | 403 | 14,032 | 40,386 | 16,720 |
| Oklahoma..... | 204,140 | 39,783 | 448 | 18,693 | 105,303 | 39,913 |
| Texas..... | 610,103 | 173,984 | 3,695 | 94,252 | 233,074 | 105,098 |
| Region VII: | | | | | | |
| Kansas City..... | 562,773 | 66,602 | 3,401 | 45,286 | 293,784 | 154,899 |
| Iowa..... | 152,609 | 13,628 | 813 | 14,914 | 79,537 | 44,916 |
| Kansas..... | 94,142 | 8,026 | 234 | 8,907 | 53,231 | 23,744 |
| Missouri..... | 260,979 | 38,641 | 2,158 | 14,518 | 133,385 | 72,277 |
| Nebraska..... | 55,043 | 6,307 | 196 | 6,947 | 27,631 | 13,962 |
| Region VIII: | | | | | | |
| Denver..... | 271,490 | 44,233 | 544 | 29,615 | 127,823 | 69,569 |
| Colorado..... | 137,747 | 31,579 | 210 | 14,932 | 58,671 | 32,355 |
| Montana..... | 31,850 | 2,398 | 107 | 4,357 | 16,215 | 8,772 |
| North Dakota..... | 18,326 | 2,416 | 24 | 1,508 | 9,467 | 4,911 |
| South Dakota..... | 28,642 | 4,224 | 125 | 3,802 | 14,374 | 6,117 |
| Utah..... | 44,897 | 2,556 | 53 | 4,019 | 23,359 | 15,205 |
| Wyoming..... | 10,028 | 1,060 | 25 | 997 | 5,737 | 2,209 |

TABLE 12.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled | Dependent children under 21 | Adults in families with dependent children |
|----------------------|------------------|-----------------|-----------|--------------------------------|-----------------------------|--|
| Region IX: | | | | | | |
| San Francisco | 2,633,346 | 391,663 | 21,498 | 455,979 | 1,118,455 | 645,876 |
| California..... | 2,531,980 | 383,120 | 21,060 | 447,720 | 1,062,640 | 617,440 |
| Hawaii..... | 80,219 | 5,114 | 119 | 4,970 | 46,804 | 23,212 |
| Nevada..... | 21,147 | 3,429 | 319 | 3,289 | 9,011 | 5,224 |
| Region X: | | | | | | |
| Seattle..... | 508,209 | 35,719 | 4,412 | 51,275 | 264,788 | 157,077 |
| Alaska..... | 16,225 | 1,828 | 58 | 2,157 | 8,622 | 3,560 |
| Idaho..... | 35,157 | 1,947 | 31 | 2,449 | 22,086 | 9,095 |
| Oregon..... | 202,779 | 9,665 | 1,160 | 15,335 | 103,499 | 73,120 |
| Washington..... | 254,048 | 22,279 | 3,163 | 31,334 | 130,581 | 71,302 |

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|---------------------------|------------------|-----------------|-----------|--------------------------------|
| United States | 1,546,696 | 588,179 | 7,539 | 222,503 |
| Region I: | | | | |
| Boston | 65,651 | 28,506 | 241 | 10,602 |
| Connecticut | 28,860 | 9,760 | 9 | 3,519 |
| Maine..... | 8,155 | 5,417 | 130 | 1,081 |
| Massachusetts..... | 15,189 | 10,181 | 92 | 4,916 |
| New Hampshire..... | 13,447 | 3,148 | 10 | 1,086 |
| Rhode Island | | | | |
| Vermont | | | | |
| Region II: | | | | |
| New York..... | 297,731 | 26,883 | 451 | 16,578 |
| New Jersey..... | 68,734 | 26,882 | 62 | 7,361 |
| New York | | | | |
| Puerto Rico | 228,707 | | 389 | 9,217 |
| Virgin Islands | 290 | 1 | | |
| Region III: | | | | |
| Philadelphia | 120,903 | 17,764 | 38 | 8,320 |
| Delaware..... | 6,066 | 1,325 | 1 | 483 |
| District of Columbia..... | 1,830 | 21 | | 457 |
| Maryland..... | | | | |
| Pennsylvania | 96,803 | 12,368 | 7 | 5,684 |
| Virginia..... | 6,823 | 3,875 | 28 | 770 |
| West Virginia..... | 9,381 | 175 | 2 | 926 |

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| Region IV: | | | | |
| Atlanta..... | 239,830 | 110,872 | 2,110 | 30,840 |
| Alabama..... | 17,744 | 13,668 | 20 | 2,027 |
| Florida..... | 46,218 | 25,410 | 39 | 2,969 |
| Georgia..... | 50,509 | 26,140 | 123 | 7,455 |
| Kentucky..... | 2,953 | 2,318 | 18 | 617 |
| Mississippi..... | 54,137 | 22,008 | 213 | 12,908 |
| North Carolina..... | 21,757 | 3,366 | 61 | 2,030 |
| South Carolina..... | 30,022 | 17,241 | 99 | 2,713 |
| Tennessee..... | 16,490 | 721 | 1,537 | 121 |
| Region V: | | | | |
| Chicago..... | 328,632 | 169,080 | 1,387 | 76,986 |
| Illinois..... | | | | |
| Indiana..... | 44,788 | 24,253 | 266 | 15,559 |
| Michigan..... | | | | |
| Minnesota..... | 24,243 | 18,020 | 90 | 5,975 |
| Ohio..... | 172,582 | 90,008 | 1,014 | 45,912 |
| Wisconsin..... | 87,019 | 36,799 | 17 | 9,540 |
| Region VI: | | | | |
| Dallas..... | 199,883 | 114,759 | 236 | 22,258 |
| Arkansas..... | 20,508 | 15,165 | 71 | 3,283 |
| Louisiana..... | 28,978 | 17,565 | 45 | 3,383 |
| New Mexico..... | 6,620 | 2,419 | 5 | 346 |
| Oklahoma..... | 37,423 | 7,287 | 16 | 4,699 |
| Texas..... | 106,354 | 72,323 | 99 | 10,547 |
| Region VII: | | | | |
| Kansas City..... | 97,467 | 49,129 | 1,084 | 28,097 |
| Iowa..... | 32,573 | 18,890 | 147 | 2,421 |
| Kansas..... | 2,398 | | | 2 |
| Missouri..... | 60,506 | 30,239 | 937 | 25,674 |
| Nebraska..... | 1,990 | | | |
| Region VIII: | | | | |
| Denver..... | 49,525 | 16,362 | 758 | 6,518 |
| Colorado..... | 16,929 | 1,317 | 27 | 2,389 |
| Montana..... | 12,200 | 4,267 | 705 | 1,347 |
| North Dakota..... | 6,467 | 3,905 | 8 | 939 |
| South Dakota..... | 6,224 | 4,019 | 2 | 624 |
| Utah..... | 6,682 | 1,970 | 16 | 1,118 |
| Wyoming..... | 1,023 | 884 | | 101 |
| Region IX: | | | | |
| San Francisco..... | 38,615 | 8,990 | 104 | 4,107 |
| California..... | 26,100 | 3,620 | 40 | 2,540 |
| Hawaii..... | 7,202 | 2,795 | 12 | 789 |
| Nevada..... | 5,313 | 2,575 | 52 | 778 |

TABLE 13A.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| Region X: | | | | |
| Seattle | 108,459 | 45,834 | 1,130 | 18,197 |
| Alaska | 931 | | | |
| Idaho | 10,529 | 4,882 | 61 | 3,339 |
| Oregon | 74,304 | 22,479 | 598 | 10,733 |
| Washington | 22,695 | 18,473 | 471 | 4,125 |

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------------|------------------|-----------------------------|--|----------------------------|
| United States | 1,546,696 | 379,200 | 200,551 | 151,616 |
| Region I: | | | | |
| Boston | 65,651 | 20,715 | 2,077 | 3,604 |
| Connecticut | | | | |
| Maine | 28,860 | 12,980 | 38 | 2,554 |
| Massachusetts | | | | |
| New Hampshire | 8,155 | 1,236 | 291 | |
| Rhode Island | 15,189 | | | |
| Vermont | 13,447 | 6,499 | 1,748 | 1,050 |
| Region II: | | | | |
| New York | 297,731 | 141,096 | 95,293 | 17,430 |
| New Jersey | 68,734 | 13,832 | 3,167 | 17,430 |
| New York | | | | |
| Puerto Rico | 228,707 | 126,978 | 92,123 | |
| Virgin Islands | 290 | 286 | 3 | |
| Region III: | | | | |
| Philadelphia | 120,903 | 22,201 | 14,327 | 58,320 |
| Delaware | 6,066 | 1,069 | 866 | 2,370 |
| District of Columbia | 1,830 | 511 | 233 | 608 |
| Maryland | | | | |
| Pennsylvania | 96,803 | 15,279 | 8,579 | 54,886 |
| Virginia | 6,823 | 1,072 | 641 | 456 |
| West Virginia | 9,381 | 4,270 | 4,008 | |
| Region IV: | | | | |
| Atlanta | 239,830 | 61,049 | 22,864 | 12,263 |
| Alabama | 17,744 | 322 | 1,707 | |

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|------------------|-----------------------------|--|----------------------------|
| Florida..... | 46,218 | 13,659 | 4,141 | ..... |
| Georgia..... | 50,509 | 10,940 | 3,614 | 2,405 |
| Kentucky..... | 2,953 | ..... | ..... | ..... |
| Mississippi..... | 54,137 | 13,844 | 4,322 | 842 |
| North Carolina..... | 21,757 | 9,001 | 3,556 | 3,743 |
| South Carolina..... | 30,022 | 2,802 | 1,894 | 5,273 |
| Tennessee..... | 16,490 | 0,481 | 3,630 | ..... |
| Region V: | | | | |
| Chicago..... | 328,632 | 56,043 | 26,456 | 831 |
| Illinois..... | ..... | ..... | ..... | ..... |
| Indiana..... | 44,788 | 3,193 | 1,517 | ..... |
| Michigan..... | ..... | ..... | ..... | ..... |
| Minnesota..... | 24,243 | 83 | 75 | ..... |
| Ohio..... | 172,582 | 20,504 | 16,295 | ..... |
| Wisconsin..... | 87,019 | 32,263 | 7,569 | 831 |
| Region VI: | | | | |
| Dallas..... | 199,883 | 42,021 | 16,867 | 3,886 |
| Arkansas..... | 20,508 | ..... | ..... | 2,133 |
| Louisiana..... | 28,978 | 5,302 | 2,683 | ..... |
| New Mexico..... | 6,620 | 1,272 | 826 | 1,752 |
| Oklahoma..... | 37,423 | 21,286 | 4,134 | 1 |
| Texas..... | 106,354 | 14,161 | 9,224 | ..... |
| Region VII: | | | | |
| Kansas City..... | 97,467 | 8,382 | 4,627 | 6,750 |
| Iowa..... | 32,573 | 3,796 | 1,775 | 6,146 |
| Kansas..... | 2,398 | 1,588 | 808 | ..... |
| Missouri..... | 60,506 | 1,783 | 1,294 | 579 |
| Nebraska..... | 1,990 | 1,215 | 750 | 25 |
| Region VIII: | | | | |
| Denver..... | 49,525 | 10,549 | 5,916 | 9,457 |
| Colorado..... | 16,929 | 4,333 | 2,088 | 6,775 |
| Montana..... | 12,200 | 2,652 | 1,464 | 1,766 |
| North Dakota..... | 6,467 | 1,014 | 601 | ..... |
| South Dakota..... | 6,224 | 455 | 208 | 916 |
| Utah..... | 6,682 | 2,082 | 1,530 | ..... |
| Wyoming..... | 1,023 | 13 | 25 | ..... |
| Region IX: | | | | |
| San Francisco..... | 38,615 | 13,415 | 10,805 | 1,248 |
| California..... | 26,100 | 10,920 | 8,980 | ..... |
| Hawaii..... | 7,202 | 2,092 | 1,514 | ..... |
| Nevada..... | 5,313 | 403 | 311 | 1,248 |

TABLE 13B.—CATEGORICALLY NEEDY MEDICAID RECIPIENTS WHO DO NOT RECEIVE CASH PAYMENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|------------------|-----------------------------|--|----------------------------|
| Region X: | | | | |
| Seattle | 108,459 | 3,729 | 2,319 | 37,827 |
| Alaska | 931 | | | 931 |
| Idaho | 10,529 | 953 | 348 | 1,122 |
| Oregon | 74,304 | 2,768 | 1,955 | 35,771 |
| Washington | 22,695 | 8 | 16 | 3 |

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE; FISCAL YEAR 1980

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------------|------------------|-----------------|-----------|--------------------------------|
| United States | 3,964,759 | 781,439 | 8,202 | 396,348 |
| Region I: | | | | |
| Boston | 296,887 | 112,072 | 2,358 | 39,355 |
| Connecticut | 55,942 | 27,039 | 114 | 14,984 |
| Maine | 19,437 | 1,741 | | 1,700 |
| Massachusetts | 194,552 | 69,948 | 2,142 | 16,929 |
| New Hampshire | 6,008 | 2,182 | 62 | 843 |
| Rhode Island | 18,421 | 9,930 | 35 | 4,513 |
| Vermont | 2,527 | 1,232 | 1 | 386 |
| Region II: | | | | |
| New York | 1,676,848 | 141,977 | 622 | 76,583 |
| New Jersey | | | | |
| New York | 650,452 | 140,979 | 618 | 61,890 |
| Puerto Rico | 1,017,410 | | | 14,650 |
| Virgin Islands | 8,986 | 998 | 4 | 43 |
| Region III: | | | | |
| Philadelphia | 310,619 | 102,532 | 1,098 | 35,875 |
| Delaware | | | | |
| District of Columbia | 14,417 | 4,152 | 10 | 2,589 |
| Maryland | 55,888 | 21,185 | 31 | 5,653 |
| Pennsylvania | 164,046 | 47,481 | 736 | 14,028 |
| Virginia | 65,236 | 25,463 | 311 | 11,892 |
| West Virginia | 11,032 | 4,251 | 10 | 1,713 |
| Region IV: | | | | |
| Atlanta | 182,914 | 57,738 | 321 | 25,355 |
| Alabama | | | | |
| Florida | | | | |

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY
HHS REGION AND STATE; FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| Georgia..... | | | | |
| Kentucky..... | 86,486 | 15,284 | 60 | 5,970 |
| Mississippi..... | | | | |
| North Carolina..... | 52,438 | 22,032 | 234 | 8,940 |
| South Carolina..... | | | | |
| Tennessee..... | 43,990 | 20,422 | 27 | 10,445 |
| Region V: | | | | |
| Chicago..... | 363,085 | 137,883 | 1,065 | 117,525 |
| Illinois..... | 188,812 | 67,103 | 799 | 81,544 |
| Indiana..... | | | | |
| Michigan..... | 89,328 | 43,982 | 136 | 25,504 |
| Minnesota..... | 55,338 | 22,464 | 119 | 8,296 |
| Ohio..... | | | | |
| Wisconsin..... | 29,607 | 4,334 | 11 | 2,181 |
| Region VI: | | | | |
| Dallas..... | 44,742 | 8,943 | 21 | 6,217 |
| Arkansas..... | 22,631 | 1,359 | 13 | 2,605 |
| Louisiana..... | 10,027 | 684 | | 1,615 |
| New Mexico..... | | | | |
| Oklahoma..... | 12,084 | 6,900 | 8 | 1,997 |
| Texas..... | | | | |
| Region VII: | | | | |
| Kansas City..... | 66,689 | 23,675 | 152 | 6,553 |
| Iowa..... | | | | |
| Kansas..... | 52,422 | 14,399 | 117 | 4,541 |
| Missouri..... | | | | |
| Nebraska..... | 14,267 | 9,276 | 35 | 2,012 |
| Region VIII: | | | | |
| Denver..... | 18,032 | 5,693 | 25 | 2,380 |
| Colorado..... | | | | |
| Montana..... | 1,768 | 750 | 4 | 596 |
| North Dakota..... | 6,594 | 1,679 | 10 | 573 |
| South Dakota..... | | | | |
| Utah..... | 9,670 | 3,264 | 11 | 1,211 |
| Wyoming..... | | | | |
| Region IX: | | | | |
| San Francisco..... | 944,940 | 183,285 | 1,938 | 81,285 |
| California..... | 925,720 | 179,840 | 1,920 | 79,860 |
| Hawaii..... | 19,220 | 3,445 | 18 | 1,425 |
| Nevada..... | | | | |
| Region X: | | | | |
| Seattle..... | 60,013 | 7,641 | 602 | 5,220 |
| Alaska..... | | | | |

TABLE 14A.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE; FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Age 65 and over | Blindness | Permanent and totally disabled |
|----------------------|------------------|-----------------|-----------|--------------------------------|
| Idaho..... | | | | |
| Oregon..... | | | | |
| Washington..... | 60,013 | 7,641 | 602 | 5,220 |

TABLE 14B.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|---------------------------|------------------|-----------------------------|--|----------------------------|
| United States..... | 3,964,759 | 899,517 | 525,681 | 1,355,782 |
| Region I: | | | | |
| Boston..... | 296,887 | 40,601 | 26,065 | 76,461 |
| Connecticut..... | 55,942 | 9,059 | 4,348 | 398 |
| Maine..... | 19,437 | 5,597 | 10,395 | |
| Massachusetts..... | 194,552 | 21,632 | 10,109 | 73,792 |
| New Hampshire..... | 6,008 | 1,626 | 558 | 737 |
| Rhode Island..... | 18,421 | 2,014 | 395 | 1,534 |
| Vermont..... | 2,527 | 673 | 260 | |
| Region II: | | | | |
| New York..... | 1,676,848 | 378,896 | 189,359 | 889,401 |
| New Jersey..... | | | | |
| New York..... | 650,452 | 173,692 | 41,682 | 231,591 |
| Puerto Rico..... | 1,017,410 | 201,242 | 146,099 | 655,409 |
| Virgin Islands..... | 8,986 | 3,962 | 1,578 | 2,401 |
| Region III: | | | | |
| Philadelphia..... | 310,619 | 124,878 | 37,634 | 9,016 |
| Delaware..... | | | | |
| District of Columbia..... | 14,417 | 5,588 | 2,078 | |
| Maryland..... | 55,888 | 23,409 | 5,610 | |
| Pennsylvania..... | 164,046 | 79,890 | 19,452 | 2,459 |
| Virginia..... | 65,236 | 13,166 | 8,261 | 6,557 |
| West Virginia..... | 11,032 | 2,825 | 2,233 | |
| Region IV: | | | | |
| Atlanta..... | 182,914 | 60,224 | 34,526 | 4,750 |
| Alabama..... | | | | |
| Florida..... | | | | |
| Georgia..... | | | | |
| Kentucky..... | 86,486 | 42,101 | 23,071 | |
| Mississippi..... | | | | |
| North Carolina..... | 52,438 | 11,992 | 7,763 | 1,477 |
| South Carolina..... | | | | |
| Tennessee..... | 43,990 | 6,131 | 3,692 | 3,273 |

TABLE 14B.—MEDICALLY NEEDY MEDICAID RECIPIENTS BY BASIS OF ELIGIBILITY AND BY HHS REGION AND STATE, FISCAL YEAR 1980—Continued

| HHS region and State | Total recipients | Dependent children under 21 | Adults in families with dependent children | Other title XIX recipients |
|----------------------|------------------|-----------------------------|--|----------------------------|
| Region V: | | | | |
| Chicago..... | 363,085 | 39,936 | 23,256 | 43,420 |
| Illinois..... | 188,812 | 19,584 | 10,424 | 9,358 |
| Indiana..... | | | | |
| Michigan..... | 89,328 | 5,265 | 6,427 | 8,014 |
| Minnesota..... | 55,338 | 2,410 | 2,408 | 19,641 |
| Ohio..... | | | | |
| Wisconsin..... | 29,607 | 12,677 | 3,997 | 6,407 |
| Region VI: | | | | |
| Dallas..... | 44,742 | 6,423 | 5,656 | 17,610 |
| Arkansas..... | 22,631 | 3,567 | 2,492 | 12,723 |
| Louisiana..... | 10,027 | 1,756 | 1,221 | 4,751 |
| New Mexico..... | | | | |
| Oklahoma..... | 12,084 | 1,100 | 1,943 | 136 |
| Texas..... | | | | |
| Region VII: | | | | |
| Kansas City..... | 66,689 | 7,281 | 5,026 | 24,002 |
| Iowa..... | | | | |
| Kansas..... | 52,422 | 7,045 | 4,789 | 21,531 |
| Missouri..... | | | | |
| Nebraska..... | 14,267 | 236 | 237 | 2,471 |
| Region VIII: | | | | |
| Denver..... | 18,032 | 2,378 | 1,973 | 5,683 |
| Colorado..... | | | | |
| Montana..... | 1,768 | 4 | 414 | |
| North Dakota..... | 6,594 | 1,605 | 777 | 1,950 |
| South Dakota..... | | | | |
| Utah..... | 9,670 | 769 | 782 | 3,733 |
| Wyoming..... | | | | |
| Region IX: | | | | |
| San Francisco..... | 944,940 | 227,600 | 193,703 | 257,129 |
| California..... | 925,720 | 225,260 | 192,220 | 246,620 |
| Hawaii..... | 19,220 | 2,340 | 1,483 | 10,509 |
| Nevada..... | | | | |
| Region X: | | | | |
| Seattle..... | 60,013 | 11,300 | 8,483 | 28,310 |
| Alaska..... | | | | |
| Idaho..... | | | | |
| Oregon..... | | | | |
| Washington..... | 60,013 | 11,300 | 8,483 | 28,310 |

9. AID TO FAMILIES WITH DEPENDENT CHILDREN

GENERAL

The aid to families with dependent children program (AFDC) was enacted in 1935 as part of the Social Security Act. The AFDC law authorizes Federal matching funds to assist States in providing assistance, rehabilitation, and other services to needy dependent children and their parents (or caretaker relatives) to help maintain and strengthen family life, and to help parents attain or retain capability for self-support and personal independence.

The AFDC cash assistance program is administered in close conjunction with related programs, all of which are included in title IV of the Social Security Act. These other programs include: child support enforcement, work incentive, child welfare, and foster care and adoption assistance. These programs are described in other parts of this document.

The AFDC rolls decreased in the latter half of the 1970's, but began to climb at the turn of the decade. They have recently decreased again.

Following are recipient caseload data since 1973:

CASELOAD DATA

(In millions)

| | Recipients |
|----------------------------------|------------|
| December: | |
| 1973..... | 10.8 |
| 1975..... | 11.4 |
| 1977..... | 10.8 |
| 1979..... | 10.4 |
| 1980..... | 11.1 |
| January: 1982 ¹ | 10.5 |

¹ Preliminary.

The AFDC caseload is largely concentrated in relatively few States. California accounts for 13 percent of the caseload; New York for another 10 percent. These two States, plus Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania, make up more than half (55 percent) of the national total. (See table 1.) Expenditures for benefits are similarly concentrated. In 1981, recipients in California received 20 percent of all benefits paid in the United States (from combined Federal, State, and local funds), and recipients in New York received 12 percent of all benefits. Recipients in these two States, plus the six listed above, received 65 per-

cent of the benefits paid to all recipients in the United States in 1981. (See table 2.)

Total expenditures for AFDC benefits grew from \$4.0 billion in fiscal year 1970, to \$8.4 billion in 1975, \$12.0 billion in 1980, and \$12.8 billion in 1981.

A number of legislative changes aimed at reducing AFDC expenditures were included in the Omnibus Budget Reconciliation Act of 1981. These amendments defined and limited amounts of earnings that can be "disregarded" in determining benefits. They authorized States to develop a variety of new employment programs for recipients, including community work experience programs, work supplementation programs and Work Incentive demonstration programs. They tightened the eligibility and benefit determination process by requiring States to use retrospective accounting and monthly reporting procedures. In addition, the amendments further limited eligibility and benefit payments by: requiring that a stepparent's income be counted in determining the family's benefit; providing eligibility for a pregnant woman with no other children only beginning with the 6th month of pregnancy; requiring that lump-sum payments be treated as income in the month of receipt and future months; establishing maximum asset limits; requiring that the amount of the earned income tax credit (EITC) which an individual is eligible to receive on an advance basis be assumed in determining the amount of the benefit, whether or not the EITC is actually received; and requiring States to recover overpayments and pay underpayments. (See table 3.)

ELIGIBILITY

To be eligible for AFDC, a family must have a child who is in need because at least one parent is deceased, incapacitated, or absent from the home. States, at their option, may also provide benefits for families in which need arises from the parent's unemployment. In December 1980, 25 States plus the District of Columbia and Guam were paying benefits to families with unemployed parents. Since that time four States, Iowa, Missouri, Utah, and Washington, have dropped the UP program. Eligibility ends when the youngest child in the family reaches 18, or, at the option of the States, age 19 if the child is in school and expected to complete his current course of study before his 19th birthday.

Each State establishes its own standard of need—the amount of income which a family may have in order to be eligible for assistance. There is a Federal asset requirement. In determining need, all assets in excess of \$1,000 per family must be counted, excluding only the home, a car with an equity value of no more than \$1,500, and items the State determines are essential for daily living. The State may choose an asset limitation lower than \$1,000. Additionally, when making the initial determination of eligibility, States must disregard child care costs (up to \$160 per month per child), and work expenses (\$75 per month for full-time employment).

In addition, as a condition of eligibility, individuals may have to meet work requirements (see section on work incentive and other programs), and parents must assign certain rights to child support

and alimony to the State and cooperate in locating absent parents (see section on child support enforcement program).

BENEFITS

Each State is free to establish its own payment standards. These must generally be uniform throughout the State for families who are in similar circumstances. A family's benefit is computed by subtracting countable income from the State's payment standard. State payment standards vary greatly. In November 1981, they ranged from a low of \$96 in Mississippi to \$571 in Alaska for a family of three. Differences are lessened somewhat when AFDC and food stamp benefits are both considered. For a three-person family combined AFDC-food stamp benefits amounted to \$279 in Mississippi and \$786 in Alaska. (See tables 4 and 5.)

In determining the amount of a recipient's AFDC benefit, Federal law requires that certain amounts of income not be counted. As amended by the Omnibus Budget Reconciliation Act of 1981, the law requires the exclusion of the following amounts: earnings of a full-time student, the first \$75 a month of each individual's earnings (less if the work is part-time), costs of child care up to \$160 a month per child, plus \$30 and one-third of any additional earnings. After the \$30 plus one-third disregard has been used in determining a family's benefit for 4 consecutive months, it is discontinued and may not be used again until the family has been off assistance for 12 months.

The new law also requires the family to meet a gross income requirement. Benefits may not be paid if a family's gross income is above 150 percent of the State's standard of need.

Individuals who are eligible for AFDC are also automatically eligible for medicaid benefits.

FINANCING

Since the enactment of the medicaid program in 1965, States have been allowed to use the medicaid matching formula to determine the Federal and State shares of the cost of AFDC benefits. Under the medicaid formula, the Federal share of AFDC benefits is determined in such a way as to provide a higher percentage of Federal matching to States with low per capita incomes, and a lower percentage of Federal matching to States with high per capita incomes. Under the formula, if a State's per capita income is equal to the national average per capita income, the Federal share is 55 percent. If a State's per capita income exceeds the national average, the Federal share is lower, with a statutory minimum of 50 percent. If a State's per capita income is lower than the national average, the Federal share is increased, up to a statutory maximum of 83 percent. At the present time no State is entitled to receive more than 77.36 percent.

The actual formula used in determining the State and Federal share is as follows:

$$\text{State share} = \frac{(\text{State per capita income})^2}{(\text{National per capita income})^2} \times 45 \text{ percent}$$

Federal share = 100 percent minus the State share (with a minimum of 50 percent and a maximum of 83 percent)

Table 3 shows the Federal medical assistance percentages in effect in 1965 and at the current time. As can be seen, the percentages applicable to some States have changed substantially over time, reflecting changes in relative per capita incomes. For example, Louisiana's percentage has dropped from 76.41 in 1965-66 to 66.85 in 1982-83. Virginia's percentage has also dropped by about 10 points. A number of States have had an increase in their Federal share percentage.

Since 1965 the number of States electing to use the medicaid formula has increased steadily. In 1981, only two States elected to use the regular AFDC matching formula, which States may continue to use if it is more advantageous to them. The AFDC formula also includes State per capita income as a factor, but it is more advantageous than the medicaid formula to States which have very low average assistance payments (Texas uses it for this reason). Arizona has not been entitled to use the medicaid formula for its AFDC program because it has not had a medicaid program.

In recent years, the national average contribution by the Federal Government has been 54 percent. The remainder is paid by the States. (Eleven States require some local contribution to pay the State share.)

AFDC administrative costs are shared equally by the Federal and State governments. Costs of the AFDC emergency assistance program, which is optional with the States, are also shared equally.

Puerto Rico, Guam and the Virgin Islands receive 75 percent Federal matching for their AFDC programs. However, they are subject to maximum Federal funding limitations.

ADMINISTRATION

At the Federal level, the AFDC program is administered by the Office of Family Assistance, which is part of the Social Security Administration in the Department of Health and Human Services. Federal law requires that the State designate a single State agency to administer or supervise the administration of the program.

CHARACTERISTICS OF RECIPIENTS

In March 1979 (the date of the last survey of AFDC recipients), about 86 percent of AFDC children were eligible for AFDC because of the absence of the father. About 52 percent of the caseload was white. The average family size was three. About 14 percent of mothers worked either full- or part-time. The median length of time on the rolls was 29.3 months. (See table 7.)

QUALITY CONTROL

Since 1980, States have been required to make continuous progress in reducing their AFDC payment error rates. Beginning October 1982, States will be required to maintain an error rate of 4 per-

cent or less. Erroneous payments in excess of the prescribed goals may be disallowed for purposes of Federal matching. (The Secretary of Health and Human Services has authority to waive the disallowance under circumstances prescribed in regulations.) Table 8 shows State error rates for the most recently reported quality control measurement period. In that period, April-September 1980, the national average payment error rate was 7.3 percent.

TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

| State | Number of families | Number of recipients | | Payments to recipients | | |
|----------------------------|--------------------|----------------------|-----------|------------------------|-------------|-----------|
| | | Total | Children | Total amount | Average per | |
| | | | | | Family | Recipient |
| Total | 3,842,534 | 11,101,149 | 7,599,376 | \$1,105,776,662 | \$287.77 | \$99.61 |
| Alabama | 63,246 | 178,322 | 127,684 | 6,967,928 | 110.17 | 39.07 |
| Alaska | 6,606 | 15,931 | 10,882 | 2,590,514 | 392.15 | 162.61 |
| Arizona | 21,573 | 59,809 | 43,589 | 3,809,666 | 176.59 | 63.70 |
| Arkansas | 29,822 | 85,008 | 61,667 | 4,360,856 | 146.23 | 51.30 |
| California | 511,496 | 1,498,216 | 996,054 | 220,451,580 | 431.00 | 147.14 |
| Colorado | 29,467 | 81,031 | 55,415 | 7,591,646 | 257.63 | 93.69 |
| Connecticut | 49,407 | 139,685 | 96,240 | 18,308,524 | 370.57 | 131.07 |
| Delaware | 12,404 | 34,243 | 23,555 | 2,817,520 | 227.15 | 82.28 |
| District of Columbia | 30,278 | 81,985 | 56,556 | 7,661,257 | 253.03 | 93.45 |
| Florida | 103,315 | 279,392 | 199,015 | 18,229,236 | 176.44 | 65.25 |
| Georgia | 89,912 | 233,730 | 168,813 | 12,591,009 | 140.04 | 53.87 |
| Guam | 1,492 | 5,311 | 3,877 | 316,333 | 212.02 | 59.56 |
| Hawaii | 20,046 | 61,342 | 40,802 | 7,731,955 | 385.71 | 126.05 |
| Idaho | 7,503 | 20,326 | 13,845 | 2,064,949 | 275.22 | 101.59 |
| Illinois | 222,937 | 691,434 | 482,773 | 62,903,873 | 282.16 | 90.98 |
| Indiana | 60,229 | 170,239 | 119,431 | 12,351,154 | 205.07 | 72.55 |
| Iowa | 40,476 | 111,287 | 73,907 | 12,553,542 | 310.15 | 112.80 |
| Kansas | 27,720 | 71,956 | 50,828 | 7,817,479 | 282.02 | 108.64 |

| | | | | | | |
|---------------------|---------|-----------|---------|-------------|--------|--------|
| Kentucky..... | 67,159 | 175,071 | 122,437 | 12,478,662 | 185.81 | 71.28 |
| Louisiana..... | 72,163 | 218,966 | 160,212 | 11,254,465 | 155.96 | 51.40 |
| Maine..... | 21,466 | 57,700 | 39,504 | 4,954,190 | 230.79 | 85.86 |
| Maryland..... | 80,823 | 220,316 | 148,989 | 19,304,624 | 238.85 | 87.62 |
| Massachusetts..... | 125,232 | 347,830 | 226,570 | 43,793,572 | 349.70 | 125.91 |
| Michigan..... | 246,648 | 752,578 | 494,459 | 96,243,119 | 390.20 | 127.88 |
| Minnesota..... | 53,856 | 145,634 | 96,383 | 18,582,462 | 345.04 | 127.60 |
| Mississippi..... | 59,814 | 176,253 | 129,704 | 5,257,257 | 87.89 | 29.83 |
| Missouri..... | 73,506 | 215,682 | 144,865 | 16,795,310 | 228.49 | 77.87 |
| Montana..... | 7,136 | 19,883 | 13,621 | 1,646,790 | 230.77 | 82.82 |
| Nebraska..... | 13,573 | 37,541 | 25,900 | 3,890,757 | 286.65 | 103.64 |
| Nevada..... | 5,114 | 13,827 | 9,524 | 1,096,034 | 214.32 | 79.27 |
| New Hampshire..... | 8,647 | 23,648 | 15,636 | 2,377,068 | 274.90 | 100.52 |
| New Jersey..... | 153,709 | 468,603 | 320,955 | 49,028,742 | 318.97 | 104.63 |
| New Mexico..... | 19,550 | 56,157 | 38,657 | 3,705,145 | 189.52 | 65.98 |
| New York..... | 367,628 | 1,109,601 | 762,672 | 136,745,976 | 371.97 | 123.24 |
| North Carolina..... | 80,074 | 201,828 | 142,638 | 13,014,235 | 162.53 | 64.48 |

**TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—
Continued**

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

| State | Number of families | Number of recipients | | Payments to recipients | | |
|---------------------------------|--------------------|----------------------|----------|------------------------|-------------|-----------|
| | | Total | Children | Total amount | Average per | |
| | | | | | Family | Recipient |
| North Dakota..... | 4,859 | 13,111 | 9,045 | 1,413,489 | 290.90 | 107.81 |
| Ohio | 200,243 | 572,347 | 380,365 | 50,348,940 | 251.44 | 87.97 |
| Oklahoma | 31,543 | 91,984 | 66,752 | 7,880,651 | 249.84 | 85.67 |
| Oregon | 35,440 | 93,993 | 60,731 | 9,315,930 | 262.86 | 99.11 |
| Pennsylvania ² | 218,713 | 637,387 | 435,408 | 64,712,837 | 295.88 | 101.53 |
| Puerto Rico | 46,245 | 169,697 | 118,368 | 2,812,545 | 60.82 | 16.57 |
| Rhode Island | 18,772 | 53,950 | 36,563 | 7,613,825 | 405.59 | 141.13 |
| South Carolina..... | 57,643 | 156,080 | 110,573 | 6,685,505 | 115.98 | 42.83 |
| South Dakota | 6,946 | 18,753 | 13,120 | 1,555,186 | 223.90 | 82.93 |
| Tennessee..... | 65,958 | 173,854 | 122,637 | 7,448,916 | 112.93 | 42.85 |

**TABLE 1.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—
Continued**

[Includes nonmedical vendor payments, unemployed parent segment and AFDC-foster care data]

| State | Number of families | Number of recipients | | Payments to recipients | | |
|----------------------|--------------------|----------------------|----------|------------------------|-------------|-----------|
| | | Total | Children | Total amount | Average per | |
| | | | | | Family | Recipient |
| Texas | 106,104 | 320,002 | 232,384 | 11,490,205 | 108.29 | 35.91 |
| Utah | 13,954 | 43,710 | 27,335 | 4,504,653 | 322.82 | 103.06 |
| Vermont | 8,129 | 24,251 | 15,379 | 2,839,074 | 349.25 | 117.07 |
| Virgin Islands | 1,165 | 3,441 | 2,721 | 228,534 | 196.17 | 66.41 |
| Virginia | 65,272 | 175,927 | 121,821 | 14,487,213 | 221.95 | 82.35 |
| Washington | 61,639 | 173,339 | 108,234 | 23,434,682 | 380.19 | 135.20 |
| West Virginia | 28,026 | 79,971 | 60,820 | 4,970,373 | 177.35 | 62.15 |
| Wisconsin | 85,129 | 231,979 | 154,465 | 32,026,663 | 376.21 | 138.06 |
| Wyoming | 2,737 | 7,008 | 4,996 | 720,012 | 263.07 | 102.74 |

¹ Increase or decrease of less than 0.05 percent.

² Estimated data.

Source: Department of Health and Human Services.

TABLE 2.—EXPENDITURES FOR AFDC BENEFIT PAYMENTS, FISCAL YEAR 1981¹

[In thousands of dollars]

| State | Total, Federal and State/local | Federal share (unadjusted) |
|---------------------------|--------------------------------|----------------------------|
| Alabama..... | 77,478,041 | 55,257,339 |
| Alaska..... | 34,650,552 | 17,325,276 |
| Arizona..... | 43,213,762 | 17,610,874 |
| Arkansas..... | 51,061,010 | 37,208,159 |
| California..... | 2,540,593,544 | 1,270,296,772 |
| Colorado..... | 88,932,733 | 47,081,958 |
| Connecticut..... | 205,730,316 | 102,865,158 |
| Delaware..... | 32,068,992 | 16,034,496 |
| District of Columbia..... | 88,725,379 | 44,362,691 |
| Florida..... | 206,723,709 | 121,842,954 |
| Georgia..... | 158,036,714 | 105,505,310 |
| Guam..... | 3,931,408 | 2,948,556 |
| Hawaii..... | 93,238,829 | 46,619,415 |
| Idaho..... | 22,042,293 | 14,481,785 |
| Illinois..... | 781,829,365 | 390,914,682 |
| Indiana..... | 145,368,348 | 83,266,989 |
| Iowa..... | 148,453,035 | 83,979,881 |
| Kansas..... | 88,287,542 | 47,251,492 |
| Kentucky..... | 146,377,080 | 99,672,331 |
| Louisiana..... | 130,475,024 | 89,792,912 |
| Maine..... | 58,161,427 | 40,439,640 |
| Maryland..... | 226,293,082 | 113,146,541 |
| Massachusetts..... | 515,279,882 | 266,657,338 |
| Michigan..... | 1,099,271,313 | 549,635,657 |
| Minnesota..... | 242,429,633 | 134,887,848 |
| Mississippi..... | 62,116,323 | 48,171,208 |
| Missouri..... | 193,572,540 | 116,840,385 |
| Montana..... | 18,698,927 | 12,019,670 |
| Nebraska..... | 46,879,961 | 27,011,540 |
| Nevada..... | 12,392,714 | 6,196,357 |
| New Hampshire..... | 27,625,797 | 16,882,118 |
| New Jersey..... | 533,190,230 | 266,595,115 |
| New Mexico..... | 45,815,683 | 31,626,566 |
| New York..... | 1,479,305,120 | 739,652,560 |
| North Carolina..... | 157,551,359 | 106,567,740 |
| North Dakota..... | 16,039,059 | 9,854,398 |
| Ohio..... | 606,046,808 | 333,931,792 |
| Oklahoma..... | 91,633,745 | 58,315,715 |
| Oregon..... | 110,948,804 | 61,754,104 |
| Pennsylvania..... | 764,425,384 | 421,504,157 |

TABLE 2.—EXPENDITURES FOR AFDC BENEFIT PAYMENTS, FISCAL YEAR 1981 ¹—
Continued

[In thousands of dollars]

| State | Total, Federal and State/local | Federal share (unadjusted) |
|----------------------|--------------------------------|----------------------------|
| Puerto Rico | 62,940,226 | 47,205,172 |
| Rhode Island..... | 75,168,420 | 43,454,864 |
| South Carolina..... | 79,129,917 | 56,158,502 |
| South Dakota | 17,477,863 | 12,021,273 |
| Tennessee..... | 85,092,784 | 59,079,920 |
| Texas..... | 135,584,543 | 87,575,396 |
| Utah..... | 49,956,097 | 34,005,115 |
| Vermont | 39,110,445 | 26,751,544 |
| Virginia..... | 175,218,474 | 99,068,525 |
| Virgin Islands | 2,820,165 | 2,115,124 |
| Washington | 237,249,677 | 118,624,840 |
| West Virginia..... | 61,152,621 | 41,186,290 |
| Wisconsin..... | 381,621,720 | 221,149,787 |
| Wyoming..... | 8,470,366 | 4,235,182 |
| Total..... | 12,805,888,785 | 6,908,641,013 |

¹ Preliminary, subject to adjustment.

Source: Office of Family Assistance, Department of Health and Human Services.

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR

| State | Retrospec- tive accounting | Monthly reporting | 150 percent gross income limit | Limit disregard— \$75/\$160 | Count stepparent's income | Count food stamps and housing subsidies |
|------------------------------|----------------------------------|----------------------|--------------------------------------|-----------------------------------|---------------------------------|--|
| Alabama..... | (¹) | (¹) | 10/81 | 10/81 | 10/81 | ..... |
| Alaska..... | (³) | 10/81 | 10/81 | 10/81 | 11/81 | ..... |
| Arizona..... | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| Arkansas..... | 4/82 | 4/82 | 10/81 | 11/81 | 12/81 | ..... |
| California..... | 10/81 | 10/81 | 11/81 | 11/81 | 2/82 | ..... |
| Colorado..... | 12/81 | 12/81 | 12/81 | 12/81 | 10/81 | ..... |
| Connecticut..... | 5/82 | 5/82 | 10/81 | 10/81 | (^e)3/82 | ..... |
| Delaware..... | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| District of Columbia..... | 11/81 | 11/81 | 11/81 | 11/81 | 11/81 | ..... |
| Florida..... | 4/82 | 4/82 | (^e)11/81 | (^e)11/81 | 10/81 | ..... |
| Georgia..... | 7/82 | 7/82 | 10/81 | 10/81 | 10/81 | ..... |
| Hawaii..... | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| Idaho..... | (³) | (³) | 10/81 | 10/81 | 10/81 | ..... |

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR—Continued

| State | Retrospec- tive accounting | Monthly reporting | 150 percent gross income limit | Limit disregard— \$75/\$160 | Count stepparent's income | Count food stamps and housing subsidies |
|--------------------|----------------------------------|----------------------|--------------------------------------|-----------------------------------|---------------------------------|--|
| Illinois | (3) | (3) | 10/81 | 10/81 | 10/81 | ..... |
| Indiana | (2) | (2) | 10/81 | (2) | (2) | ..... |
| Iowa | 8/82 | 8/82 | 10/81 | 10/81 | 10/81 | ..... |
| Kansas | (6) 11/81 | (6) 11/81 | (6) 11/81 | (6) 11/81 | (6) 11/81 | ..... |
| Kentucky | (1) | (1) | 10/81 | 12/81 | 10/81 | ..... |
| Louisiana | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| Maine | 10/82 | 10/82 | 1/82 | 1/82 | 1/82 | ..... |
| Maryland | (1) | (1) | 11/81 | 11/81 | 11/81 | ..... |
| Massachusetts.... | 10/81 | 10/81 | 10/81 | 10/81 | 3/82 | ..... |
| Michigan | (3) | (3) | 10/81 | 10/81 | 10/81 | ..... |
| Minnesota..... | 10/81 | (3) | (6) 2/82 | (6) 2/82 | 2/82 | ..... |
| Mississippi..... | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| Missouri | 7/82 | 7/82 | 10/81 | 11/81 | 4/82 | ..... |
| Montana | 11/81 | 11/81 | 10/81 | 10/81 | 10/81 | ..... |
| Nebraska | 7/82 | 7/82 | 11/81 | 11/81 | (5) | ..... |
| Nevada | 10/81 | 10/81 | 10/81 | 10/81 | 10/81 | ..... |
| New Hampshire.. | 10/82 | 10/82 | 10/81 | 10/81 | (5) | ..... |
| New Jersey..... | (1) | (1) | 10/81 | 10/81 | 10/81 | ..... |
| New Mexico..... | 6/82 | 6/82 | 12/81 | 12/81 | 12/81 | ..... |
| New York | (1) | (1) | (7) 1/82 | (7) 3/82 | (7) 1/82 | ..... |
| North Carolina.... | 3/82 | 3/82 | 10/81 | 10/81 | 10/81 | ..... |
| North Dakota..... | 11/81 | 11/81 | 11/81 | 11/81 | 11/81 | ..... |
| Ohio | (1) | (1) | 10/81 | 10/81 | 10/81 | ..... |
| Oklahoma | 1/82 | 1/82 | 10/81 | 10/81 | 10/81 | ..... |
| Oregon | (3) | (3) | 10/81 | 10/81 | (5) | (8) 10/ 81-12/ 81 |
| Pennsylvania | (4) | (4) | 12/81 | 12/81 | (1) (7) | ..... |
| Rhode Island..... | (1) | (1) | (2) | (2) | (2) | ..... |
| South Carolina.... | 4/82 | 4/82 | 11/81 | 11/81 | 11/81 | ..... |
| South Dakota | 12/81 | 12/81 | 10/81 | 10/81 | (5) | ..... |
| Tennessee..... | 10/81 | (1) | 10/81 | 10/81 | 10/81 | ..... |
| Texas..... | 6/82 | 6/82 | 10/81 | 10/81 | 10/81 | ..... |
| Utah | 6/82 | 6/82 | 12/81 | 12/81 | (5) | ..... |
| Vermont | (1) | (1) | (2) | (2) | 10/81 | ..... |
| Virginia..... | 11/81 | 11/81 | 11/81 | 11/81 | 11/81 | ..... |
| Washington | 10/81 | 10/81 | 10/81 | 10/81 | (5) | (8) 10/ 12/81 |

TABLE 3.—STATE IMPLEMENTATION OF PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, MONTH/YEAR—Continued

| State | Retrospective accounting | Monthly reporting | 150 percent gross income limit | Limit disregard—\$75/\$160 | Count stepparent's income | Count food stamps and housing subsidies |
|---------------------|--------------------------|-------------------|--------------------------------|----------------------------|---------------------------|---|
| West Virginia..... | 6/82 | 6/82 | 10/81 | 10/81 | 10/81 | (*)2/82 |
| Wisconsin..... | (1) | 10/81 | 6/81 | 12/81 | 10/81 | ..... |
| Wyoming..... | 1/82 | 1/82 | 11/81 | 11/81 | 10/81 | ..... |
| Guam..... | (*)11/81 | (*)11/81 | (*)11/81 | (*)11/81 | (*)11/81 | ..... |
| Puerto Rico..... | (1) | (1) | 3/82 | 3/82 | 3/82 | ..... |
| Virgin Islands..... | 4/82 | 4/82 | 12/81 | 12/81 | 11/81 | ..... |

¹ OFA had not received a reported date of implementation.

² The State has used the authority in the law to request waiver by the Secretary because of a State law impediment. This request is pending.

³ The State met the new requirements prior to the effective date.

⁴ 3d quarter, fiscal year 1982.

⁵ The State has a law of general applicability which makes stepparents in the State responsible for their stepchildren without regard to AFDC rules.

⁶ Waiver granted for date indicated.

⁷ Waiver granted until 12/81.

⁸ The option to count food stamps and housing subsidies as income is limited to housing only.

Note: The above table shows the actual or anticipated date of implementation of six major provisions in the Omnibus Budget Reconciliation Act of 1981. It reflects information reported by the States and compiled by the Office of Family Assistance as of March 11, 1982. Date may be advanced as State revises implementation schedule.

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY ¹ OF 3 PERSONS, NOVEMBER 1981

| | Maximum AFDC grant ² | Food stamp benefit ³ | Combined benefits | As percent of estimated 1981 poverty threshold ⁴ |
|---------------------------|---------------------------------|---------------------------------|-------------------|---|
| Alabama..... | \$118 | \$183 | \$301 | 50 |
| Alaska..... | 571 | 215 | 786 | 104 |
| Arizona..... | 202 | 182 | 384 | 64 |
| Arkansas..... | 122 | 183 | 305 | 50 |
| California..... | 506 | 91 | 597 | 99 |
| Colorado..... | 313 | 149 | 462 | 76 |
| Connecticut..... | 498 | 94 | 592 | 98 |
| Delaware..... | 266 | 163 | 429 | 71 |
| District of Columbia..... | 286 | 157 | 443 | 73 |
| Florida..... | 195 | 183 | 378 | 63 |
| Georgia..... | 183 | 183 | 366 | 61 |
| Hawaii..... | 468 | 250 | 718 | 103 |
| Idaho..... | 305 | 151 | 456 | 75 |
| Illinois..... | 302 | 152 | 454 | 75 |
| Indiana..... | 255 | 166 | 421 | 70 |

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY ¹ OF 3 PERSONS, NOVEMBER 1981—Continued

| | Maximum AFDC grant ² | Food stamp benefit ³ | Combined benefits | As percent of estimated 1981 poverty threshold ⁴ |
|------------------------------------|---------------------------------------|------------------------------------|----------------------|---|
| Iowa..... | 360 | 135 | 495 | 82 |
| Kansas..... | 353 | 137 | 490 | 81 |
| Kentucky..... | 188 | 183 | 371 | 61 |
| Louisiana..... | 173 | 183 | 356 | 59 |
| Maine..... | 301 | 153 | 454 | 75 |
| Maryland..... | 270 | 162 | 432 | 71 |
| Massachusetts..... | 379 | 129 | 508 | 84 |
| Michigan (Dec. 1, 1981)..... | ⁵ 464 | 116 | 580 | 96 |
| (Wayne County) (Dec. 1, 1981)..... | ⁵ (436) | (124) | (560) | 93 |
| Minnesota..... | 446 | 109 | 555 | 92 |
| Mississippi..... | 96 | 183 | 279 | 46 |
| Missouri..... | 248 | 169 | 417 | 69 |
| Montana..... | 278 | 160 | 438 | 72 |
| Nebraska..... | 350 | 138 | 488 | 81 |
| Nevada..... | 241 | 171 | 412 | 68 |
| New Hampshire..... | 326 | 148 | 474 | 78 |
| New Jersey..... | 360 | 135 | 495 | 82 |
| New Mexico..... | 233 | 173 | 406 | 67 |
| New York ⁶ | 507 | 100 | 607 | 100 |
| (New York City) ⁶ | (424) | (125) | (569) | 94 |
| North Carolina..... | 192 | 183 | 375 | 62 |
| North Dakota..... | 334 | 143 | 477 | 79 |
| Ohio..... | 263 | 164 | 427 | 71 |
| Oklahoma..... | 282 | 158 | 440 | 73 |
| Oregon ⁶ | 339 | 183 | 522 | 86 |
| Pennsylvania..... | 332 | 143 | 485 | 80 |
| Rhode Island..... | 367 | 133 | 500 | 83 |
| South Carolina..... | 129 | 183 | 312 | 52 |
| South Dakota..... | 321 | 147 | 468 | 77 |
| Tennessee..... | 122 | 183 | 305 | 50 |
| Texas..... | 118 | 183 | 301 | 50 |
| Utah..... | 367 | 133 | 500 | 83 |
| Vermont..... | 506 | 91 | 597 | 99 |
| Virginia..... | 310 | 150 | 460 | 76 |
| Washington..... | 415 | 118 | 533 | 96 |

TABLE 4.—MAXIMUM MONTHLY POTENTIAL BENEFITS, AFDC AND FOOD STAMPS, 1-PARENT FAMILY ¹ OF 3 PERSONS, NOVEMBER 1981—Continued

| | Maximum AFDC grant ² | Food stamp benefit ³ | Combined benefits | As percent of estimated 1981 poverty threshold ⁴ |
|--------------------------------|---------------------------------|---------------------------------|-------------------|---|
| West Virginia..... | 206 | 181 | 387 | 64 |
| Wisconsin..... | 473 | 101 | 574 | 95 |
| Wyoming..... | 315 | 148 | 463 | 77 |
| Guam..... | 262 | 256 | 518 | 86 |
| Puerto Rico ⁷ | 90 | 174 | 264 | 44 |
| Virgin Islands..... | 209 | 215 | 424 | 70 |
| Median State..... | 302 | 152 | 454 | 75 |

¹ In most States these benefit amounts apply also to two-parent families of three (where the second parent is incapacitated, or, as permitted in almost half the States, unemployed). Some, however, increase benefits for such families.

² In States with area differentials, figure shown is for area with highest benefit.

³ Food stamp benefits are based on maximum AFDC benefits shown and assume deductions of \$200 monthly (\$85 standard household deduction plus \$115 maximum allowable deduction for excess shelter costs and/or dependent care) in the 48 contiguous States and D.C. In the remaining five jurisdictions these maximum allowable food stamp deductions are assumed: Alaska, \$345; Hawaii, \$285; Guam, \$310; Puerto Rico, \$90; and Virgin Islands, \$160. If only the standard deduction were assumed, food stamp benefits would drop by \$35 monthly in most of the 48 contiguous States and D.C. (by less than \$35 in States with AFDC benefits below \$200); and by \$60 in Alaska, \$50 in Hawaii, \$41 in Guam; \$12 in Puerto Rico, and \$26 in the Virgin Islands. Maximum food stamp benefits from January 1981 through March 1982 are \$183 for a family of three except in these 5 jurisdictions, where they are as follows: Alaska, \$283; Hawaii, \$250; Guam, \$256; Puerto Rico, \$174; and Virgin Islands, \$230.

⁴ Except for Alaska and Hawaii, this column is based on an unofficial preliminary estimate of the Census Bureau's 1981 poverty threshold for a family of three persons, \$7,253, converted to a monthly rate of \$604. For Alaska, this threshold was increased by 25 percent; for Hawaii, by 15 percent, following the practice of the Office of Management and Budget (OMB).

⁵ This includes a special heating allowance of \$41 monthly for four months (December 1981 through March 1982). This allowance is disregarded by the Food Stamp Program.

⁶ In these States part of the AFDC cash payment has been designated as energy aid and is disregarded by the State in calculating food stamp benefits. New York disregards \$30, the full amount of a benefit boost voted in May 1981. Oregon disregards \$155.59. See also footnote 4.

⁷ Pays 50 percent of the need standard plus rent as paid. The figures shown assume rent at \$20 a month, which is the amount which has actually been allowed.

Source: Congressional Research Service.

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE, ¹ NOVEMBER 1981

| State | Family | | | | |
|----------------------------------|----------|----------|----------|----------|----------|
| | 2 person | 3 person | 4 person | 5 person | 6 person |
| Alabama..... | \$89 | \$118 | \$148 | \$177 | \$207 |
| Alaska ² | 508 | 571 | 634 | 697 | 760 |
| Arizona..... | 156 | 202 | 244 | 279 | 312 |
| Arkansas..... | 101 | 122 | 142 | 161 | 179 |
| California ² | 408 | 506 | 601 | 686 | 771 |
| Colorado ^{2 3} | 247 | 313 | 379 | 450 | 519 |
| Connecticut ^{2 4} | 402 | 498 | 581 | 655 | 732 |
| Delaware ² | 197 | 266 | 312 | 386 | 440 |

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE,¹ NOVEMBER 1981—Continued

| State | Family | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2 person | 3 person | 4 person | 5 person | 6 person |
| District of Columbia..... | 225 | 286 | 349 | 402 | 473 |
| Florida ^{2 5} | 150 | 195 | 230 | 265 | 300 |
| Georgia..... | 153 | 183 | 216 | 247 | 268 |
| Hawaii ^{2 6} | 390 | 468 | 546 | 626 | 709 |
| Idaho..... | 245 | 305 | 345 | 385 | 418 |
| Illinois ⁷ | 250 | 302 | 368 | 434 | 495 |
| Indiana..... | 195 | 255 | 315 | 375 | 435 |
| Iowa ² | 292 | 360 | 419 | 464 | 516 |
| Kansas ^{2 8} | 297 | 353 | 399 | 440 | 481 |
| Kentucky ² | 162 | 188 | 235 | 275 | 310 |
| Louisiana ⁹ | 125 | 173 | 213 | 252 | 287 |
| Maine ¹⁰ | 223 | 301 | 378 | 455 | 532 |
| Maryland ² | 211 | 270 | 326 | 377 | 416 |
| Massachusetts..... | 314 | 379 | 445 | 510 | 575 |
| Michigan ¹¹ December 1981 (Wayne County) (December 1981)..... | 391 (364) | 464 (436) | 533 (506) | 609 (582) | 689 (661) |
| Minnesota ² | 368 | 446 | 520 | 584 | 647 |
| Mississippi..... | 60 | 96 | 120 | 144 | 168 |
| Missouri..... | 199 | 248 | 290 | 329 | 366 |
| Montana ^{2 12} | 234 | 278 | 356 | 420 | 473 |
| Nebraska ² | 280 | 350 | 420 | 490 | 560 |
| Nevada..... | 194 | 241 | 288 | 335 | 383 |
| New Hampshire ^{2 13} | 278 | 326 | 372 | 418 | 476 |
| New Jersey ² | 273 | 360 | 414 | 468 | 522 |
| New Mexico ² | 189 | 233 | 281 | 324 | 354 |
| New York ^{2 14} (New York City)..... | 424 (356) | 507 (424) | 602 (515) | 686 (592) | 752 (672) |
| North Carolina..... | 167 | 192 | 210 | 230 | 248 |
| North Dakota ² | 270 | 334 | 408 | 464 | 511 |
| Ohio..... | 216 | 263 | 327 | 381 | 424 |
| Oklahoma ² | 218 | 282 | 349 | 409 | 468 |
| Oregon ² | 286 | 339 | 409 | 480 | 547 |
| Pennsylvania ^{2 15} | 273 | 332 | 395 | 451 | 490 |
| Rhode Island ^{2 16} | 298 | 367 | 420 | 473 | 533 |
| South Carolina..... | 99 | 129 | 158 | 188 | 217 |
| South Dakota ^{2 17} | 280 | 321 | 361 | 401 | 441 |
| Tennessee..... | 97 | 122 | 148 | 174 | 201 |
| Texas ¹⁸ | 85 | 118 | 141 | 164 | 183 |
| Utah..... | 278 | 367 | 438 | 557 | 658 |

TABLE 5.—MAXIMUM AFDC BENEFITS, BY FAMILY SIZE,¹ NOVEMBER 1981—Continued

| State | Family | | | | |
|-----------------------------------|----------|----------|----------|----------|----------|
| | 2 person | 3 person | 4 person | 5 person | 6 person |
| Vermont ¹⁹ | 423 | 506 | 566 | 640 | 684 |
| Virginia ²⁰ | 258 | 310 | 360 | 428 | 468 |
| Washington ^{2 21} | 339 | 415 | 501 | 593 | 671 |
| West Virginia ²² | 164 | 206 | 249 | 284 | 322 |
| Wisconsin ²³ | 401 | 473 | 563 | 647 | 699 |
| Wyoming ^{2 24} | 280 | 315 | 340 | 390 | 445 |
| Guam ² | 202 | 262 | 307 | 337 | 367 |
| Puerto Rico ²⁵ | 66 | 90 | 114 | 138 | 162 |
| Virgin Islands ² | 154 | 209 | 263 | 317 | 371 |

¹ Maximum benefit paid for a family of given size with zero countable income. Family members include 1 adult caretaker.

² These States pay 100 percent of the need standard.

³ Colorado no longer has separate payment schedules for winter months and non-winter months.

⁴ Connecticut has three rent regions. Data shown are from rent region A which has the highest rents.

⁵ Florida has two payment schedules—one that includes shelter expenses and one that does not. Data shown include shelter.

⁶ The Hawaii figures include shelter maximums of \$215, \$240, \$265, \$290, and \$320 for an AFDC family with 2 recipients to 6 recipients, respectively.

⁷ Illinois divides itself into 3 distinct areas with regard to payment schedules. Data shown are from the Cook County area, which includes Chicago.

⁸ Kansas has a basic standard and a shelter standard. The shelter standard varies from area to area (i.e. from \$72 monthly to \$128 monthly). The shelter payment in Topeka and some of the other larger cities is \$103 monthly. The figures shown include a shelter standard of \$128 monthly.

⁹ Louisiana has two payment schedules—one for urban areas, from which our data were taken, and one for rural areas.

¹⁰ Maine also has a children only schedule.

¹¹ Michigan has varied shelter maximums. Shown are benefits for Washtenaw County (Ann Arbor) and Wayne County (Detroit).

¹² Montana has two payment schedules—one with shelter costs included and the other without shelter costs. Data shown include shelter.

¹³ New Hampshire payment schedules include a basic maintenance allowance plus an additional amount depending on the type of shelter: (1) no heat or utilities included in the shelter costs, (2) either heat or utilities included, or (3) both heat and utilities included. Data shown include both heat and utilities.

¹⁴ New York has payment schedules for each social service district. The figures include energy payments.

¹⁵ Pennsylvania has four regions. The figures in the table are from region 1, which has the highest benefits.

¹⁶ Rhode Island has a winter and non-winter payment schedule. The figures in the table are from the non-winter schedule which lasts from April through November. The winter schedule lasts from December through March.

¹⁷ The South Dakota figures include rent of \$120 monthly and utilities equal to \$43 monthly.

¹⁸ Texas also has a payment schedule for children only.

¹⁹ Vermont has a base amount plus a housing maximum which depends on whether the recipient is living in a furnished or unfurnished apartment inside or outside of Chittenden County. 69 percent of the [base amount plus housing allowance] is equal to the largest amount paid to a recipient with no other income. The figures in the table assume the recipient is in a furnished apartment (the amount paid for a furnished apartment is constant statewide—i.e. \$217).

²⁰ Virginia has three payment schedules. The figures shown are from area 3 which has the highest benefits.

²¹ Washington has two areas. The figures in the Table are from the area 1 payment schedule which has the bulk of the population and the higher benefit levels.

²² West Virginia has three payment schedules. The figures show the higher benefit levels.

²³ Wisconsin has two payment schedules. The figures show the higher benefit levels.

²⁴ Wyoming has two payment schedules—one that includes shelter costs and one that excludes shelter costs. The figures shown include shelter.

²⁵ Puerto Rico pays 50 percent of need plus rent as paid. The figures assume rent at \$20 a month, which is the amount which has actually been allowed.

Source: Congressional Research Service.

TABLE 6.—FEDERAL MEDICAL ASSISTANCE PERCENTAGES

| State | Promulgated for the periods— | |
|----------------------------|--------------------------------|---------------------------------|
| | Jan. 1, 1966– June 30, 1967 | Oct. 1, 1981– Sept. 30, 1983 |
| Alabama | 79.85 | 71.13 |
| Alaska | 50.00 | 50.00 |
| Arizona ¹ | 63.94 | 59.87 |
| Arkansas | 81.67 | 72.16 |
| California | 50.00 | 50.00 |
| Colorado | 53.08 | 52.28 |
| Connecticut | 50.00 | 50.00 |
| Delaware | 50.00 | 50.00 |
| District of Columbia | 50.00 | 50.00 |
| Florida | 65.21 | 57.92 |
| Georgia | 74.91 | 66.28 |
| Guam | (²) | (²) |
| Hawaii | 52.97 | 50.00 |
| Idaho | 70.73 | 65.43 |
| Illinois | 50.00 | 50.00 |
| Indiana | 55.77 | 56.73 |
| Iowa | 60.39 | 55.35 |
| Kansas | 61.45 | 52.50 |
| Kentucky | 76.70 | 67.95 |
| Louisiana | 76.41 | 66.85 |
| Maine | 69.57 | 70.63 |
| Maryland | 50.00 | 50.00 |
| Massachusetts | 50.00 | 53.56 |
| Michigan | 50.31 | 50.00 |
| Minnesota | 60.46 | 54.39 |
| Mississippi | 83.00 | 77.36 |
| Missouri | 53.90 | 60.38 |
| Montana | 62.86 | 65.34 |
| Nebraska | 60.39 | 58.12 |
| Nevada | 50.00 | 50.00 |
| New Hampshire | 61.31 | 59.41 |
| New Jersey | 50.00 | 50.00 |
| New Mexico | 70.73 | 67.19 |
| New York | 50.00 | 50.88 |
| North Carolina | 75.58 | 67.81 |
| North Dakota | 66.67 | 62.11 |
| Ohio | 52.33 | 55.10 |
| Oklahoma | 70.32 | 59.91 |

TABLE 6.—FEDERAL MEDICAL ASSISTANCE PERCENTAGES—Continued

| State | Promulgated for the periods— | |
|----------------------|--------------------------------|---------------------------------|
| | Jan. 1, 1966– June 30, 1967 | Oct. 1, 1981– Sept. 30, 1983 |
| Oregon | 54.12 | 52.81 |
| Pennsylvania | 54.38 | 56.78 |
| Puerto Rico | (²) | (²) |
| Rhode Island..... | 56.13 | 57.77 |
| South Carolina..... | 81.30 | 70.77 |
| South Dakota | 71.05 | 68.19 |
| Tennessee..... | 76.86 | 68.53 |
| Texas..... | 67.27 | 55.75 |
| Utah | 66.30 | 68.64 |
| Vermont | 68.44 | 68.59 |
| Virgin Islands | (²) | (²) |
| Virginia..... | 66.96 | 56.74 |
| Washington | 50.81 | 50.00 |
| West Virginia..... | 74.27 | 67.95 |
| Wisconsin..... | 57.60 | 58.02 |
| Wyoming..... | 55.47 | 50.00 |

¹ Not applicable; for AFDC no title XIX program in effect.

² For purposes of section 1118 of the Social Security Act, the percentage used under titles I, X, XIV, and XVI and part A of title IV will always be 75 percent. Prior to fiscal year 1979 the percentage used was 50 percent.

Source: MMB/HCFA/HEW.

TABLE 7.—AFDC CHARACTERISTICS, 1969–79

| | May 1969 | January 1973 | May 1975 | March 1977 | March 1979 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Average family size (persons) | 4.0 | 3.6 | 3.2 | 3.1 | 3.0 |
| Incidence of fathers (percent): | | | | | |
| Absent | ¹ 77.1 | ² 80.5 | ² 83.3 | ² 84.7 | ² 85.9 |
| Not married to the mother..... | ¹ 27.9 | ² 31.5 | ² 31.0 | ² 33.8 | ² 37.5 |
| Incidence of working mothers (percent): | | | | | |
| With full-time jobs..... | 8.2 | 9.8 | 10.4 | 8.4 | 8.7 |
| With part-time jobs..... | 6.3 | 6.3 | 5.7 | 5.3 | 5.4 |
| Actively seeking work, or in school or training | 10.0 | 11.5 | 12.2 | 13.8 | 12.8 |
| Percent of families: | | | | | |
| With earnings | ³ NA | 16.3 | 14.6 | 12.9 | 12.8 |
| With no reported income other than AFDC..... | 56.0 | 66.9 | 71.1 | ⁴ 78.2 | ⁴ 80.6 |
| Median number of months on AFDC ⁵ | 23.0 | 27.4 | 31.0 | 26.3 | 29.3 |
| Race (percent): | | | | | |
| White..... | ⁶ 49.2 | 46.9 | 50.2 | 52.6 | 51.8 |
| Black..... | 46.2 | 45.8 | 44.3 | 43.0 | 43.7 |

TABLE 7.—AFDC CHARACTERISTICS, 1969–79—Continued

| | May 1969 | January 1973 | May 1975 | March 1977 | March 1979 |
|---|-------------------|-----------------|-------------|---------------|---------------|
| Incidence of households (percent): | | | | | |
| Living in public housing..... | ⁷ 12.8 | 13.6 | 14.6 | 14.9 | NA |
| Participating in food stamp or donated-food program..... | 52.9 | 68.4 | 75.1 | 74.0 | 75.2 |
| Including nonrecipient members..... | 33.1 | 34.9 | 34.8 | NA | NA |

¹ Calculated on the basis of total number of families.

² Calculated on the basis of total number of children; on the basis of total number of families, the January 1973 percentages would be 83 for absent fathers and 34.7 for unmarried-to-mother fathers.

³ 13.7 percent of mothers had earnings in 1969 survey month, compared with 14.4 percent in 1973, 13.7 percent in 1975, and 12.3 percent in 1977.

⁴ State collected child support directly beginning in 1975, removing one source of non-AFDC income.

⁵ Since most recent enrollment.

⁶ Excludes Puerto Rico and the Virgin Islands.

⁷ As of 1971. Item not available for 1969.

Source: Congressional Research Service based on AFDC recipient characteristic studies, conducted by the Department of Health and Human Services.

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION ¹

[Includes new payment errors ²]

| Region and State | Ineligible and eligible overpaid ³ | Ineligible | Eligible but overpaid | Eligible but underpaid |
|---------------------------|---|------------|--------------------------|---------------------------|
| U.S. average ⁴ | 7.3 | 4.2 | 3.2 | 0.7 |
| Region I ⁴ | 8.0 | 3.8 | 4.2 | .5 |
| Connecticut..... | 6.2 | 3.6 | 2.6 | .3 |
| Maine..... | 7.3 | 3.6 | 3.9 | .3 |
| Massachusetts..... | 8.2 | 2.9 | 5.7 | .5 |
| New Hampshire..... | 11.1 | 9.2 | 1.9 | .7 |
| Rhode Island..... | 9.7 | 7.8 | 2.2 | .6 |
| Vermont..... | 11.4 | 6.8 | 4.7 | 1.4 |
| Region II ⁴ | 9.6 | 5.7 | 4.1 | 1.8 |
| New Jersey..... | 9.3 | 3.7 | 5.0 | .7 |
| New York..... | 9.7 | 6.4 | 3.7 | 2.2 |
| Puerto Rico..... | 10.3 | 5.5 | 4.8 | .9 |
| Virgin Islands..... | 5.4 | 3.8 | 1.6 | .5 |
| Region III ⁴ | 8.5 | 4.6 | 3.9 | .5 |
| Delaware..... | 7.9 | 3.8 | 4.1 | .5 |
| District of Columbia..... | 10.5 | 5.4 | 5.5 | 1.0 |
| Maryland..... | 12.7 | 7.7 | 4.9 | .6 |
| Pennsylvania..... | 8.0 | 4.2 | 3.8 | .4 |
| Virginia..... | 4.7 | 2.3 | 2.4 | .5 |
| West Virginia..... | 6.9 | 4.0 | 2.9 | .5 |

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION¹—Continued

| Region and State | Ineligible and eligible overpaid ² | Ineligible | Eligible but overpaid | Eligible but underpaid |
|--------------------------------|---|------------|-----------------------|------------------------|
| Region IV ⁴ | 6.2 | 3.7 | 2.5 | .6 |
| Alabama..... | 7.6 | 5.4 | 2.2 | .2 |
| Florida..... | 5.8 | 3.5 | 2.3 | .8 |
| Georgia..... | 7.8 | 4.9 | 3.0 | .3 |
| Kentucky..... | 4.7 | 2.8 | 1.9 | .2 |
| Mississippi..... | 6.9 | 3.5 | 3.3 | .7 |
| North Carolina..... | 4.8 | 2.7 | 2.1 | 1.0 |
| South Carolina..... | 6.9 | 3.1 | 3.8 | 1.2 |
| Tennessee..... | 7.0 | 4.6 | 2.5 | .5 |
| Region V ⁴ | 7.0 | 3.7 | 3.3 | .5 |
| Illinois..... | 6.9 | 2.6 | 4.0 | .2 |
| Indiana..... | 4.6 | 2.6 | 2.0 | .1 |
| Michigan..... | 7.3 | 3.7 | 3.7 | .6 |
| Minnesota..... | 2.3 | 1.0 | 1.3 | .4 |
| Ohio..... | 8.7 | 5.4 | 3.3 | .5 |
| Wisconsin..... | 7.6 | 5.5 | 2.0 | 1.2 |
| Region VI ⁴ | 6.8 | 4.4 | 2.4 | .5 |
| Arkansas..... | 6.1 | 5.0 | 1.2 | .4 |
| Louisiana..... | 7.2 | 4.7 | 2.4 | .5 |
| New Mexico..... | 8.2 | 4.3 | 3.8 | .6 |
| Oklahoma..... | 4.8 | 2.8 | 2.0 | .3 |
| Texas..... | 7.8 | 4.9 | 2.8 | .5 |
| Region VII ⁴ | 5.3 | 3.0 | 2.4 | .4 |
| Iowa..... | 3.8 | 2.0 | 1.8 | .2 |
| Kansas..... | 7.4 | 4.8 | 2.6 | .4 |
| Missouri..... | 5.9 | 3.0 | 2.9 | .6 |
| Nebraska..... | 4.3 | 2.7 | 1.6 | .4 |
| Region VIII ⁴ | 9.8 | 5.3 | 4.4 | .4 |
| Colorado..... | 13.3 | 7.1 | 6.0 | .5 |
| Montana..... | 11.2 | 4.6 | 6.6 | 1.1 |
| North Dakota..... | 4.7 | 2.0 | 2.7 | .4 |
| South Dakota..... | 6.8 | 3.6 | 3.2 | .1 |
| Utah..... | 5.5 | 3.3 | 2.2 | .1 |
| Wyoming..... | 16.4 | 12.3 | 3.6 | .4 |
| Region IX ⁴ | 5.3 | 3.4 | 2.0 | .6 |
| Arizona..... | 9.5 | 7.3 | 2.3 | .9 |
| California..... | 5.1 | 3.3 | 1.9 | .6 |
| Hawaii..... | 9.2 | 5.1 | 4.1 | 1.1 |
| Nevada..... | 2.3 | 1.7 | .3 | |

TABLE 8.—AFDC QUALITY CONTROL APRIL–SEPTEMBER 1980 PAYMENT ERROR RATES, BY REGION ¹—Continued

| Region and State | Ineligible and eligible overpaid ² | Ineligible | Eligible but overpaid | Eligible but underpaid |
|-----------------------------|---|------------|-----------------------|------------------------|
| Region X ⁴ | 7.7 | 5.1 | 2.7 | .5 |
| Alaska..... | 14.4 | 7.6 | 6.8 | .1 |
| Idaho..... | 11.8 | 7.8 | 4.1 | .5 |
| Oregon..... | 4.0 | 1.1 | 3.0 | .7 |
| Washington..... | 9.1 | 7.2 | 1.9 | .4 |

¹ Based on reviews of statistically reliable samples for approximately 40,000 cases in each reporting period from an average national caseload of 3.5 million families.

² "New payment errors" encompass errors excluded from QC review prior to 1978. These include new AFDC eligibility requirements associated with State failure to properly apply child support requirements and failure to obtain Social Security numbers for AFDC recipients.

³ All error rates computed by the regression formula; thus rates for ineligible and overpaid may not add to that shown for the combined rate.

⁴ Weighted average.

Source: Department of Health and Human Services.

TABLE 9.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED PARENT SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments]

| State | Number of families | Number of recipients | | Payments to recipients | | |
|---------------------------|--------------------|----------------------|----------|------------------------|-------------|-----------|
| | | Total | Children | Total amount | Average per | |
| | | | | | Family | Recipient |
| Total..... | 192,602 | 820,459 | 457,131 | \$82,861,232 | \$430.22 | \$100.99 |
| California..... | 58,976 | 254,026 | 144,582 | 30,477,913 | 516.79 | 119.98 |
| Colorado..... | 1,355 | 5,699 | 3,011 | 506,030 | 373.45 | 88.79 |
| Connecticut..... | 780 | 3,456 | 1,940 | 407,504 | 522.44 | 117.91 |
| Delaware..... | 388 | 1,645 | 899 | 115,025 | 296.46 | 69.92 |
| District of Columbia..... | 214 | 910 | 507 | 70,717 | 330.45 | 77.71 |
| Guam..... | 142 | 709 | 426 | 40,430 | 284.72 | 57.02 |
| Hawaii..... | 940 | 4,336 | 2,471 | 426,035 | 453.23 | 98.26 |
| Illinois..... | 8,412 | 37,283 | 20,869 | 3,291,808 | 391.32 | 88.29 |
| Iowa..... | 2,979 | 11,893 | 6,192 | 1,103,171 | 370.32 | 92.76 |
| Kansas..... | 921 | 3,562 | 1,876 | 345,298 | 374.92 | 96.94 |
| Maryland..... | 1,313 | 5,663 | 3,135 | 407,509 | 310.36 | 71.96 |
| Massachusetts..... | 4,767 | 20,214 | 11,705 | 2,088,097 | 438.03 | 103.30 |
| Michigan..... | 34,003 | 144,151 | 79,791 | 15,577,273 | 458.11 | 108.06 |
| Minnesota..... | 3,393 | 14,196 | 7,489 | 1,459,612 | 430.79 | 102.82 |
| Missouri..... | 2,474 | 10,695 | 5,747 | 684,786 | 276.79 | 64.03 |
| Montana..... | 438 | 1,860 | 1,064 | 120,428 | 274.95 | 64.75 |

TABLE 9.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED PARENT SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments]

| State | Number of families | Number of recipients | | Payments to recipients | | |
|--------------------|--------------------|----------------------|----------|------------------------|-------------|-----------|
| | | Total | Children | Total amount | Average per | |
| | | | | | Family | Recipient |
| Nebraska..... | 227 | 1,056 | 603 | 88,294 | 388.96 | 83.61 |
| New Jersey..... | 5,692 | 24,284 | 13,998 | 2,162,171 | 379.86 | 89.04 |
| New York..... | 10,905 | 48,547 | 27,538 | 4,131,904 | 378.90 | 85.11 |
| Ohio..... | 22,870 | 94,101 | 49,603 | 7,377,604 | 322.59 | 78.40 |
| Pennsylvania..... | 10,858 | 46,138 | 24,654 | 3,777,707 | 347.92 | 81.88 |
| Rhode Island..... | 330 | 1,416 | 777 | 150,350 | 455.61 | 106.18 |
| Utah..... | 2,026 | 9,000 | 5,064 | 796,045 | 392.91 | 88.45 |
| Vermont..... | 657 | 2,789 | 1,512 | 268,891 | 409.27 | 96.41 |
| Washington..... | 7,015 | 28,673 | 14,777 | 3,135,616 | 446.99 | 109.36 |
| West Virginia..... | 3,583 | 15,075 | 11,311 | 768,741 | 214.55 | 50.99 |
| Wisconsin..... | 6,944 | 29,078 | 15,590 | 3,082,273 | 443.88 | 106.00 |

Source: Department of Health and Human Services.

TABLE 10.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Authorized to needy families with children under title IV-A]

| State | Number of families | | | Amount of assistance payments | | | |
|---------------------------|--------------------|----------------------------|---------------------|-------------------------------|-----------------------|-------------|--------------|
| | Total | AFDC cash payment cases | Other | Total | | | Medical care |
| | | | | Amount | Average per family | Maintenance | |
| Total..... | 52,051 | ¹ 20,249 | ¹ 10,902 | \$10,252,544 | \$196.97 | \$9,764,650 | \$487,894 |
| Arkansas..... | 197 | 149 | 48 | 7,900 | 40.10 | 7,490 | 410 |
| Connecticut..... | 0 | 0 | 0 | 0 | (²) | 0 | 0 |
| Delaware..... | 193 | 193 | 0 | 18,716 | 96.97 | 18,716 | 0 |
| District of Columbia..... | 184 | 111 | 73 | 43,409 | 235.92 | 43,409 | 0 |
| Illinois..... | 397 | 397 | 0 | 62,260 | 156.83 | 62,260 | 0 |
| Kansas..... | 656 | 0 | 656 | 101,014 | 153.98 | 101,014 | 0 |
| Kentucky..... | 2,047 | 717 | 1,330 | 387,558 | 189.33 | 387,558 | 0 |
| Maryland..... | 1,429 | 1,077 | 352 | 290,197 | 203.08 | 290,197 | 0 |
| Massachusetts..... | 1,871 | 1,851 | 20 | 512,774 | 274.06 | 512,774 | 0 |
| Michigan..... | 5,706 | 4,258 | 1,448 | 1,413,914 | 247.79 | 1,385,766 | 28,148 |
| Minnesota..... | 1,277 | 865 | 412 | 314,980 | 246.66 | 313,757 | 1,223 |
| Missouri..... | 262 | (¹) | (¹) | 37,259 | 142.21 | 37,259 | 0 |
| Montana..... | 20 | 2 | 18 | 532 | (²) | 532 | 0 |
| Nebraska..... | 191 | 34 | 157 | 49,102 | 257.08 | 31,989 | 17,113 |
| New Jersey..... | 588 | 584 | 4 | 210,781 | 358.47 | 210,781 | 0 |
| New York..... | 20,638 | (¹) | (¹) | 3,895,373 | 188.75 | 3,887,285 | 8,088 |
| Ohio..... | 12,852 | 9,246 | 3,606 | 2,267,330 | 176.42 | 1,851,716 | 415,614 |

TABLE 10.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Authorized to needy families with children under title IV-A]

| State | Number of families | | | Amount of assistance payments | | | |
|----------------------|--------------------|----------------------------|-------|-------------------------------|-----------------------|-------------|--------------|
| | Total | AFDC cash payment cases | Other | Total | | | Medical care |
| | | | | Amount | Average per family | Maintenance | |
| Oklahoma | 628 | 100 | 528 | 149,332 | 237.79 | 149,332 | 0 |
| Oregon | 1,050 | 0 | 1,050 | 234,547 | 223.38 | 232,613 | 1,934 |
| Pennsylvania | 69 | 69 | 0 | 10,162 | 147.28 | 9,580 | 582 |
| Puerto Rico | 0 | 0 | 0 | 0 | (^a) | 0 | 0 |
| Virgin Islands | 0 | 0 | 0 | 0 | (^a) | 0 | 0 |
| Virginia..... | 20 | 8 | 12 | 5,067 | (^a) | 4,654 | 413 |
| Washington | 838 | 192 | 646 | 147,315 | 175.79 | 147,315 | 0 |
| West Virginia..... | 712 | 328 | 384 | 63,004 | 88.49 | 62,884 | 120 |
| Wisconsin..... | 68 | 68 | 0 | 15,769 | 231.90 | 15,769 | 0 |
| Wyoming..... | 158 | 0 | 158 | 14,249 | 90.18 | 0 | 14,249 |

¹ Number of families not reported by Missouri and New York.

^a Average payment not computed on base of fewer than 50 families.

Source: Department of Health and Human Services.

TABLE 11.—AFDC: FEDERAL SHARE OF EXPENDITURES FOR BENEFITS, EMERGENCY ASSISTANCE, ADMINISTRATION, AND TRAINING, FISCAL YEAR 1981

[In thousands of dollars]

| States and other areas | Aid to families with dependent children | Emergency assistance | State and local administration | State and local training | Total |
|----------------------------|---|----------------------|--------------------------------|--------------------------|-----------|
| Alabama | 55,257 | | 7,469 | 197 | 62,923 |
| Alaska | 17,164 | | 1,914 | 52 | 19,130 |
| Arizona | 18,221 | | 4,705 | 82 | 23,008 |
| Arkansas | 37,208 | 31 | 3,205 | 65 | 40,509 |
| California | 1,271,839 | | 144,052 | 7,969 | 1,423,860 |
| Colorado | 47,082 | | 5,327 | 59 | 52,468 |
| Connecticut | 102,611 | 1,154 | 6,730 | 276 | 110,771 |
| Delaware | 16,035 | 123 | 1,469 | 36 | 17,663 |
| District of Columbia | 44,363 | 996 | 6,010 | | 51,369 |
| Florida | 122,627 | | 17,600 | 369 | 140,596 |
| Georgia | 121,395 | | 14,029 | 1,025 | 136,449 |
| Guam | 2,331 | | (¹) | (¹) | 2,331 |
| Hawaii | 46,620 | | 2,981 | 38 | 49,639 |
| Idaho | 14,482 | | 2,258 | 276 | 17,016 |
| Illinois | 395,042 | 324 | 43,516 | 334 | 439,216 |
| Indiana | 83,267 | | 10,550 | 15 | 93,832 |
| Iowa | 90,742 | | 6,450 | 125 | 97,317 |
| Kansas | 47,251 | 533 | 4,593 | 218 | 52,595 |
| Kentucky | 99,673 | 1,121 | 9,649 | 477 | 110,920 |
| Louisiana | 89,793 | | 12,618 | 145 | 102,556 |
| Maine | 40,439 | | 2,211 | 51 | 42,701 |
| Maryland | 113,243 | 1,672 | 7,787 | 240 | 122,942 |
| Massachusetts | 275,871 | 3,482 | 25,253 | 3,010 | 307,616 |
| Michigan | 573,623 | 8,911 | 62,152 | 760 | 645,446 |
| Minnesota | 134,889 | 1,857 | 11,212 | 183 | 148,141 |
| Mississippi | 48,172 | | 3,484 | 132 | 51,788 |
| Missouri | 110,670 | 104 | 13,484 | 379 | 124,637 |
| Montana | 12,222 | 33 | 1,435 | 218 | 13,908 |
| Nebraska | 27,011 | 168 | 3,260 | 54 | 30,493 |
| Nevada | 6,195 | | 1,672 | 4 | 7,871 |
| New Hampshire | 17,203 | | 1,363 | 26 | 18,592 |
| New Jersey | 281,812 | 1,643 | 29,660 | 1,866 | 314,981 |
| New Mexico | 31,627 | | 3,857 | 85 | 35,569 |
| New York | 754,492 | 26,195 | 136,748 | 7,353 | 924,788 |
| North Carolina | 106,569 | | 9,424 | 106 | 116,099 |
| North Dakota | 9,691 | | 1,020 | 6 | 10,717 |
| Ohio | 340,105 | 11,409 | 30,529 | 451 | 382,494 |

TABLE 11.—AFDC: FEDERAL SHARE OF EXPENDITURES FOR BENEFITS, EMERGENCY ASSISTANCE, ADMINISTRATION, AND TRAINING, FISCAL YEAR 1981—Continued

[In thousands of dollars]

| States and other areas | Aid to families with dependent children | Emergency assistance | State and local administration | State and local training | Total |
|--|---|----------------------|--------------------------------|--------------------------|------------------|
| Oklahoma | 57,230 | 765 | 8,648 | 65 | 66,708 |
| Oregon | 61,755 | 1,251 | 9,783 | 394 | 73,183 |
| Pennsylvania | 421,526 | 143 | 52,883 | 2,612 | 477,164 |
| Puerto Rico | 46,496 | 128 | (¹) | (¹) | 46,624 |
| Rhode Island..... | 43,506 | ..... | 3,112 | 180 | 46,798 |
| South Carolina..... | 56,102 | ..... | 6,008 | 142 | 62,252 |
| South Dakota | 11,866 | ..... | 1,291 | 17 | 13,174 |
| Tennessee..... | 59,080 | ..... | 8,408 | 244 | 67,732 |
| Texas..... | 87,222 | ..... | 20,663 | 901 | 108,786 |
| Utah..... | 34,320 | ..... | 2,959 | 117 | 37,396 |
| Vermont..... | 26,600 | 155 | 1,444 | 9 | 28,208 |
| Virginia..... | 97,610 | 39 | 13,041 | 191 | 110,881 |
| Virgin Islands | 2,025 | 18 | (¹) | (¹) | 2,043 |
| Washington..... | 118,807 | 1,746 | 14,262 | 375 | 135,190 |
| West Virginia..... | 41,186 | 436 | 2,784 | 49 | 44,455 |
| Wisconsin..... | 221,293 | 65 | 17,922 | 217 | 239,497 |
| Wyoming..... | 4,235 | 131 | 701 | 9 | 5,076 |
| Subtotal..... | 6,997,696 | 64,633 | 813,585 | 32,114 | 7,908,118 |
| Administration and training—Jurisdictions..... | | | | | 6,353 |
| Repatriation of U.S. nationals..... | | | | | 1,637 |
| Adult categories..... | | | | | 16,256 |
| Child support enforcement collections ² | | | | | -268,477 |
| Adjustments ³ | | | | | -71,827 |
| Total (Program Costs)..... | | | | | 7,735,714 |

¹ These costs are now contained in the separate Administration training—Jurisdictions activity.

² Child support enforcement collections are shown as an offset to AFDC benefits. The amount shown is based on the States' estimates.

³ Amounts listed by State reflect estimates made by the States. These estimates have been adjusted in total for the maintenance assistance program to bring the total in line with national projections which are based on national trends of the caseload and national socioeconomic variables.

Source: Social Security Administration, justification of appropriation estimates, fiscal year 1983.

Child Support Enforcement

GENERAL

The purpose of the child support enforcement (CSE) program is to enforce support obligations owed by absent parents to their children, locate absent parents, establish paternity, and obtain child support. The program is authorized by title IV-D of the Social Security Act, and is closely tied to the AFDC program. As a condition of eligibility for AFDC, each applicant or recipient must assign the State any rights to support which she may have in her own behalf or in behalf of children in the family, and must cooperate with the State in establishing paternity and in obtaining support payments. States are also required to provide child support services to families who are not eligible for AFDC.

The Omnibus Budget Reconciliation Act of 1981 included several provisions aimed at making the program more effective and reducing administrative costs. The amendments: authorized the collections of past-due child and spousal support from Federal tax refunds in the case of families receiving AFDC; expanded the authority in prior law to enforce obligations for support of a child to include, in addition, authority to enforce obligations for support of the parent with whom the child is living; required States to retain a fee equal to 10 percent of the support owed on behalf of a non-AFDC family, to be charged against the absent parent and added to the amount of the collection; provided that a support obligation assigned to the State as a condition of AFDC eligibility may not be discharged in bankruptcy; and required States to have a program to collect child support obligations which are being enforced under a State child support enforcement program by reducing the unemployment benefits of an absent parent.

FAMILIES SERVED

State child support enforcement agencies are required to serve both AFDC and non-AFDC families. The program made collections on behalf of 548,000 AFDC families and 584,000 non-AFDC families in fiscal year 1981. (See Tables 2 and 3.) In 1982, an estimated 808,000 AFDC families will have collections made on their behalf, 205,000 of whom will have collections made through the new income tax intercept program.

FINANCING

Federal matching of 75 percent is available to pay State costs of administering the child support enforcement program. Costs of developing or improving management information systems are matched at 90 percent. Collections made on behalf of families receiving AFDC directly offset AFDC benefit costs and are shared between the Federal Government and the States in accordance with the matching formula used for the AFDC program. In addition, States and localities receive incentive payments equal to 15 percent of each collection made on behalf of an AFDC family. These incentive payments are deducted solely from the Federal share of collections.

TABLE 1.—COLLECTIONS AND COSTS UNDER THE PROGRAM

[Dollars in millions]

| | Fiscal year | |
|---|-------------|-------|
| | 1981 | 1982 |
| Collections (AFDC families): | | |
| Total (Federal and State) | \$688 | \$872 |
| Federal share..... | 268 | 323 |
| Administrative costs: | | |
| Total (Federal and State) | 542 | 648 |
| Federal share..... | 421 | 490 |
| Net collections (collections minus costs): | | |
| Total (Federal and State) | 146 | 224 |
| Federal share..... | —153 | —167 |

ADMINISTRATION

The Secretary of Health and Human Services is required to establish a separate organizational unit under the direct control of an individual who has been designated by, and reports directly to, the Secretary himself. At the present time the Commissioner of Social Security is that designee. At the State and local levels, the child support program must also be administered by a separate and distinct administrative unit.

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES

[By State and quarter, fiscal year 1981]

| | 1st quarter | 2d quarter | 3d quarter | 4th quarter | Average |
|---------------------------|-------------|------------|------------|--------------------|------------------|
| Total | 498,943 | 529,583 | 582,714 | 579,553 | 547,698 |
| Alabama | 16,454 | 17,093 | 18,417 | 21,626 | 18,398 |
| Alaska | 288 | 517 | 691 | 955 | 613 |
| Arizona | 1,040 | 1,096 | 1,256 | 1,983 | 1,094 |
| Arkansas | 2,886 | 2,882 | 2,927 | ^a 3,380 | 3,019 |
| California | 76,681 | 83,570 | 96,013 | 91,859 | 87,030 |
| Colorado | 3,108 | 3,585 | 3,072 | 3,521 | 3,322 |
| Connecticut | 10,362 | 11,053 | 11,623 | 11,943 | 11,245 |
| Delaware | 2,017 | 2,201 | 2,506 | 2,526 | 2,313 |
| District of Columbia..... | 791 | 758 | 841 | ^s 1,000 | ^s 848 |
| Florida | 9,670 | 9,669 | 10,172 | 9,835 | 9,837 |
| Georgia..... | 6,864 | 6,756 | 8,181 | 7,638 | 7,360 |
| Guam | 106 | 101 | 97 | 104 | 102 |
| Hawaii..... | 1,990 | 2,587 | 2,415 | 2,282 | 2,319 |
| Idaho..... | 1,121 | 1,211 | 1,104 | 1,053 | 1,122 |
| Illinois | 12,114 | 13,193 | 15,058 | 14,504 | 13,718 |

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

| | 1st quarter | 2d quarter | 3d quarter | 4th quarter | Average |
|--------------------------------|---------------------|------------|--------------------|---------------------|---------------------|
| Indiana | 7,732 | 7,990 | 8,700 | 8,482 | 8,226 |
| Iowa | 8,267 | 8,363 | 14,916 | 13,432 | 11,245 |
| Kansas | 3,599 | 3,644 | 3,910 | 3,901 | 3,764 |
| Kentucky | 4,358 | 4,632 | 4,674 | 4,888 | 4,638 |
| Louisiana | 6,585 | 6,981 | 6,479 | 6,561 | 6,652 |
| Maine | 4,113 | 4,180 | 4,453 | 4,441 | 4,297 |
| Maryland | 15,178 | 14,043 | 15,838 | 15,193 | 15,063 |
| Massachusetts | 20,173 | 20,555 | 22,276 | 25,583 | 22,147 |
| Michigan | 70,947 | 68,964 | 73,550 | 69,941 | 70,851 |
| Minnesota | 13,323 | 13,312 | 14,831 | 13,948 | 13,854 |
| Mississippi ⁴ | 2,692 | 2,577 | 2,947 | 2,810 | 2,757 |
| Missouri | 4,627 | 4,998 | 5,433 | 5,133 | 5,048 |
| Montana | 732 | 681 | 728 | 746 | 722 |
| Nebraska | 1,368 | 1,498 | 1,662 | 1,707 | 1,559 |
| Nevada | 1,738 | 2,039 | 2,139 | 1,989 | 1,977 |
| New Hampshire | 2,571 | 1,601 | 2,171 | 2,027 | 1,093 |
| New Jersey | 24,614 | 28,273 | 30,351 | 31,412 | 28,663 |
| New Mexico | 1,435 | 1,574 | 1,704 | 1,792 | 1,626 |
| New York | ⁵ 26,037 | 35,636 | 43,059 | 41,068 | 36,450 |
| North Carolina | 10,373 | 9,659 | 11,223 | 11,230 | 10,622 |
| North Dakota | 1,012 | 992 | 1,157 | 1,133 | 1,074 |
| Ohio | 22,349 | 27,450 | 29,487 | 25,101 | 26,097 |
| Oklahoma | 1,710 | 1,870 | 2,261 | 2,365 | 2,052 |
| Oregon | 6,647 | 6,070 | 6,145 | 6,456 | 6,330 |
| Pennsylvania | 19,610 | 20,216 | 20,055 | ⁶ 29,741 | ⁶ 22,406 |
| Puerto Rico | 1,949 | 2,059 | 2,098 | 2,069 | 2,044 |
| Rhode Island | 2,876 | 3,082 | 3,541 | 3,203 | 3,176 |
| South Carolina | 4,568 | 3,700 | 4,154 | 3,941 | 4,091 |
| South Dakota | 929 | 1,009 | 1,041 | 1,086 | 1,071 |
| Tennessee | 5,415 | 6,367 | 5,887 | 6,654 | 6,081 |
| Texas | 4,900 | 5,357 | 6,042 | 5,181 | 5,370 |
| Utah | 3,525 | 4,125 | 5,518 | 5,482 | 4,663 |
| Vermont | 1,432 | 1,772 | 1,836 | 2,070 | 1,778 |
| Virgin Islands | 90 | 120 | 118 | 133 | 114 |
| Virginia | 9,202 | 10,441 | ⁷ 6,154 | 10,437 | ⁷ 9,059 |
| Washington | 14,997 | 16,284 | 17,117 | 11,914 | 15,078 |
| West Virginia | 1,832 | 1,757 | 1,780 | 1,946 | 1,829 |

TABLE 2.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

| | 1st quarter | 2d quarter | 3d quarter | 4th quarter | Average |
|----------------|-------------|------------|------------|-------------|---------|
| Wisconsin..... | 19,600 | 19,088 | 22,550 | 20,816 | 20,514 |
| Wyoming..... | 346 | 352 | 356 | 331 | 347 |

¹ In the 4th quarter, Arizona adjusted this data to reflect more accurate reporting. In prior quarters, cases connected with terminated grants were included.

² In Arkansas, the large increase in the 4th quarter was a result of a field reorganization to increase case processing.

³ In the District of Columbia, the notable increase in the 4th quarter is due to the implementation of an automatic billing system.

⁴ Data for Mississippi does not include interstate cases with collections.

⁵ The reported figure for the 1st quarter for New York does not include data from New York City.

⁶ The large increase reported in Pennsylvania for the 4th quarter was due to several large counties providing actual figures rather than estimates as in prior quarters.

⁷ In the 3d quarter, Virginia provided an estimated figure.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 3.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF NON-AFDC FAMILIES

[By State and quarter, fiscal year 1981]

| | 1st quarter | 2d quarter | 3d quarter | 4th quarter | Average |
|---------------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Total..... | 289,099 | 559,634 | 597,810 | 830,124 | 583,988 |
| Alabama..... | 24 | 27 | 20 | 32 | 26 |
| Alaska..... | 1,657 | 1,687 | 2,193 | 2,330 | 1,967 |
| Arizona..... | ¹ 4,183 | ¹ 4,508 | ¹ 4,756 | ¹ 4,705 | 4,538 |
| Arkansas..... | 2,112 | 2,146 | 2,076 | 2,213 | 2,137 |
| California..... | 51,162 | 55,819 | 59,853 | 60,249 | 56,771 |
| Colorado..... | 3,028 | 3,023 | 1,829 | 3,970 | 2,963 |
| Connecticut..... | (²) | (²) | (²) | (²) | (²) |
| Delaware..... | 3,222 | 3,238 | 3,334 | 3,413 | 3,302 |
| District of Columbia..... | 169 | 159 | 180 | ⁴ 290 | 200 |
| Florida..... | 1,132 | 1,975 | 2,127 | 2,528 | 1,941 |
| Georgia..... | 1,744 | 1,738 | 2,536 | 2,053 | 2,018 |
| Guam..... | 28 | 37 | 43 | 47 | 39 |
| Hawaii..... | (²) | 439 | (²) | (²) | 439 |
| Idaho..... | 423 | 384 | 458 | 474 | 435 |
| Illinois..... | 3,040 | 3,282 | 3,549 | 3,822 | 3,424 |
| Indiana..... | 1,087 | 1,137 | 1,237 | 1,375 | 1,209 |
| Iowa..... | 2,116 | 3,650 | 3,711 | 4,199 | 3,419 |
| Kansas..... | 1,022 | 1,008 | 798 | 950 | 945 |
| Kentucky..... | ⁵ 1,964 | ⁵ 1,712 | ⁵ 2,247 | ⁵ 2,382 | 2,077 |
| Louisiana..... | (²) | (²) | 8,097 | 7,314 | 7,706 |

TABLE 3.—NUMBER OF ABSENT PARENTS FROM WHOM A COLLECTION WAS MADE IN 2D MONTH OF EACH QUARTER ON BEHALF OF NON-AFDC FAMILIES—Continued

[By State and quarter, fiscal year 1981]

| | 1st quarter | 2d quarter | 3d quarter | 4th quarter | Average |
|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| Maine..... | 189 | 179 | 200 | 216 | 196 |
| Maryland..... | 3,316 | 3,265 | (^a) | 11,977 | 6,186 |
| Massachusetts..... | (^a) | (^a) | (^a) | (^a) | (^a) |
| Michigan..... | (^{1 a}) | ¹ 241,406 | ¹ 247,521 | ¹ 444,380 | 248,148 |
| Minnesota..... | 5,481 | 5,552 | 5,962 | 5,834 | 5,708 |
| Mississippi..... | 222 | 241 | 272 | 257 | 248 |
| Missouri..... | 1,559 | 1,683 | 1,930 | 1,843 | 1,754 |
| Montana..... | 448 | 367 | 240 | 259 | 327 |
| Nebraska..... | 1,509 | 1,785 | 4,001 | 8,149 | 3,861 |
| Nevada..... | 4,479 | 4,830 | 4,998 | 4,294 | 4,651 |
| New Hampshire..... | (^a) | (^a) | (^a) | (^a) | (^a) |
| New Jersey..... | 25,719 | 25,406 | 33,787 | 31,608 | 29,130 |
| New Mexico..... | 842 | 1,007 | 1,044 | 1,190 | 1,021 |
| New York..... | ^e 36,526 | 49,525 | 53,613 | 53,817 | 48,370 |
| North Carolina..... | 3,025 | 2,788 | 3,252 | 3,695 | 3,190 |
| North Dakota..... | 86 | 81 | 107 | 120 | 99 |
| Ohio..... | 1,164 | 1,196 | 2,312 | 2,756 | 1,857 |
| Oklahoma..... | 578 | 630 | 772 | 894 | 719 |
| Oregon..... | 31,712 | 32,575 | 32,354 | 33,245 | 32,472 |
| Pennsylvania..... | 58,022 | 60,972 | 65,993 | ⁷ 81,777 | ⁷ 66,691 |
| Puerto Rico..... | ^e 16,008 | 16,695 | 17,287 | 17,565 | 16,889 |
| Rhode Island..... | 289 | 294 | 316 | 278 | 294 |
| South Carolina..... | 162 | ¹ 770 | ¹ 863 | 781 | 644 |
| South Dakota..... | 402 | 371 | 387 | 404 | 391 |
| Tennessee..... | 5,735 | 6,868 | 6,206 | 6,122 | 6,233 |
| Texas..... | 2,406 | 2,376 | 2,826 | 3,368 | 2,744 |
| Utah..... | 405 | 431 | 621 | 500 | 489 |
| Vermont..... | 205 | 220 | 179 | 170 | 194 |
| Virgin Islands..... | 182 | 191 | 153 | 224 | 188 |
| Virginia..... | 1,026 | 1,163 | 563 | 1,558 | 1,078 |
| Washington..... | 5,573 | 6,088 | 7,501 | 5,697 | 6,215 |
| West Virginia..... | 171 | 141 | 174 | ^e 255 | 186 |
| Wisconsin..... | 3,444 | 4,453 | 3,189 | 4,418 | 3,876 |
| Wyoming..... | 101 | 116 | 143 | 127 | 122 |

¹ Data for Arizona, Michigan, and South Carolina are inconsistent, as the States reported a larger number of non-AFDC cases with collections than their actual non-AFDC caseloads. Michigan's 1st-quarter data was inconsistent and divergent, and therefore omitted from the table.

^a The reporting form was submitted, however this item was not available.

^e Insufficient data was reported to perform the indicated computation (averages, ratios, percentages).

⁴ The substantial increase noted in the 4th quarter for the District of Columbia is the result of the implementation of an automatic billing system.

* Kentucky's reported non-AFDC cases with collections are based upon information from only 20 of the 118 counties with cooperative agreements in the 1st quarter, 11 in the 2d quarter, 25 in the 3d quarter, and 79 in the 4th quarter.

* The 1st-quarter figure for New York State is understated, as New York City data was not included.

* The increase in the 4th-quarter figure for Pennsylvania is due to actual case counts being made, instead of estimates as used previously.

* Data for Puerto Rico are considerably larger than in prior years as a result of a report filed by the Office of Court Administration concerning the State's non-AFDC child-support activities.

* West Virginia's 4th quarter figure is substantially larger than prior quarters due to emphasis being placed on the coding of these cases to the computer system.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 4.—NUMBER OF PARENTS LOCATED, FISCAL YEAR 1981

| State | Parents located |
|----------------------------|-----------------|
| Total | 704,995 |
| Alabama | 12,768 |
| Alaska | 1,291 |
| Arizona | 6,275 |
| Arkansas | 2,134 |
| California | 112,584 |
| Colorado | 15,906 |
| Connecticut | 5,559 |
| Delaware | 2,294 |
| District of Columbia | 1,460 |
| Florida | 38,893 |
| Georgia | 12,293 |
| Guam | 487 |
| Hawaii | 5,880 |
| Idaho | 850 |
| Illinois | 6,393 |
| Indiana | 9,015 |
| Iowa | 18,423 |
| Kansas | 10,339 |
| Kentucky | 14,035 |
| Louisiana | 9,287 |
| Maine | 1,787 |
| Maryland | 18,650 |
| Massachusetts | 22,650 |
| Michigan | 32,495 |
| Minnesota | 15,546 |
| Mississippi | 15,841 |
| Missouri | 7,582 |
| Montana | 2,471 |
| Nebraska | 2,800 |
| Nevada | 3,810 |
| New Hampshire | 2,061 |
| New Jersey | 32,220 |

TABLE 4.—NUMBER OF PARENTS LOCATED, FISCAL YEAR 1981—Continued

| State | Parents located |
|---------------------|-----------------|
| New Mexico..... | 10,004 |
| New York..... | 52,119 |
| North Carolina..... | 19,635 |
| North Dakota..... | 847 |
| Ohio..... | 21,098 |
| Oklahoma..... | 12,242 |
| Oregon..... | 18,126 |
| Pennsylvania..... | 16,738 |
| Puerto Rico..... | 14,371 |
| Rhode Island..... | 2,506 |
| South Carolina..... | 5,936 |
| South Dakota..... | 1,521 |
| Tennessee..... | 8,750 |
| Texas..... | 19,360 |
| Utah..... | 19,103 |
| Vermont..... | 576 |
| Virgin Islands..... | 360 |
| Virginia..... | 12,904 |
| Washington..... | 7,183 |
| West Virginia..... | 4,699 |
| Wisconsin..... | 11,040 |
| Wyoming..... | 1,798 |

¹ AFDC only.² Non-AFDC only.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981

| State | Percent |
|---------------------------|---------|
| Total..... | 5.25 |
| Alabama..... | 6.48 |
| Alaska..... | 2.25 |
| Arizona..... | 2.55 |
| Arkansas..... | 5.26 |
| California..... | 3.95 |
| Colorado..... | 5.07 |
| Connecticut..... | 7.62 |
| Delaware..... | 6.24 |
| District of Columbia..... | 1.55 |
| Florida..... | 5.94 |

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981—Continued

| State | Percent |
|---------------------|---------|
| Georgia..... | 5.03 |
| Guam..... | 2.97 |
| Hawaii..... | 3.35 |
| Idaho..... | 12.06 |
| Illinois..... | 1.58 |
| Indiana..... | 6.97 |
| Iowa..... | 10.25 |
| Kansas..... | 5.98 |
| Kentucky..... | 2.95 |
| Louisiana..... | 5.69 |
| Maine..... | 8.14 |
| Maryland..... | 7.03 |
| Massachusetts..... | 7.42 |
| Michigan..... | 7.94 |
| Minnesota..... | 8.37 |
| Mississippi..... | 3.68 |
| Missouri..... | 3.35 |
| Montana..... | 5.55 |
| Nebraska..... | 6.44 |
| Nevada..... | 7.10 |
| New Hampshire..... | 8.03 |
| New Jersey..... | 16.09 |
| New Mexico..... | 4.16 |
| New York..... | 13.24 |
| North Carolina..... | 7.47 |
| North Dakota..... | 9.78 |
| Ohio..... | 5.03 |
| Oklahoma..... | 2.46 |
| Oregon..... | 11.99 |
| Pennsylvania..... | 4.89 |
| Puerto Rico..... | 1.14 |
| Rhode Island..... | 4.84 |
| South Carolina..... | 5.61 |
| South Dakota..... | 7.10 |
| Tennessee..... | 4.13 |
| Texas..... | 6.34 |
| Utah..... | 16.28 |
| Vermont..... | 4.96 |
| Virgin Islands..... | 5.33 |
| Virginia..... | 5.02 |

TABLE 5.—PERCENTAGE OF AFDC ASSISTANCE PAYMENTS RECOVERED THROUGH CHILD SUPPORT COLLECTIONS, FISCAL YEAR 1981—Continued

| State | Percent |
|--------------------|---------|
| Washington | 8.11 |
| West Virginia..... | 3.60 |
| Wisconsin..... | 8.66 |
| Wyoming..... | 6.32 |

¹ Estimated.

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 6.—AFDC CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981

| State | Dollars |
|---------------------------|---------|
| Total | 1.31 |
| Alabama | 0.89 |
| Alaska | 0.31 |
| Arizona..... | 0.43 |
| Arkansas..... | 0.79 |
| California..... | 1.05 |
| Colorado..... | 0.79 |
| Connecticut..... | 2.02 |
| Delaware..... | 0.80 |
| District of Columbia..... | 0.42 |
| Florida..... | 1.14 |
| Georgia..... | 1.55 |
| Guam..... | 0.72 |
| Hawaii..... | 1.58 |
| Idaho..... | 1.82 |
| Illinois..... | 0.92 |
| Indiana..... | 1.68 |
| Iowa..... | 2.62 |
| Kansas..... | 1.37 |
| Kentucky..... | 0.72 |
| Louisiana..... | 0.78 |
| Maine..... | 2.64 |
| Maryland..... | 1.24 |
| Massachusetts..... | 2.90 |
| Michigan..... | 2.88 |
| Minnesota..... | 1.58 |
| Mississippi..... | 1.16 |
| Missouri..... | 0.87 |
| Montana..... | 0.93 |

TABLE 6.—AFDC CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

| State | Dollars |
|----------------------|---------|
| Nebraska | 1.27 |
| Nevada | 0.33 |
| New Hampshire | 2.17 |
| New Jersey | 1.16 |
| New Mexico | 0.87 |
| New York | 0.75 |
| North Carolina | 1.36 |
| North Dakota | 1.51 |
| Ohio | 1.66 |
| Oklahoma | 0.46 |
| Oregon | 1.16 |
| Pennsylvania | 1.24 |
| Puerto Rico | 0.58 |
| Rhode Island | 2.28 |
| South Carolina | 2.45 |
| South Dakota | 1.19 |
| Tennessee | 0.75 |
| Texas | 0.57 |
| Utah | 1.63 |
| Vermont | 2.15 |
| Virgin Islands | 0.49 |
| Virginia | 1.24 |
| Washington | 1.63 |
| West Virginia | 0.91 |
| Wisconsin | 2.90 |
| Wyoming | 1.93 |

Source: Office of Child Support Enforcement, Department of Health and Human Services.

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981

| State | Dollars |
|------------------|---------|
| Total | 3.21 |
| Alabama | 0.89 |
| Alaska | 2.37 |
| Arizona | 3.08 |
| Arkansas | 1.42 |
| California | 2.10 |

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

| State | Dollars |
|----------------------|---------|
| Colorado | 2.16 |
| Connecticut | 3.82 |
| Delaware | 2.76 |
| Dist. of Col. | 0.59 |
| Florida | 1.58 |
| Georgia | 1.73 |
| Guam | 0.92 |
| Hawaii | 3.81 |
| Idaho | 2.24 |
| Illinois | 1.04 |
| Indiana | 2.05 |
| Iowa | 3.70 |
| Kansas | 1.79 |
| Kentucky | 2.45 |
| Louisiana | 1.87 |
| Maine | 3.17 |
| Maryland | 2.75 |
| Massachusetts | 4.02 |
| Michigan | 10.63 |
| Minnesota | 2.34 |
| Mississippi | 1.27 |
| Missouri | 1.68 |
| Montana | 1.51 |
| Nebraska | 4.56 |
| Nevada | 1.51 |
| New Hampshire | 2.28 |
| New Jersey | 3.82 |
| New Mexico | 1.25 |
| New York | 2.23 |
| North Carolina | 1.98 |
| North Dakota | 1.89 |
| Ohio | 1.71 |
| Oklahoma | 0.66 |
| Oregon | 9.19 |
| Pennsylvania | 7.41 |
| Puerto Rico | 1.98 |
| Rhode Island | 2.37 |
| South Carolina | 2.94 |
| South Dakota | 1.72 |
| Tennessee | 2.16 |

TABLE 7.—TOTAL CHILD SUPPORT COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES, FISCAL YEAR 1981—Continued

| State | Dollars |
|---------------------|---------|
| Texas..... | 0.80 |
| Utah..... | 1.95 |
| Vermont..... | 2.44 |
| Virgin Islands..... | 1.41 |
| Virginia..... | 1.40 |
| Washington..... | 2.70 |
| West Virginia..... | 0.97 |
| Wisconsin..... | 3.71 |
| Wyoming..... | 2.81 |

Source: Office of Child Support Enforcement, Department of Health and Human Services.

10. SUPPLEMENTAL SECURITY INCOME

GENERAL

The supplemental security income (SSI) program, authorized by title XVI of the Social Security Act, is a federally administered income support program for the aged, blind and disabled. The program was enacted in 1972 and became effective on January 1, 1974, replacing the former State-administered programs of aid to the aged, blind and disabled.

The total number of individuals receiving SSI has remained relatively stable over recent years. In January 1975 there were about 4.0 million aged, blind and disabled recipients receiving federally administered benefits. The number grew to 4.3 million in subsequent months, but began to decline in 1976. In October 1981, there were again 4.0 million individuals receiving federally administered benefits. (See Tables 1 and 2.)

About 80 percent of SSI applications are being made on the basis of disability, which has been the case since 1976. In addition, about two-thirds of all new awards in recent years have been made to persons determined to be disabled. (See Table 3.) Out of the 4.0 million persons receiving federally administered benefits in October 1981, 2.3 million came onto the rolls as the result of being determined to be disabled. (401,000 of these individuals have now reached age 65, but are still listed by the Social Security Administration as being disabled.)

The Social Security Disability Amendments of 1980 included a number of provisions designed to strengthen the disability determination process and to provide incentives for disabled persons to seek employment.

Only relatively minor changes in the SSI program were made by the Omnibus Budget Reconciliation Act of 1981. It provided for changing the prior quarterly prospective method of accounting to a monthly retrospective method. It also allowed the three States (California, Massachusetts and Wisconsin) that had previously been providing cash in lieu of food stamps to SSI recipients to continue to do so, as long as they continue to meet certain specified conditions. (Massachusetts now provides food stamps.) It required notification of the Secretary of Health and Human Services by the Secretary of the Treasury of all benefit checks which have not been cashed within 180 days after the date of issuance, and required the Secretary of HHS to return amounts which represent State supplementary payments to the State. It limited payment to State vocational rehabilitation agencies by authorizing reimbursement only for services provided to SSI recipients who subsequently perform substantial gainful activity which lasts for a continuous period of 9 months.

ELIGIBILITY

In order to be eligible for SSI, an individual must be age 65, or meet Federal definitions of blindness or disability. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye, or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months. Additionally a child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled.

An assets test must also be met. Countable resources may not exceed \$1,500 for an individual, and \$2,250 for a couple. Excluded from the assets test are:

- the full value of a home;
- the first \$2,000 in equity value of household goods and personal effects;
- and an automobile to the extent that its current market value does not exceed \$4,500, or an automobile of any value if it meets certain use requirements.

Assets, tools and other property essential to self-support of the blind or the disabled are also excluded. Recipients must also have countable income below the Federal benefit level, or if they live in a State that makes optional State supplementary payments, below the benefit level set by the State. An individual who is a resident or an inmate of a public institution is ineligible for SSI unless the institution is a facility approved for medicaid payments, is receiving such payments on behalf of the person, and these payments represent more than 50 percent of the cost of services provided by the facility to the person. SSI payments may be made to persons in publicly operated community residences serving no more than 16 persons.

An individual who is a resident of a public institution is ineligible for SSI unless the institution is a facility approved for medicaid payments, is receiving such payments on behalf of the person, and these payments represent more than 50 percent of the cost of services provided by the facility to the person. SSI payments may be made to persons in publicly operated community residences serving no more than 16 persons.

BENEFITS

Currently the Federal monthly benefit amount is \$264.70 for an individual, and \$397.00 for a married couple. Benefits are increased annually in July if the Consumer Price Index (CPI) for the first quarter of the calendar year is at least 3 percent higher than for the first quarter of the previous year. The amount of the increase reflects the change in the CPI; the SSI percentage increase is the same as for title II social security benefits. (The estimated benefit increase which will take effect in July is 7.6 percent.) States may choose to supplement the Federal payment. At the present time, 25 States plus the District of Columbia pay optional State supplement-

tary payments which range from \$10 to \$261 for an individual living independently. (See Tables 4 and 5.)

States must provide categorical eligibility for medicaid benefits to persons receiving SSI, or, at their option, to those SSI recipients who meet the State's January 1972 criteria for medicaid coverage. (See Table 6.)

A person living in another's household and receiving support and maintenance from him is eligible for only two-thirds of the maximum SSI benefit. For the year July 1981-June 1982, this reduced benefit amount is \$176.47.

DETERMINING INCOME

The amount actually payable to a recipient is determined by subtracting from the benefit level the amount of income the recipient has from other sources. In making this computation, some types of income are not counted. For example, there is excluded the first \$20 of monthly income from any source so long as it is not based on need. Thus, \$20 in social security benefits, private pension payments, or interest will not be counted. In addition, for an individual or couple with earnings, the first \$65 a month plus 50 percent of additional earnings is disregarded. For the blind and disabled only, the cost of an approved plan to achieve self-support is also disregarded and reasonable work expenses associated with the disability are also disregarded. Income received in sheltered workshops and work activity centers is considered earned income and qualifies for earned income disregards.

For purposes of the SSI program, income is anything that is received in cash or in kind that can be used to meet the recipient's needs of food, clothing, or shelter. However, there are certain items that are not considered to be income. Medical care and services are not income if they meet specified criteria, including assistance provided in cash or in kind under a governmental program; in-kind assistance provided under a nongovernmental program whose purpose is to provide medical care or services; and direct payment of medical insurance premiums by a third party. Social services are not income if they are assistance provided in cash or in kind under a governmental program whose purpose is to provide social services; and in-kind assistance provided under a nongovernmental program whose purpose is to provide social services. There are other items specified in statute and regulations which are not considered income, including items specifically excluded by other statutes (such as food stamps); income tax refunds; proceeds of a loan; scholarships; and others.

As countable income (total income minus disregarded income) increases, a recipient's SSI payment level decreases. Eligibility for SSI ends when countable income equals the Federal benefit plus maximum State supplemental payment levels.

FEDERAL INCOME ELIGIBILITY CEILINGS UNDER SSI, JULY 1981 TO JUNE 1982

| | Receiving only social security or other income other than wages | | Receiving only wage income | |
|-------------|--|------------|----------------------------|------------|
| | Monthly | Annually | Monthly | Annually |
| Single..... | \$284.70 | \$3,416.40 | \$614.40 | \$7,372.80 |
| Couple..... | 417.00 | 5,004.00 | 879.00 | 10,548.00 |

DEEMING OF INCOME AND RESOURCES

For purposes of determining eligibility for and the amount of benefits for any individual who is married and whose spouse is living with him in the same household but is not eligible, such individual's income and resources are deemed to include any income and resources of the spouse, whether or not available to the individual, except to the extent determined by the Secretary. A similar "deeming" rule also applies in the case of children under age 18 who are living with their parents. The Department has issued extensive regulations which set forth the types and amounts of income and resources which are not to be "deemed."

The Social Security Disability Amendments of 1980 included a provision which also requires a "deeming" procedure to be used for certain legal aliens. (Illegal aliens are not eligible for SSI.) Legally admitted aliens who apply for SSI benefits after September 30, 1980 are deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years after their entry into the United States, unless the alien becomes blind or disabled after entry. This provision does not apply to refugees or to persons granted political asylum.

FINANCING AND ADMINISTRATION

The Federal Government administers and finances Federal SSI benefit payments. The Federal administering agency is the Social Security Administration. Benefits are funded from Federal general revenues.

The average number of recipients receiving federally administered SSI payments as estimated by the Administration is as follows:

[In thousands of dollars]

| | Fiscal year— | |
|-------------------------|--------------|-------|
| | 1981 | 1982 |
| Aged..... | 1,506 | 1,448 |
| Blind and disabled..... | 2,157 | 2,206 |
| Total, Federal..... | 3,663 | 3,654 |

| | Fiscal year— | |
|---|--------------|-------|
| | 1981 | 1982 |
| State supplementary payments only | 448 | 472 |
| Total, SSI..... | 4,111 | 4,126 |

According to the Social Security Administration, Federal program costs are estimated as follows:

[In millions of dollars]

| | Fiscal year— | |
|---|--------------|-------|
| | 1981 | 1982 |
| Federal Benefits (present law) | 6,396 | 7,049 |
| Hold-Harmless Payments | 35 | 23 |
| Beneficiary Services and Related Costs..... | 20 | 84 |
| Budget Authority..... | (38) | (3) |
| Administrative & Other Costs..... | 720 | 822 |
| Total..... | 7,171 | 7,978 |

The States also play a significant role in the SSI program. As noted above, 25 States and the District of Columbia are currently paying optional supplements to individuals who are living independently. Additional States provide supplements to persons in particular situations. States may elect to administer their own optional supplementary payments (25 have made this election), or may contract with the Social Security Administration for Federal administration (17 have made this election) so that the monthly payment of Federal and State benefits combined is included in a single check issued by the Federal Treasury. Under a "grandfather" clause, States must also maintain the benefit levels of former public assistance recipients transferred to the SSI program. These mandatory supplements may also be administered by either the Federal Government or the State, at State election. If a State chooses Federal administration of its State supplements, the cost of administration is paid by the Federal Government. In this case the State must generally make supplements to all those who meet Federal eligibility rules. If a State elects to administer its own supplementation program, it must pay the cost, but may restrict eligibility to a more limited population. (See Table 6.)

As noted above, Federal benefits are estimated to cost \$6,396 million in 1981, and \$7,049 million in 1982. State financed supplements to the Federal benefit (administered by the Federal Government) are estimated at \$1,804 million in 1981, and \$1,890 million in 1982.

RECIPIENT CHARACTERISTICS

In December 1980, 88 percent of all recipients lived in their own households. Six percent lived in the household of another, and about 5 percent were receiving medicaid in an institution. About 65 percent had income from some other source. Fifty-one percent were receiving social security benefits (70 percent of the aged and 86 percent of the disabled), 11 percent had other unearned income, and about 3 percent had earned income. Sixty-four percent of the caseload was white; 28 percent was black. Two-thirds were female.

TABLE 1.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND TOTAL AMOUNT, 1974–81 ¹

| Period | Number of persons ² | | | Amount of payments (In thousands) | | | |
|--------------------|--------------------------------|-----------|--------|-----------------------------------|-----------|-------------|------------------------------------|
| | Total | Aged | Blind | Disabled | Total | Federal SSI | State supplementation ² |
| January 1974..... | 3,215,632 | 1,865,109 | 72,390 | 1,278,133 | \$365,149 | \$260,159 | \$104,989 |
| December 1974..... | 3,996,064 | 2,285,909 | 74,616 | 1,635,539 | 450,856 | 340,853 | 110,003 |
| December 1975..... | 4,314,275 | 2,307,105 | 74,489 | 1,932,681 | 493,495 | 374,419 | 119,076 |
| December 1976..... | 4,235,939 | 2,147,697 | 76,366 | 2,011,876 | 507,060 | 386,440 | 120,620 |
| December 1977..... | 4,237,692 | 2,050,921 | 77,362 | 2,109,409 | 527,658 | 402,743 | 124,915 |
| December 1978..... | 4,216,925 | 1,967,900 | 77,135 | 2,171,890 | 546,567 | 420,454 | 126,113 |
| December 1979..... | 4,149,575 | 1,871,716 | 77,250 | 2,200,609 | 645,890 | 456,808 | 189,082 |
| December 1980..... | 4,142,017 | 1,807,776 | 78,401 | 2,255,840 | 694,938 | 527,884 | 167,054 |
| 1980: | | | | | | | |
| October..... | 4,156,149 | 1,824,712 | 78,043 | 2,253,394 | 702,219 | 533,266 | 168,953 |
| November..... | 4,146,447 | 1,815,207 | 78,204 | 2,253,036 | 696,145 | 528,521 | 167,624 |
| December..... | 4,142,017 | 1,807,776 | 78,401 | 2,255,840 | 694,938 | 527,884 | 167,054 |

TABLE 1.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND TOTAL AMOUNT, 1974–81 ¹—Continued

| Period | Number of persons ² | | | | Amount of payments (in thousands) | | |
|----------------|--------------------------------|-----------|--------|-----------|-----------------------------------|-------------|------------------------------------|
| | Total | Aged | Blind | Disabled | Total | Federal SSI | State supplementation ² |
| 1981: | | | | | | | |
| January..... | 4,147,776 | 1,804,252 | 78,623 | 2,264,901 | 685,460 | 529,247 | 156,213 |
| February..... | 4,133,305 | 1,791,635 | 78,425 | 2,263,245 | 680,530 | 525,779 | 154,751 |
| March..... | 4,115,666 | 1,775,725 | 78,417 | 2,261,524 | 681,534 | 526,730 | 154,805 |
| April..... | 4,133,346 | 1,777,400 | 78,846 | 2,277,100 | 691,484 | 535,032 | 156,451 |
| May..... | 4,107,758 | 1,761,294 | 78,517 | 2,267,947 | 681,173 | 523,737 | 157,436 |
| June..... | 4,098,895 | 1,753,213 | 78,511 | 2,267,171 | 682,006 | 526,889 | 155,117 |
| July..... | 4,069,743 | 1,725,922 | 78,490 | 2,265,331 | 741,696 | 583,919 | 157,777 |
| August..... | 4,042,800 | 1,709,934 | 78,196 | 2,254,670 | 733,037 | 577,422 | 155,615 |
| September..... | 4,037,881 | 1,701,964 | 78,371 | 2,257,546 | 736,244 | 580,048 | 156,195 |
| October..... | 4,030,123 | 1,692,324 | 78,426 | 2,259,373 | 743,702 | 579,069 | 164,633 |

¹ Excludes emergency advance payments made by the Social Security Administration district offices. Figures not adjusted for returned checks and refunds of overpayments.

² Excludes data for State supplementation under State-administered programs.

Source: Department of Health and Human Services.

TABLE 2.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED:
NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY REASON
FOR ELIGIBILITY AND STATE, OCTOBER 1981

| State | Total | Aged | Blind | Disabled |
|-----------------------------------|-----------|-----------|--------|-----------|
| Total ¹ | 4,030,123 | 1,692,324 | 78,426 | 2,259,373 |
| Alabama ² | 130,712 | 71,424 | 1,928 | 57,360 |
| Alaska ² | 3,119 | 1,162 | 56 | 1,901 |
| Arizona ² | 29,058 | 10,863 | 575 | 17,620 |
| Arkansas | 75,044 | 39,910 | 1,472 | 33,662 |
| California | 697,887 | 303,060 | 18,121 | 376,706 |
| Colorado ² | 29,435 | 11,991 | 363 | 17,081 |
| Connecticut ² | 23,368 | 6,952 | 387 | 16,029 |
| Delaware | 6,953 | 2,367 | 152 | 4,434 |
| District of Columbia..... | 15,059 | 4,071 | 207 | 10,781 |
| Florida..... | 172,276 | 82,930 | 2,786 | 86,560 |
| Georgia..... | 150,964 | 67,126 | 2,898 | 80,940 |
| Hawaii..... | 10,023 | 4,750 | 163 | 5,110 |
| Idaho ² | 7,438 | 2,390 | 115 | 4,933 |
| Illinois ² | 122,048 | 33,306 | 1,873 | 86,869 |
| Indiana ² | 41,001 | 13,611 | 1,136 | 26,254 |
| Iowa | 25,075 | 9,961 | 1,028 | 14,086 |
| Kansas | 19,925 | 7,231 | 302 | 12,392 |
| Kentucky ² | 92,086 | 38,592 | 2,033 | 51,461 |
| Louisiana | 131,517 | 59,815 | 2,140 | 69,562 |
| Maine | 20,874 | 8,888 | 293 | 11,693 |
| Maryland | 47,371 | 15,111 | 675 | 31,585 |
| Massachusetts..... | 112,094 | 56,635 | 5,057 | 50,402 |
| Michigan | 111,824 | 34,808 | 1,876 | 75,140 |
| Minnesota ² | 30,823 | 11,802 | 633 | 18,388 |
| Mississippi..... | 111,059 | 58,670 | 1,810 | 50,579 |
| Missouri ² | 81,034 | 36,232 | 1,323 | 43,479 |
| Montana..... | 6,772 | 2,125 | 135 | 4,512 |
| Nebraska ² | 13,312 | 4,880 | 228 | 8,204 |
| Nevada..... | 6,710 | 3,420 | 458 | 2,832 |
| New Hampshire ² | 5,291 | 1,878 | 126 | 3,287 |
| New Jersey..... | 85,262 | 31,254 | 1,149 | 52,859 |
| New Mexico ² | 24,950 | 9,921 | 454 | 14,575 |
| New York | 354,687 | 127,214 | 4,096 | 223,377 |
| North Carolina ² | 136,923 | 60,166 | 3,045 | 73,712 |
| North Dakota ² | 6,085 | 2,947 | 77 | 3,061 |
| Ohio | 116,832 | 31,839 | 2,312 | 82,681 |
| Oklahoma ² | 63,886 | 31,085 | 979 | 31,822 |
| Oregon ² | 22,090 | 6,891 | 493 | 14,706 |

**TABLE 2.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED:
NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY REASON
FOR ELIGIBILITY AND STATE, OCTOBER 1981—Continued**

| State | Total | Aged | Blind | Disabled |
|---|---------|---------|-------|----------|
| Pennsylvania..... | 158,632 | 53,026 | 3,158 | 102,448 |
| Rhode Island..... | 14,794 | 5,633 | 206 | 8,955 |
| South Carolina ² | 82,171 | 36,244 | 1,880 | 44,047 |
| South Dakota | 7,801 | 3,489 | 143 | 4,169 |
| Tennessee..... | 127,177 | 56,579 | 1,977 | 68,621 |
| Texas ³ | 255,395 | 138,942 | 4,215 | 112,238 |
| Utah ² | 7,640 | 2,253 | 163 | 5,224 |
| Vermont | 8,723 | 3,378 | 120 | 5,225 |
| Virginia ² | 79,443 | 32,750 | 1,400 | 45,293 |
| Washington | 43,923 | 14,124 | 567 | 29,232 |
| West Virginia ² | 40,234 | 12,604 | 646 | 26,984 |
| Wisconsin..... | 60,975 | 24,994 | 943 | 35,038 |
| Wyoming ² | 1,758 | 690 | 36 | 1,032 |
| Other areas: Northern Mariana Is- lands ³ | 589 | 339 | 18 | 232 |

¹ Includes persons with Federal SSI payments and/or federally administered State supplementation, unless otherwise indicated.

² Data for Federal SSI payments only. State has State-administered supplementation.

³ Data for Federal SSI payments only. State supplementary payments not made.

Source: Department of Health and Human Services.

**TABLE 3.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED:
NUMBER OF PERSONS INITIALLY AWARDED FEDERALLY ADMINISTERED PAYMENTS, BY
REASON FOR ELIGIBILITY, 1974-81**

| Period | Total | Aged | Blind | Disabled |
|----------------------------|---------|---------|-------|----------|
| 1974 ¹ | 890,768 | 498,555 | 5,206 | 387,007 |
| 1975 | 702,147 | 259,823 | 5,834 | 436,490 |
| 1976 | 542,355 | 171,798 | 4,735 | 365,822 |
| 1977 | 557,570 | 189,750 | 5,753 | 362,067 |
| 1978 | 532,447 | 177,224 | 6,375 | 348,848 |
| 1979 | 483,993 | 159,927 | 6,476 | 317,590 |
| 1980 | 496,137 | 169,862 | 7,576 | 318,699 |
| 1980: | | | | |
| August..... | 40,696 | 14,136 | 614 | 25,946 |
| September..... | 41,118 | 14,712 | 617 | 25,789 |
| October..... | 45,049 | 15,028 | 736 | 29,285 |
| November..... | 36,771 | 11,091 | 692 | 24,988 |
| December..... | 34,836 | 9,757 | 662 | 24,417 |
| 1981: | | | | |
| January ² | — | — | — | — |

TABLE 3.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED:
NUMBER OF PERSONS INITIALLY AWARDED FEDERALLY ADMINISTERED PAYMENTS, BY
REASON FOR ELIGIBILITY, 1974-81—Continued

| Period | Total | Aged | Blind | Disabled |
|----------------|--------|--------|-------|----------|
| February | 33,908 | 10,716 | 542 | 22,650 |
| March | 34,588 | 10,466 | 549 | 23,573 |
| April | 41,286 | 11,837 | 748 | 28,701 |
| May | 25,365 | 6,448 | 425 | 18,492 |
| June | 33,219 | 9,927 | 578 | 22,714 |
| July | 33,266 | 9,625 | 572 | 23,069 |
| August | 28,211 | 7,904 | 501 | 19,806 |

¹ Reflects data for May-December.

² Data not available.

Source: Department of Health and Human Services.

TABLE 4.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS:¹ JANUARY 1982, AGED
INDIVIDUAL LIVING INDEPENDENTLY

| | Maximum SSI benefit ^a | Food stamp benefit ^a | Combined benefits | |
|----------------------------|-------------------------------------|------------------------------------|-------------------|---------|
| | | | Monthly | Annual |
| Alabama | \$264.70 | \$53 | \$317.70 | \$3,812 |
| Alaska | ⁴ 525.70 | 56 | 518.70 | 6,980 |
| Arizona | 264.70 | 53 | 317.70 | 3,812 |
| Arkansas | 264.70 | 53 | 317.70 | 3,812 |
| California | ⁵ 439.00 | ⁶ 0 | 439.00 | 5,268 |
| Colorado | ⁷ 325.70 | 34 | 359.70 | 4,316 |
| Connecticut | ⁸ 424.90 | 10 | 434.90 | 5,219 |
| Delaware | 264.70 | 53 | 317.70 | 3,812 |
| District of Columbia | 279.70 | 48 | 327.70 | 3,932 |
| Florida | 264.70 | 53 | 317.70 | 3,812 |
| Georgia | 264.70 | 53 | 317.70 | 3,812 |
| Hawaii | 279.90 | 95 | 374.90 | 4,499 |
| Idaho | 339.00 | 30 | 369.00 | 4,428 |
| Illinois | ⁹ 364.70 | 22 | 381.70 | 4,640 |
| Indiana | 264.70 | 53 | 317.70 | 3,812 |
| Iowa | ¹⁰ 264.70 | 53 | 317.70 | 3,812 |
| Kansas | 264.70 | 53 | 317.70 | 3,812 |
| Kentucky | 264.70 | 53 | 317.70 | 3,812 |
| Louisiana | 264.70 | 53 | 317.70 | 3,812 |
| Maine | 274.70 | 50 | 324.70 | 3,891 |
| Maryland | 264.70 | 53 | 317.70 | 3,812 |
| Massachusetts | ¹¹ 401.92 | 11 | 412.92 | 4,955 |
| Michigan | 289.00 | 45 | 334.00 | 4,008 |
| Minnesota | 299.00 | 42 | 341.00 | 4,092 |
| Mississippi | 264.70 | 53 | 317.70 | 3,812 |

TABLE 4.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS:¹ JANUARY 1982, AGED INDIVIDUAL LIVING INDEPENDENTLY—Continued

| | Maximum SSI benefit ^a | Food stamp benefit ^a | Combined benefits | |
|----------------------------------|----------------------------------|---------------------------------|-------------------|--------|
| | | | Monthly | Annual |
| Missouri | 264.70 | 53 | 317.70 | 3,812 |
| Montana | 264.70 | 53 | 317.70 | 3,812 |
| Nebraska | 358.00 | 25 | 383.00 | 4,596 |
| Nevada | ^{1a} 311.40 | 39 | 350.40 | 4,205 |
| New Hampshire | 289.00 | 45 | 334.00 | 4,008 |
| New Jersey (February 1982) | ^{1b} 289.70 | 49 | 338.70 | 4,064 |
| New Mexico | 264.70 | 53 | 317.70 | 3,812 |
| New York | 327.91 | 33 | 360.91 | 4,331 |
| North Carolina | 264.70 | 53 | 317.70 | 3,812 |
| North Dakota | 264.70 | 53 | 317.70 | 3,812 |
| Ohio | 264.70 | 53 | 317.00 | 3,812 |
| Oklahoma | 343.70 | 29 | 372.70 | 4,472 |
| Oregon | ^{1c} 276.70 | 49 | 325.70 | 3,908 |
| Pennsylvania | 297.10 | 43 | 340.10 | 4,081 |
| Rhode Island | 311.46 | 39 | 350.46 | 4,206 |
| South Carolina | 264.70 | 53 | 317.70 | 3,812 |
| South Dakota | ^{1b} 279.70 | 48 | 329.70 | 3,932 |
| Tennessee | 264.70 | 53 | 317.70 | 3,812 |
| Texas | 264.70 | 53 | 317.70 | 3,812 |
| Utah | 274.70 | 50 | 324.70 | 3,896 |
| Vermont | 308.60 | 39 | 347.60 | 4,171 |
| Virginia | 264.70 | 53 | 317.70 | 3,812 |
| Washington | ^{1d} 303.00 | 41 | 344.00 | 4,128 |
| West Virginia | 264.70 | 53 | 317.70 | 3,812 |
| Wisconsin | ^{1e} 364.40 | ⁶ 0 | 364.40 | 4,373 |
| Wyoming | ^{1b} 284.70 | 47 | 331.70 | 3,980 |
| Northern Marianas | 264.70 | 53 | 317.70 | 3,812 |

¹ In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category. Available data on these variations are shown in following footnotes.

^a Maximum amounts payable to an aged SSI recipient in combined Federal and State supplementary payments. The Federal floor benefit for the year July 1, 1981 through June 30, 1982 is \$264.70.

^b For one-person households, maximum food stamp benefits from January 1981 through Sept. 1982 are \$70 in the 48 contiguous States and the District of Columbia, \$108 in Alaska, and \$95 in Hawaii. For the 48 contiguous States and D.C., the calculation of benefits assumes: (1) a "standard" deduction of \$85 per month, (2) an "excess shelter expense" deduction of \$115 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an "excess medical" deduction of \$6 monthly (estimated from 1978 medical expense information). For Alaska and Hawaii, higher deduction levels were used, as provided by law (\$345 and \$285 respectively, for combined standard and excess shelter allowance).

⁴ Less if shelter costs less than \$35 monthly.

⁵ Higher if blind (\$492).

⁶ SSI recipients in California and Wisconsin are ineligible for food stamps. These States provide increased cash aid in lieu of stamps.

⁷ Less if blind or disabled (\$278 for each).

⁸ Estimated maximum paid for aged individual with average shelter cost of \$200 monthly. Higher if shelter costs are higher or special need exist. State decides benefits on case-by-case basis. Estimate provided by State official.

⁹ Estimated maximum paid for aged individual with average shelter cost. State decides benefits on case-by-case basis. Estimate provided by State official.

¹⁰ Higher if blind (\$286.70).

¹¹ Higher if blind (\$422.84); lower if disabled (\$387.49). Massachusetts raised supplementary benefit levels on Nov. 1, 1981, retroactive to July 1981.

¹² Higher if blind (\$384.30).

¹³ Effective Feb. 1, 1982, New Jersey reduced SSI supplements for those living independently because of a court order regarding distribution of a special energy allowance among classes of recipients. Benefits shown include \$12.50 per case for energy aid, disregarded by the food stamp program.

¹⁴ Higher if blind (\$301.70).

¹⁵ State supplement paid only if recipient has no income other than Federal SSI payment.

¹⁶ Sum paid in King, Pierce, Kitsap, Snohomish, and Thurston Counties. Elsewhere the maximum benefit is \$282.55.

¹⁷ These levels took effect November 1; Wisconsin paid lower amounts in July–October 1981.

Source: Congressional Research Service.

TABLE 5.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS: ¹ JANUARY 1982, AGED COUPLE LIVING INDEPENDENTLY

| | Maximum SSI benefit ² | Food stamp benefit ³ | Combined benefits | |
|---------------------------|----------------------------------|---------------------------------|-------------------|---------|
| | | | Monthly | Annual |
| Alabama | \$397 | \$71 | \$468 | \$5,616 |
| Alaska | ⁴ 773 | 70 | 843 | 10,116 |
| Arizona | 397 | 71 | 468 | 5,616 |
| Arkansas | 397 | 71 | 468 | 5,616 |
| California | ⁵ 815 | ⁶ 0 | 815 | 9,780 |
| Colorado | ⁷ 652 | 0 | 652 | 7,824 |
| Connecticut | ⁸ 636.20 | 10 | 646.20 | 7,754 |
| Delaware | 397 | 71 | 468 | 5,616 |
| District of Columbia..... | 427 | 62 | 489 | 5,868 |
| Florida | 397 | 71 | 468 | 5,616 |
| Georgia..... | 397 | 71 | 468 | 5,616 |
| Hawaii..... | 421.20 | 136 | 557.10 | 6,685 |
| Idaho..... | 464 | 51 | 515 | 6,180 |
| Illinois | ⁹ 497 | 41 | 538 | 6,456 |
| Indiana | 397 | 71 | 468 | 5,616 |
| Iowa..... | ¹⁰ 397 | 71 | 468 | 5,616 |
| Kansas | 397 | 71 | 468 | 5,616 |
| Kentucky | 397 | 71 | 468 | 5,616 |
| Louisiana..... | 397 | 71 | 468 | 5,616 |
| Maine..... | 412 | 66 | 478 | 5,736 |
| Maryland..... | 397 | 71 | 468 | 5,616 |
| Massachusetts..... | ¹¹ 611.32 | 10 | 621.32 | 7,456 |
| Michigan | 433.40 | 60 | 493.40 | 5,801 |

TABLE 5.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS: ¹ JANUARY 1982, AGED
COUPLE LIVING INDEPENDENTLY—Continued

| | Maximum SSI benefit ² | Food stamp benefit ³ | Combined benefits | |
|---------------------------------|-------------------------------------|------------------------------------|-------------------|--------|
| | | | Monthly | Annual |
| Minnesota..... | 441 | 58 | 499 | 5,988 |
| Mississippi..... | 397 | 71 | 468 | 5,616 |
| Missouri..... | 397 | 71 | 468 | 5,616 |
| Montana..... | 397 | 71 | 468 | 5,616 |
| Nebraska..... | 534 | 30 | 564 | 6,768 |
| Nevada..... | ¹² 486.86 | 44 | 530.86 | 6,370 |
| New Hampshire..... | 413 | 66 | 479 | 5,748 |
| New Jersey (February 1982)..... | ¹³ 416 | 69 | 485 | 5,820 |
| New Mexico..... | 397 | 71 | 468 | 5,616 |
| New York..... | 476.48 | 47 | 523.48 | 6,282 |
| North Carolina..... | 397 | 71 | 468 | 5,616 |
| North Dakota..... | 397 | 71 | 468 | 5,616 |
| Ohio..... | 397 | 71 | 468 | 5,616 |
| Oklahoma..... | 555 | 24 | 579 | 6,948 |
| Oregon..... | ¹⁴ 407 | 68 | 475 | 5,700 |
| Pennsylvania..... | 445.70 | 56 | 501.70 | 6,020 |
| Rhode Island..... | 485.25 | 44 | 529.25 | 6,351 |
| South Carolina..... | 397 | 71 | 468 | 5,616 |
| South Dakota..... | ¹⁵ 412 | 66 | 478 | 5,736 |
| Tennessee..... | 397 | 71 | 468 | 5,616 |
| Texas..... | 397 | 71 | 468 | 5,616 |
| Utah..... | 417 | 65 | 482 | 5,784 |
| Vermont..... | ¹⁶ 478.40 | 46 | 524.40 | 6,293 |
| Virginia..... | 397 | 71 | 468 | 5,616 |
| Washington..... | ¹⁷ 433.30 | 60 | 493.30 | 5,920 |
| West Virginia..... | 397 | 71 | 468 | 5,616 |
| Wisconsin..... | ¹⁸ 558 | ⁶ 0 | 588 | 7,056 |
| Wyoming..... | ¹⁵ 437 | 59 | 496 | 5,952 |
| Northern Marianas..... | 397 | 71 | 468 | 5,616 |

¹ In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category. Available data on these variations are shown in following footnotes.

² Maximum amounts payable to an aged SSI recipient in combined Federal and State supplementary payments. The Federal floor benefit for the year July 1, 1981 through June 30, 1982 is \$397 per couple.

³ For 2-person households, maximum food stamp benefits from January 1981 through September 1982 are \$128 in the 48 contiguous States and the District of Columbia, \$197 in Alaska, and \$175 in Hawaii.

For the 48 contiguous States and D.C., the calculation of benefits assumes: (1) a "standard" deduction of \$85 per month, (2) an "excess shelter expense" deduction of \$115 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an "excess medical expense" deduction of \$6 monthly (estimated from 1978 medical expense information). For Alaska and Hawaii, higher deduction levels were used, as provided by law (\$345 and \$285, respectively, for combined standard and excess shelter allowance.)

- ⁴ Less if shelter costs less than \$35 monthly.
⁵ Higher if blind (\$958).
⁶ SSI recipients in California, and Wisconsin are ineligible for food stamps. These States provide increased cash aid in lieu of stamps.
⁷ Less if blind or disabled (\$556 each).
⁸ Estimated maximum paid for aged couple with average shelter cost of \$200 monthly. Higher if shelter costs are higher or special need exists. State decides benefits on case-by-case basis. Estimate provided by State official.
⁹ Estimated maximum paid for aged couple with average shelter cost. State decides benefits on case-by-case basis. Estimate provided by State official.
¹⁰ Higher if blind (\$441).
¹¹ Higher if blind (\$845.68), lower if disabled (\$589.66). Massachusetts raised supplementary benefit levels on Nov. 1, 1981, retroactive to July 1981.
¹² Higher if blind (\$768.60).
¹³ Effective Feb. 1, 1982, New Jersey reduced SSI supplements for those living independently because of a court order regarding distribution of a special energy allowance among classes of recipients. Benefits shown include \$12.50 per case for energy aid, disregarded by the food stamp program.
¹⁴ Higher if blind (\$438).
¹⁵ State supplement paid only if recipient has no income other than Federal SSI payment.
¹⁶ Sum paid only in Chittenden County (\$452.70 elsewhere).
¹⁷ Sum paid in King, Pierce, Kitsay, Snohomish, and Thurston Counties. Elsewhere the maximum benefit is \$403.35.
¹⁸ This level took effect Nov. 1; Wisconsin paid lower amounts in July–Oct. 1981.

Source: Congressional Research Service.

TABLE 6.—STATE DECISIONS ON ADMINISTRATION OF SUPPLEMENTS AND MEDICAID ELIGIBILITY, OCTOBER 1981¹

| | Administration of State supplements | | Medicaid eligibility | |
|---------------------------|-------------------------------------|--------------|-----------------------|-------------------|
| | Mandatory | Optional | Criteria | Determinations by |
| Alabama..... | State..... | State..... | Title XVI..... | SSA. |
| Alaska..... |do..... |do..... |do..... | State. |
| Arizona..... |do..... |do..... | (²)..... | (²) |
| Arkansas..... | Federal..... | None..... | Title XVI..... | SSA. |
| California..... |do..... | Federal..... |do..... | SSA. |
| Colorado..... | State..... | State..... |do..... | SSA. |
| Connecticut..... |do..... |do..... | January 1972..... | State. |
| Delaware..... | Federal..... | Federal..... | Title XVI..... | SSA. |
| District of Columbia..... |do..... |do..... |do..... | SSA. |
| Florida..... |do..... | State..... |do..... | SSA. |
| Georgia..... |do..... | None..... |do..... | SSA. |
| Hawaii..... |do..... | Federal..... | January 1972..... | State. |
| Idaho..... | State..... | State..... | Title XVI..... | Do. |
| Illinois..... |do..... |do..... | January 1972..... | Do. |
| Indiana..... |do..... |do..... |do..... | Do. |
| Iowa..... | Federal..... | Federal..... | Title XVI..... | SSA. |
| Kansas..... |do..... | None..... |do..... | State. |
| Kentucky..... | State..... | State..... |do..... | SSA. |
| Louisiana..... | Federal..... | None..... |do..... | SSA. |
| Maine..... |do..... | Federal..... |do..... | SSA. |

TABLE 6.—STATE DECISIONS ON ADMINISTRATION OF SUPPLEMENTS AND MEDICAID ELIGIBILITY, OCTOBER 1981¹—Continued

| | Administration of State supplements | | Medicaid eligibility | |
|---------------------|-------------------------------------|----------|----------------------|-------------------|
| | Mandatory | Optional | Criteria | Determinations by |
| Maryland..... | do | State | do | SSA. |
| Massachusetts..... | do | Federal | do | SSA. |
| Michigan..... | do | do | do | SSA. |
| Minnesota..... | State | State | January 1972 | State. |
| Mississippi..... | Federal | None | do | SSA. |
| Missouri..... | State | State | January 1972 | State. |
| Montana..... | Federal | Federal | Title XVI | SSA. |
| Nebraska..... | State | State | January 1972 | State. |
| Nevada..... | Federal | Federal | Title XVI | Do. |
| New Hampshire..... | State | State | January 1972 | Do. |
| New Jersey..... | Federal | Federal | Title XVI | SSA. |
| New Mexico..... | State | State | do | SSA. |
| New York..... | Federal | Federal | January 1972 | State. |
| North Carolina..... | State | State | do | Do. |
| North Dakota..... | do | do | do | Do. |
| Ohio..... | Federal | None | do | Do. |
| Oklahoma..... | State | State | do | Do. |
| Oregon..... | do | do | Title XVI | Do. |
| Pennsylvania..... | Federal | Federal | do | SSA. |
| Rhode Island..... | do | do | do | SSA. |
| South Carolina..... | State | State | do | SSA. |
| South Dakota..... | Federal | do | do | SSA. |
| Tennessee..... | do | None | do | SSA. |
| Texas..... | None | do | do | SSA. |
| Utah..... | State | State | January 1972 | State. |
| Vermont..... | Federal | Federal | Title XVI | SSA. |
| Virginia..... | State | State | January 1972 | State. |
| Washington..... | Federal | Federal | Title XVI | SSA. |
| West Virginia..... | None | None | do | SSA. |
| Wisconsin..... | Federal | Federal | do | SSA. |
| Wyoming..... | State | State | do | SSA. |

¹ Under the supplemental security income (SSI) program States are allowed certain options. The table above shows State elections with respect to (1) whether the State or the Federal Government administers the State mandatory supplement program; (2) whether the State has an optional supplement program and who administers that program; (3) whether the criteria used in determining eligibility of SSI recipients for Medicaid are the SSI eligibility criteria or the Medicaid eligibility criteria in effect in January 1972; and (4) whether the State or the Social Security Administration makes the Medicaid eligibility determination.

² No Medicaid program.

Source: Information provided by the Social Security Administration table compiled by the Congressional Research Service.

TABLE 7.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED:
AMOUNT OF TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND STATE SUPPLEMENTARY
PAYMENTS, 1974-81

[In thousands of dollars]

| Period | Total | Federal SSI | State supplementation | | |
|-----------------|-----------|-------------|-----------------------|------------------------|---------------------------------|
| | | | Total | Federally administered | State administered ¹ |
| 1974 | 5,245,719 | 3,833,161 | 1,412,558 | 1,263,652 | 148,906 |
| 1975 | 5,878,224 | 4,313,538 | 1,564,686 | 1,402,534 | 162,152 |
| 1976 | 6,065,842 | 4,512,061 | 1,553,781 | 1,388,154 | 165,627 |
| 1977 | 6,306,041 | 4,703,292 | 1,602,749 | 1,430,794 | 171,955 |
| 1978 | 6,551,682 | 4,880,691 | 1,670,991 | 1,490,947 | 180,044 |
| 1979 | 7,075,408 | 5,279,181 | 1,796,227 | 1,589,544 | 206,683 |
| 1980 | 7,940,650 | 5,866,354 | 2,074,296 | 1,848,286 | 226,010 |
| 1980: | | | | | |
| October | 720,937 | 533,266 | 187,671 | 168,953 | 18,718 |
| November | 715,540 | 528,521 | 187,019 | 167,624 | 19,395 |
| December | 714,793 | 527,884 | 186,909 | 167,054 | 19,855 |
| 1981: | | | | | |
| January | 705,437 | 529,247 | 176,190 | 156,213 | 19,977 |
| February | 700,593 | 525,779 | 174,814 | 154,751 | 20,063 |
| March | 701,576 | 526,730 | 174,846 | 154,805 | 20,041 |
| April | 711,176 | 535,082 | 176,094 | 156,451 | 19,643 |
| May | 700,865 | 523,737 | 177,128 | 157,436 | 19,692 |
| June | 701,474 | 526,889 | 174,585 | 155,117 | 19,468 |
| July | 760,951 | 583,919 | 177,032 | 157,777 | 19,255 |
| August | 752,297 | 577,422 | 174,875 | 155,615 | ² 19,260 |
| September | 755,443 | 580,048 | 175,395 | 156,195 | ³ 19,200 |
| October | 763,002 | 579,069 | 183,933 | 164,633 | ³ 19,300 |

¹ Optional supplementation data for North Dakota not available by month but included in annual payment amounts.

² Revised.

³ Partly estimated.

Source: Department of Health and Human Services.

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981

[In thousands of dollars]

| State | Total | Federal SSI ¹ | State supplementation ² |
|--------------------------|-----------|--------------------------|------------------------------------|
| Total ³ | 8,259,719 | 6,398,955 | 1,860,764 |
| Alabama | 210,475 | 210,475 | ..... |
| Alaska | 6,063 | 6,063 | ..... |

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981—Continued

[In thousands of dollars]

| State | Total | Federal SSI ¹ | State supplementation ² |
|---------------------------|-----------|--------------------------|------------------------------------|
| Arizona..... | 57,511 | 57,511 | ..... |
| Arkansas..... | 114,387 | 114,323 | 64 |
| California..... | 2,056,682 | 801,495 | 1,255,187 |
| Colorado..... | 50,160 | 50,160 | ..... |
| Connecticut..... | 42,784 | 42,784 | ..... |
| Delaware..... | 11,994 | 11,548 | 446 |
| District of Columbia..... | 33,516 | 29,537 | 3,979 |
| Florida..... | 328,300 | 328,300 | ..... |
| Georgia..... | 252,721 | 252,642 | 79 |
| Hawaii..... | 21,513 | 17,187 | 4,326 |
| Idaho..... | 12,357 | 12,357 | ..... |
| Illinois..... | 227,599 | 227,599 | ..... |
| Indiana..... | 65,979 | 65,979 | ..... |
| Iowa..... | 37,101 | 36,134 | 967 |
| Kansas..... | 30,201 | 30,130 | 71 |
| Kentucky..... | 165,551 | 165,551 | ..... |
| Louisiana..... | 236,774 | 236,625 | 149 |
| Maine..... | 30,654 | 26,171 | 4,483 |
| Maryland..... | 89,421 | 89,229 | 192 |
| Massachusetts..... | 244,778 | 129,149 | 115,629 |
| Michigan..... | 247,160 | 183,171 | 63,989 |
| Minnesota..... | 44,845 | 44,845 | ..... |
| Mississippi..... | 184,542 | 184,483 | 59 |
| Missouri..... | 137,896 | 137,896 | ..... |
| Montana..... | 11,766 | 11,073 | 693 |
| Nebraska..... | 20,914 | 20,914 | ..... |
| Nevada..... | 12,171 | 9,578 | 2,593 |
| New Hampshire..... | 8,704 | 8,704 | ..... |
| New Jersey..... | 170,690 | 144,032 | 26,658 |
| New Mexico..... | 45,140 | 45,140 | ..... |
| New York..... | 839,795 | 615,211 | 224,584 |
| North Carolina..... | 227,863 | 227,863 | ..... |
| North Dakota..... | 9,316 | 9,316 | ..... |
| Ohio..... | 218,267 | 218,158 | 109 |
| Oklahoma..... | 105,645 | 105,645 | ..... |
| Oregon..... | 38,315 | 38,315 | ..... |
| Pennsylvania..... | 327,833 | 269,974 | 57,859 |
| Rhode Island..... | 26,798 | 20,216 | 6,582 |

TABLE 8.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, BY STATE, FISCAL YEAR 1981—Continued

[In thousands of dollars]

| State | Total | Federal SSI ¹ | State supplementation ² |
|-------------------------------|---------|--------------------------|------------------------------------|
| South Carolina..... | 135,312 | 135,312 | ..... |
| South Dakota..... | 11,398 | 11,360 | 38 |
| Tennessee..... | 215,765 | 215,765 | ..... |
| Texas..... | 395,941 | 395,941 | ..... |
| Utah..... | 12,593 | 12,593 | ..... |
| Vermont..... | 16,777 | 11,938 | 4,839 |
| Virginia..... | 131,870 | 131,870 | ..... |
| Washington..... | 88,963 | 71,801 | 17,162 |
| West Virginia..... | 78,851 | 78,851 | ..... |
| Wisconsin..... | 128,335 | 68,684 | 59,651 |
| Wyoming..... | 2,774 | 2,774 | ..... |
| Northern Mariana Islands..... | 1,425 | 1,425 | ..... |

¹ Federal SSI payments of \$84,000 and State supplements of \$6,000 not reported by State.

² The total amount of State payments was reduced by \$71,000 to reflect returned checks and overpayment refunds in some States where an amount is not shown.

³ Includes \$35,511,000 paid to Indochinese refugees—\$25,072,000 Federal SSI and \$10,439,000 State supplementation.

Source: Department of Health and Human Services.

TABLE 9.—SUPPLEMENTAL SECURITY INCOME: AMOUNT OF STATE-ADMINISTERED STATE SUPPLEMENTATION, BY REASON FOR ELIGIBILITY AND STATE, FISCAL YEAR 1981 ¹

[In thousands of dollars]

| State | Total | Aged | Blind | Disabled |
|------------------|----------------------|------------------|------------------|--------------------|
| Total..... | ² 235,957 | 120,613 | 4,181 | 108,446 |
| Alabama..... | 12,009 | 8,856 | 100 | 3,053 |
| Alaska..... | 1,506 | 567 | 25 | 914 |
| Arizona..... | 1,324 | 1,009 | 3 | 312 |
| Colorado..... | 34,788 | 27,966 | 49 | 6,773 |
| Connecticut..... | 22,154 | 8,347 | 109 | 13,693 |
| Florida..... | 3,457 | 1,549 | (³) | ⁴ 1,909 |
| Idaho..... | 3,477 | 1,268 | 23 | 2,186 |
| Illinois..... | 28,321 | 4,484 | 282 | 23,554 |
| Kentucky..... | 11,328 | 6,285 | 91 | 4,953 |
| Maryland..... | ² 665 | (³) | (³) | (³) |

TABLE 9.—SUPPLEMENTAL SECURITY INCOME: AMOUNT OF STATE-ADMINISTERED STATE SUPPLEMENTATION, BY REASON FOR ELIGIBILITY AND STATE, FISCAL YEAR 1981¹—
Continued

[In thousands of dollars]

| State | Total | Aged | Blind | Disabled |
|---------------------|--------------------|------------------|------------------|------------------|
| Minnesota..... | 11,329 | 2,557 | 151 | 8,621 |
| Missouri..... | 10,509 | 7,300 | 1,511 | 1,697 |
| Nebraska..... | 4,748 | 1,286 | 84 | 3,378 |
| New Hampshire..... | 5,482 | 1,006 | 184 | 4,292 |
| New Mexico..... | ² 236 | (³) | (³) | (³) |
| North Carolina..... | 24,427 | 13,802 | 681 | 9,944 |
| North Dakota..... | ² 1,146 | 18 | (³) | 13 |
| Oklahoma..... | 41,898 | 26,774 | 368 | 14,756 |
| Oregon..... | 6,124 | 2,471 | 422 | 3,231 |
| South Carolina..... | 2,258 | 949 | 23 | 1,286 |
| South Dakota..... | 499 | 334 | 4 | 161 |
| Utah..... | ² 701 | (³) | (³) | (³) |
| Virginia..... | 7,301 | 3,704 | 67 | 3,530 |
| West Virginia..... | 94 | 37 | ..... | 57 |
| Wyoming..... | 176 | 44 | 4 | 128 |

¹ Excludes data for Indiana and Iowa.

² Includes \$2,717,000 for 4 States not distributed by reason for eligibility: \$665,000 for Maryland; \$236,000 for New Mexico; \$1,115,000 for North Dakota; and \$701,000 for Utah.

³ Data not available.

⁴ Includes data for the blind.

⁵ Less than \$500.

Source: Department of Health and Human Services.

11. SOCIAL SERVICES

Title XX Social Services

GENERAL

In addition to cash benefit programs and medical assistance, the Social Security Act includes provisions in title XX which make Federal funding available for social services. Originally, the cost of social services was considered a part of the administrative costs of operating cash public assistance programs, but subsequent amendments provided separate recognition of social services programs, expanded their availability to persons not receiving cash assistance, permitted funding of services provided by other than the welfare agency itself (including services by nonpublic agencies), and increased the Federal rate of matching to 75 percent (90 percent in the case of family planning services).

Prior to fiscal year 1973, Federal matching for social services, like Federal matching for welfare payments, was mandatory and open-ended. Every dollar a State spent for social services was matched by three Federal dollars. In 1971 and 1972 particularly, States made use of these provisions to increase at a rapid rate the amount of Federal money going into social services programs.

In 1972, the Congress established a \$2.5 billion annual ceiling on the amount of Federal funding for social services programs effective for fiscal year 1973 and subsequent fiscal years.

In 1974, Congress substantially revised the statutes governing the social services programs. The 1974 legislation transferred the provisions governing social services programs from the cash public assistance titles of the Social Security Act to a new separate services title (title XX). The Federal matching percentage for services remained at 75 percent under the new title XX program and the overall ceiling of \$2.5 billion allocated among the States on a population basis was not changed.

Temporary legislation provided an additional \$200 million for day care in 1977, 1978, and 1979 with no Federal matching requirement. The ceiling was raised to \$2.9 billion (including \$200 million for day care) for 1979.

Legislation in 1980 provided the following funding levels for title XX: \$2.7 billion in 1980, \$2.9 billion in 1981, \$3.0 billion in 1982, \$3.1 billion in 1983, \$3.2 billion in 1984, and \$3.3 billion in 1985 and years thereafter (plus additional amounts for training).

The Omnibus Budget Reconciliation Act of 1981 created a new social services block grant program to replace the prior Federal-State matching program. A number of requirements on the States, previously a part of the title XX statute, were removed. Funding levels were reduced. The program remains an appropriated entitlement, with each State eligible to receive its share of a national

total of \$2.4 billion in 1982, \$2.45 billion in 1983, \$2.5 billion in 1984, \$2.6 billion in 1985, and \$2.7 billion in 1986 and years thereafter.

ELIGIBILITY

Eligibility for services funded by title XX is determined by the States. Services may be provided to individuals and families. Federal law sets no income eligibility requirements, and no fee requirements.

SERVICES

Benefits are in the form of services aimed at the following five goals: achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency; achieving or maintaining self-sufficiency, including reduction or prevention of dependency; preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families; preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

States are free to determine which services they wish to provide in meeting one or all of these goals. Table 1 shows expenditures by type of service in fiscal year 1981.

FINANCING

Federal funds may be used for services, administration and training, with no requirement for State matching. Each State is entitled to receive its share of the national total, based on State population. The territories are entitled to receive allotments for each year which are proportionate to their share of \$2.9 billion in funding in 1981. (See Table 2.)

ADMINISTRATION

At the Federal level, the program is administered by the Office of Human Development Services in the Department of Health and Human Services. States may select their own administering agency. States are required, prior to expenditure of Federal payments in any fiscal year, to report on the intended use of the payments the State is to receive, including information on the types of activities to be supported and the categories or characteristics of individuals to be served. At least every 2 years States must publish and make available reports which describe how the funds have been expended. Independent audits of State expenditures are required at least every two years.

CHARACTERISTICS OF RECIPIENTS

Data are not available to indicate the characteristics of recipients receiving funds under the new block grant. In fiscal year 1980, 27 percent of primary recipients were AFDC recipients, and 12 percent were SSI recipients. An additional 40 percent met other

income criteria, and 21 percent received services without regard to income limitations, Table 3 shows the average number of primary recipients receiving social services in 1981.

TABLE 1.—TITLE XX SERVICES COSTS, FISCAL YEAR 1981

[In millions of dollars]

| Selected services | Amount |
|---|--------------|
| Day care children | 886 |
| Homemaker/chore..... | 580 |
| Education, training, and employment..... | 321 |
| Protective services | 370 |
| Foster care—children..... | 149 |
| Counseling services | 233 |
| Health related..... | 92 |
| Residential care and treatment..... | 259 |
| Family planning..... | 84 |
| Others | 1,390 |
| Total Federal, State and local | 4,364 |
| Total Federal funding..... | 2,916 |

Source: Department of Health and Human Services.

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982

| | 1981 actual ¹ | 1982 estimate ² |
|---------------------------|--------------------------|----------------------------|
| Total | \$2,991,100,000 | \$2,400,000,000 |
| Alabama | 44,304,356 | 40,962,220 |
| Alaska | 5,467,501 | 4,212,053 |
| Arizona..... | 32,278,606 | 28,620,903 |
| Arkansas | 29,926,264 | 24,071,886 |
| California..... | 302,677,233 | 249,237,734 |
| Colorado | 36,229,761 | 30,421,556 |
| Connecticut | 43,924,031 | 32,727,656 |
| Delaware..... | 7,902,275 | 6,265,431 |
| District of Columbia..... | 9,196,451 | 6,718,226 |
| Florida..... | 116,594,814 | 102,563,502 |
| Georgia..... | 68,817,206 | 57,536,651 |
| Hawaii..... | 12,032,869 | 10,161,579 |
| Idaho..... | 11,805,316 | 9,940,446 |
| Illinois | 145,427,685 | 120,233,067 |
| Indiana | 70,575,593 | 57,810,434 |
| Iowa..... | 38,745,499 | 30,674,279 |
| Kansas | 31,747,203 | 24,882,706 |
| Kentucky | 42,764,256 | 38,550,819 |

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982—Continued

| | 1981 actual ¹ | 1982 estimate ² |
|---|--------------------------|----------------------------|
| Louisiana..... | 53,942,342 | 44,268,682 |
| Maine..... | 15,115,193 | 11,846,400 |
| Maryland..... | 56,208,089 | 44,395,044 |
| Massachusetts..... | 78,843,017 | 60,411,377 |
| Michigan..... | 119,716,704 | 97,487,978 |
| Minnesota..... | 54,331,209 | 42,931,355 |
| Mississippi..... | 24,750,085 | 26,546,467 |
| Missouri..... | 65,935,629 | 51,776,667 |
| Montana..... | 11,021,483 | 8,287,215 |
| Nebraska..... | 21,220,049 | 16,532,310 |
| Nevada..... | 7,993,930 | 8,413,577 |
| New Hampshire..... | 10,967,473 | 9,698,253 |
| New Jersey..... | 99,352,539 | 77,543,905 |
| New Mexico..... | 16,411,011 | 13,689,174 |
| New York..... | 243,109,152 | 184,877,557 |
| North Carolina..... | 75,139,822 | 61,854,005 |
| North Dakota..... | 9,051,887 | 6,876,177 |
| Ohio..... | 118,655,924 | 113,693,853 |
| Oklahoma..... | 39,092,745 | 31,853,654 |
| Oregon..... | 32,910,791 | 27,725,842 |
| Pennsylvania..... | 134,367,074 | 124,961,097 |
| Rhode Island..... | 12,858,450 | 9,972,037 |
| South Carolina..... | 37,980,962 | 32,843,487 |
| South Dakota..... | 9,259,080 | 7,265,792 |
| Tennessee..... | 53,139,451 | 48,343,844 |
| Texas..... | 177,623,236 | 149,822,742 |
| Utah..... | 17,994,039 | 15,384,525 |
| Vermont..... | 6,855,553 | 5,380,898 |
| Virginia..... | 69,909,472 | 56,274,095 |
| Washington..... | 51,363,627 | 43,489,452 |
| West Virginia..... | 25,935,163 | 20,533,761 |
| Wisconsin..... | 63,426,198 | 49,544,279 |
| Wyoming..... | 5,629,873 | 4,959,693 |
| American Samoa..... | | 347,494 |
| Guam..... | 153,713 | 413,793 |
| Puerto Rico..... | 18,525,777 | 12,413,793 |
| Trust Territory of Pacific Islands..... | | 1,232,026 |
| Virgin Islands..... | 514,347 | 413,793 |
| Northern Marianas Islands..... | | 82,759 |

TABLE 2.—FUNDING FOR TITLE XX SOCIAL SERVICES, BY STATE, FISCAL YEARS 1981 AND 1982—Continued

| | 1981 actual ¹ | 1982 estimate ² |
|-----------------------------|--------------------------|----------------------------|
| Subsequent year awards..... | 101,377,992 | ..... |

¹ Includes \$2,716,100,000 for title XX social services, \$200,000,000 for child day care, and \$75,000,000 for State and local training activities.

² Block grants for 1982 and 1983 replaces the social services, child day care, and training activities.

Source: Department of Health and Human Services.

TABLE 3.—AVERAGE NUMBER OF PRIMARY RECIPIENTS RECEIVING SERVICES PER QUARTER, FISCAL YEAR 1981

| Selected services ¹ | Number |
|--|---------|
| Day care—children..... | 496,000 |
| Homemaker/chore..... | 403,000 |
| Education, training, and employment..... | 336,000 |
| Protective services..... | 560,000 |
| Foster care—children..... | 178,000 |
| Counseling services..... | 636,000 |
| Health related..... | 386,000 |
| Residential care and treatment..... | 109,000 |
| Family planning..... | 452,000 |

¹ Nonadditive: Recipients may receive more than 1 service.

Child Welfare, Foster Care and Adoption Assistance

[Title IV-B and E]

A. CHILD WELFARE SERVICES (Title IV-B)

GENERAL

Under title IV-B of the Social Security Act, grants to the States are authorized for the purpose of providing a wide range of child welfare services. Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980, restructured the child welfare services program to place greater emphasis on services designed to prevent or remedy the need for long-term foster care. Prior to the adoption of this legislation, States primarily used Federal funding under this program to fund non-AFDC foster care maintenance payments. This is no longer a permissible use for any new appropriations under this program, i.e., in excess of \$56.5 million.

ELIGIBILITY

The Federal statute does not specify any eligibility criteria which the States must follow in providing services to children.

DESCRIPTION OF SERVICES

States are authorized to provide child welfare services which have the following purposes: (a) protecting and promoting the welfare of all children, including handicapped, homeless, dependent or neglected children; (b) preventing or remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children; (c) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (d) restoring to their families children who have been removed, by the provision of services to the child and the families; (e) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (f) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Title IV-B includes incentives for States to develop services to protect children in foster care. A State may not receive any funds in excess of \$141 million unless it has: (1) conducted an inventory of children who have been in foster care for over 6 months; (2) implemented a statewide information system for children in foster care; (3) implemented a case review system for each child in foster care, which includes a 6 month review and 18 month dispositional hearing for each child; and (4) implemented a services program designed to assist children, where possible, to return to their homes.

When Federal title IV-B appropriations have equaled the authorized maximum of \$266 million for two consecutive years, a State's IV-B funds will be reduced, beginning with the succeeding fiscal year, to the share of \$56 million it received in fiscal year 1979, unless and until it has implemented the protections and procedures described above and, in addition, implemented a program of preplacement preventive services designed to prevent the need for removing a child from his home.

FINANCING

The authorized funding level for the child welfare services program is \$266 million. The program received an appropriation of \$164 million in 1981. An additional \$5 million was provided for child welfare training. The 1982 continuing resolution provided a spending level of \$156 million for child welfare services, and \$4 million for child welfare training. State allocations for child welfare services reflect State per capita income and the size of the population under age 21. States must provide 25 percent in matching funds. Table 1 shows State awards for 1981 and 1982.

ADMINISTRATION

The child welfare services program is administered at the Federal level by the Office of Human Development Services in the Department of Health and Human Services. At the State level, the program generally must be administered by the same agency which

administers or supervises the administration of the title XX social services program.

B. FOSTER CARE AND ADOPTION ASSISTANCE (TITLE IV-E)

GENERAL

The Adoption Assistance and Child Welfare Services Act of 1980 involved a restructuring of Social Security Act programs for the care of children who must be removed from their homes. In particular, prior law was modified to lessen the emphasis on foster care placement and to encourage efforts to find permanent homes for children either by making it possible for them to return to their own families or by placing them in adoptive homes. The new foster care and adoption assistance program is embodied in title IV-E of the Social Security Act.

ELIGIBILITY

Foster care maintenance payments may be made only on behalf of AFDC-eligible children. Adoption subsidies may be made on behalf of AFDC- or SSI-eligible children if they have special needs which have discouraged their adoption.

BENEFITS

For foster care, States determine need and benefit levels. In December 1980, the average monthly benefit per AFDC foster care child was \$378, and benefit amounts varied among States from a low of \$89 to a high of \$791. (See Table 2.)

For adoption assistance, subsidies are determined through agreement between prospective adoptive parents and the State agency. However, the subsidy may not exceed the amount which would be payable on behalf of the child in a foster family home.

Children receiving foster care payments and adoption assistance are eligible for medicaid.

The law provides specific protections for IV-E children. A case plan must be developed for each child which includes a description of the child's placement and its appropriateness; a plan, if necessary, for compliance with judicial determination requirements; and a plan of services which will be provided. In addition, a case review is required at least every 6 months by a court of competent jurisdiction or an administrative review.

FINANCING

For both foster care and adoption assistance, Federal funding rates vary by State in accordance with the medicaid matching formula. The range is 50 percent to about 78 percent. Nationally, Federal funds pay 54 percent of the costs.

Before fiscal year 1981, open-ended Federal matching was provided for foster care payments under the AFDC program for children who met certain specified conditions. The 1980 legislation set a ceiling on Federal foster care matching funds for 4 years beginning with fiscal year 1981. The ceiling is contingent upon the appropriation of specified additional amounts for the child welfare

services program. The ceiling was in effect in 1981, but will not be in effect in 1982. Federal funding of foster care maintenance payments is available for children placed in foster care homes, in non-profit private child care institutions, and in public institutions serving no more than 25 resident children.

The estimated level of spending in 1981 for foster care is \$349 million, with an additional \$5 million spent for adoption assistance. The 1982 continuing resolution provided \$300 million for foster care and \$4 million for adoption assistance. It is estimated, however, that additional funding would be needed to fully meet the amount to which States are entitled under this program. Table 2 shows State awards for foster care in 1981 and 1982.

ADMINISTRATION

At the State level, the same agency which administers the child welfare services program must also administer the foster care and adoption assistance programs. The Federal administering agency is the office of Human Development Services in the Department of Health and Human Services.

FOSTER CARE CASELOAD

Data for December 1980 show that at that time about 102,000 children were receiving federally matched foster care payments. More than one-third were in California (15,000) and New York (20,000). About 78 percent were in foster family homes. The remainder were in institutions. (See Table 2.)

TABLE 1.—TITLE IV—B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS 1981 AND 1982

| | 1981 actual ¹ | 1982 estimate ² |
|----------------------------|--------------------------|----------------------------|
| Total | \$163,550,000 | \$156,326,000 |
| Alabama | 2,936,403 | 3,277,136 |
| Alaska | 253,306 | 259,315 |
| Arizona | 2,015,438 | 2,003,836 |
| Arkansas | 2,309,713 | 1,928,662 |
| California | 11,447,146 | 12,939,528 |
| Colorado | 2,258,114 | 1,907,129 |
| Connecticut | 2,053,260 | 1,697,076 |
| Delaware | 383,859 | 435,614 |
| District of Columbia | 337,832 | 347,315 |
| Florida | 4,919,166 | 5,741,337 |
| Georgia | 3,828,462 | 4,368,286 |
| Hawaii | 575,468 | 666,455 |
| Idaho | 751,547 | 850,553 |
| Illinois | 7,588,541 | 6,592,262 |
| Indiana | 3,523,078 | 3,885,466 |

**TABLE 1.—TITLE IV—B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS,
FISCAL YEARS 1981 AND 1982—Continued**

| | 1981 actual ¹ | 1982 estimate ² |
|---|--------------------------|----------------------------|
| Iowa..... | 2,457,660 | 2,002,044 |
| Kansas..... | 1,826,781 | 1,552,323 |
| Kentucky..... | 3,487,015 | 2,964,133 |
| Louisiana..... | 3,253,543 | 3,571,754 |
| Maine..... | 1,136,349 | 953,270 |
| Maryland..... | 3,074,691 | 2,572,865 |
| Massachusetts..... | 3,698,908 | 3,549,172 |
| Michigan..... | 7,422,853 | 5,914,879 |
| Minnesota..... | 2,542,215 | 2,782,080 |
| Mississippi..... | 2,265,637 | 2,481,913 |
| Missouri..... | 4,138,647 | 3,433,225 |
| Montana..... | 815,094 | 668,289 |
| Nebraska..... | 1,382,056 | 1,145,725 |
| Nevada..... | 493,478 | 468,774 |
| New Hampshire..... | 641,161 | 702,678 |
| New Jersey..... | 4,934,131 | 4,096,718 |
| New Mexico..... | 1,059,438 | 1,161,815 |
| New York..... | 12,412,005 | 10,437,088 |
| North Carolina..... | 4,004,097 | 4,563,247 |
| North Dakota..... | 666,545 | 555,319 |
| Ohio..... | 7,679,747 | 7,212,115 |
| Oklahoma..... | 2,624,187 | 2,167,535 |
| Oregon..... | 2,031,978 | 1,688,976 |
| Pennsylvania..... | 6,663,644 | 7,505,215 |
| Rhode Island..... | 781,603 | 669,401 |
| South Carolina..... | 3,159,548 | 2,693,940 |
| South Dakota..... | 753,687 | 625,445 |
| Tennessee..... | 3,699,873 | 3,574,904 |
| Texas..... | 8,873,318 | 10,083,039 |
| Utah..... | 1,673,546 | 1,480,375 |
| Vermont..... | 539,427 | 468,915 |
| Virginia..... | 4,259,786 | 3,589,943 |
| Washington..... | 2,885,397 | 2,480,506 |
| West Virginia..... | 1,806,230 | 1,549,323 |
| Wisconsin..... | 3,014,651 | 3,345,169 |
| Wyoming..... | 424,007 | 368,543 |
| American Samoa..... | NA | NA |
| Guam..... | 226,438 | 223,563 |
| Puerto Rico..... | 5,258,464 | 3,847,108 |
| Trust Territory of Pacific Islands..... | NA | NA |

TABLE 1.—TITLE IV—B CHILD WELFARE SERVICES: ACTUAL AND ESTIMATED AWARDS,
FISCAL YEARS 1981 AND 1982—Continued

| | 1981 actual ¹ | 1982 estimate ² |
|--------------------------------|--------------------------|----------------------------|
| Virgin Islands | 202,708 | 177,763 |
| Northern Mariana Islands | 98,124 | 96,941 |

¹ Includes funds reallocated to eligible States.

² Assumes all States meet conditions for full share of appropriation.

Source: Department of Health and Human Services.

TABLE 2.—TITLE IV—E/A FOSTER CARE ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS
1981 AND 1982

| | 1981 actual | 1982 estimate ¹ |
|----------------------------|---------------|----------------------------|
| Total | \$347,867,846 | \$300,000,000 |
| Alabama | 1,810,769 | 2,070,000 |
| Alaska | 204,703 | 240,000 |
| Arizona | 1,128,458 | 1,470,000 |
| Arkansas | 956,694 | 570,000 |
| California | 45,059,027 | 49,110,000 |
| Colorado | 1,853,672 | 810,000 |
| Connecticut | 1,755,366 | 1,410,000 |
| Delaware | 471,895 | 360,000 |
| District of Columbia | 644,970 | 990,000 |
| Florida | 1,680,162 | 1,650,000 |
| Georgia | 2,532,110 | 2,760,000 |
| Guam | NA | NA |
| Hawaii | 20,298 | 30,000 |
| Idaho | 383,082 | 330,000 |
| Illinois | 5,059,550 | 4,800,000 |
| Indiana | 1,496,539 | 1,050,000 |
| Iowa | 1,434,963 | 1,260,000 |
| Kansas | 3,266,258 | 3,900,000 |
| Kentucky | 2,538,035 | 1,530,000 |
| Louisiana | 3,330,445 | 3,960,000 |
| Maine | 2,047,124 | 2,250,000 |
| Maryland | 3,458,017 | 3,060,000 |
| Massachusetts | 2,302,818 | NA |
| Michigan | 17,597,473 | 22,890,000 |
| Minnesota | 3,771,988 | 5,490,000 |
| Mississippi | 963,192 | 990,000 |
| Missouri | 3,110,768 | 2,130,000 |
| Montana | 703,045 | 780,000 |
| Nebraska | 928,498 | 1,410,000 |
| Nevada | 369,506 | 450,000 |

TABLE 2.—TITLE IV-E/A FOSTER CARE ACTUAL AND ESTIMATED AWARDS, FISCAL YEARS
1981 AND 1982—Continued

| | 1981 actual | 1982 estimate ¹ |
|---------------------|-------------|----------------------------|
| New Hampshire..... | 590,185 | 540,000 |
| New Jersey..... | 2,405,456 | 2,220,000 |
| New Mexico..... | 107,194 | 120,000 |
| New York..... | 161,318,420 | 119,130,000 |
| North Carolina..... | 1,970,884 | 1,890,000 |
| North Dakota..... | 564,046 | 750,000 |
| Ohio..... | 4,077,753 | 4,110,000 |
| Oklahoma..... | 982,621 | 1,380,000 |
| Oregon..... | 6,706,314 | 4,320,000 |
| Pennsylvania..... | 30,799,878 | 20,849,040 |
| Puerto Rico..... | NA | NA |
| Rhode Island..... | 125,000 | 600,000 |
| South Carolina..... | 1,413,881 | 630,000 |
| South Dakota..... | 506,962 | 810,000 |
| Tennessee..... | 2,910,384 | 1,950,000 |
| Texas..... | 5,149,659 | 5,580,000 |
| Utah..... | 805,068 | 450,000 |
| Vermont..... | 897,162 | 870,000 |
| Virgin Islands..... | NA | NA |
| Virginia..... | 3,180,824 | 2,940,000 |
| Washington..... | 3,894,558 | 2,700,000 |
| West Virginia..... | 964,022 | 1,050,000 |
| Wisconsin..... | 7,552,886 | 9,360,000 |
| Wyoming..... | 65,264 | 60,000 |

¹ Estimated State's share of funds available limited to \$300,000,000.

Source: Department of Health and Human Services.

TABLE 3.—AID TO FAMILIES WITH DEPENDENT CHILDREN, FOSTER CARE SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980

[Includes nonmedical vendor payments]

| State | Total foster care | | | | | Foster family homes | | | Child care institutions | | |
|---------------------------|--------------------|----------------|--------------|------------------|------------------|---------------------|------------------|------------------|-------------------------|------------------|------------------|
| | Total cases | Total children | Total amount | Average per— | | Total cases | Total children | Total payments | Total cases | Total children | Total payments |
| | | | | Case | Child | | | | | | |
| Total..... | 82,175 | 102,218 | \$38,674,089 | \$470.63 | \$378.35 | 161,816 | 179,483 | \$20,719,075 | 11,661 | 13,290 | \$15,424,293 |
| Alabama..... | 805 | 1,478 | 189,965 | 235.98 | 128.53 | 715 | 1,356 | 175,061 | 90 | 122 | 14,904 |
| Alaska..... | 52 | 52 | 41,163 | 791.60 | 791.60 | 43 | 43 | 17,732 | 9 | 9 | 23,431 |
| Arizona..... | 165 | 268 | 79,416 | 481.31 | 296.33 | 153 | 256 | 61,638 | 12 | 12 | 17,778 |
| Arkansas..... | 188 | 293 | 48,776 | 259.45 | 166.47 | 178 | 277 | 45,774 | 10 | 16 | 3,002 |
| California..... | 9,781 | 14,798 | 7,580,003 | 774.97 | 512.23 | 7,534 | 12,128 | 4,023,012 | 2,247 | 2,670 | 3,556,991 |
| Colorado..... | ^a 582 | 582 | 117,718 | 202.26 | 202.26 | 443 | 443 | 55,885 | 139 | 139 | 61,833 |
| Connecticut..... | ^a 1,566 | 2,177 | 455,021 | 290.56 | 209.01 | 1,111 | 1,698 | 236,611 | 455 | 479 | 218,410 |
| Delaware..... | 171 | 305 | 62,741 | 366.91 | 205.71 | 127 | 232 | 38,491 | 54 | 73 | 24,250 |
| District of Columbia..... | ^a 720 | 893 | 258,012 | 358.35 | 288.93 | 512 | 625 | 166,676 | 208 | 268 | 91,336 |
| Florida..... | 791 | 1,099 | 204,706 | 258.79 | 186.27 | (¹) | (¹) | (¹) | (¹) | (¹) | (¹) |
| Georgia..... | ^a 1,477 | 1,495 | 244,213 | 165.34 | 163.35 | 1,299 | 1,315 | 210,854 | 178 | 180 | 33,359 |
| Guam..... | 11 | 16 | 2,140 | (^a) | (^a) | 11 | 16 | 2,140 | 0 | 0 | 0 |
| Hawaii..... | 19 | 19 | 2,547 | (^a) | (^a) | 19 | 19 | 2,547 | 0 | 0 | 0 |
| Idaho..... | 92 | 210 | 44,808 | 487.04 | 213.37 | 77 | 176 | 37,553 | 15 | 34 | 7,255 |
| Illinois..... | ^a 4,530 | 4,530 | 811,500 | 179.14 | 179.14 | 4,180 | 4,180 | 626,000 | 350 | 350 | 185,500 |
| Indiana..... | 1,344 | 1,726 | 153,660 | 114.33 | 89.03 | (¹) | (¹) | (¹) | (¹) | (¹) | (¹) |
| Iowa..... | 661 | 661 | 156,545 | 236.83 | 236.83 | 522 | 522 | 105,563 | 139 | 139 | 50,982 |
| Kansas..... | 1,774 | 1,774 | 583,168 | 328.73 | 328.73 | 1,214 | 1,214 | 253,519 | 560 | 560 | 329,649 |
| Kentucky..... | 1,254 | 1,254 | 205,540 | 163.91 | 163.91 | 1,190 | 1,190 | 193,258 | 64 | 64 | 12,282 |
| Louisiana..... | ^a 1,515 | 1,721 | 399,131 | 263.45 | 231.92 | 1,444 | 1,635 | 303,887 | 71 | 86 | 95,244 |
| Maine..... | 1,170 | 1,170 | 273,101 | 233.42 | 233.42 | 1,055 | 1,055 | 178,331 | 115 | 115 | 94,770 |
| Maryland..... | 2,346 | 2,346 | 523,759 | 223.26 | 223.26 | 2,122 | 2,122 | 376,895 | 224 | 224 | 146,864 |
| Massachusetts..... | 1,810 | 1,996 | 644,563 | 356.11 | 322.93 | 1,653 | 1,837 | 409,033 | 157 | 159 | 235,530 |
| Michigan..... | 5,539 | 5,539 | 2,841,623 | 476.91 | 476.91 | 4,775 | 4,775 | 1,413,362 | 764 | 764 | 1,228,261 |
| Minnesota..... | 1,271 | 1,687 | 476,088 | 374.58 | 282.21 | 1,145 | 1,550 | 424,897 | 126 | 137 | 51,191 |

| | | | | | | | | | | | |
|---------------------|--------|--------|------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Mississippi..... | 519 | 894 | 107,339 | 206.82 | 120.07 | 519 | 894 | 107,339 | 0 | 0 | 0 |
| Missouri..... | *948 | 2,171 | 215,591 | 227.42 | 99.30 | 866 | 1,984 | 196,985 | 82 | 187 | 18,606 |
| Montana..... | 178 | 259 | 103,928 | 583.87 | 401.27 | 178 | 259 | 103,928 | 0 | 0 | 0 |
| Nebraska..... | 556 | 553 | 149,947 | 269.69 | 271.15 | 497 | 494 | 132,247 | 59 | 59 | 17,700 |
| Nevada..... | 191 | 254 | 75,758 | 396.64 | 298.26 | 155 | 218 | 56,186 | 36 | 36 | 19,572 |
| New Hampshire..... | 504 | 504 | 76,835 | 152.45 | 152.45 | 388 | 388 | 54,092 | 116 | 116 | 22,743 |
| New Jersey..... | 1,254 | 1,254 | 220,602 | 175.92 | 175.92 | 1,172 | 1,172 | 165,665 | 82 | 82 | 54,937 |
| New Mexico..... | 66 | 91 | 14,839 | 224.83 | 163.07 | 54 | 79 | 12,718 | 12 | 12 | 2,121 |
| New York..... | 14,389 | 20,305 | 14,470,529 | 1,005.67 | 712.66 | 10,653 | 15,866 | 6,991,207 | 3,736 | 4,439 | 7,479,322 |
| North Carolina..... | 1,062 | 1,741 | 239,329 | 225.36 | 137.47 | 910 | 1,451 | 199,895 | 182 | 290 | 39,434 |
| North Dakota..... | 202 | 360 | 88,212 | 436.69 | 245.03 | 169 | 321 | 68,034 | 33 | 39 | 20,178 |
| Ohio..... | 3,664 | 3,664 | 418,191 | 114.14 | 114.14 | 3,319 | 3,319 | 359,237 | 345 | 345 | 58,954 |
| Oklahoma..... | 426 | 710 | 134,102 | 314.79 | 188.88 | 426 | 710 | 134,102 | 0 | 0 | 0 |
| Oregon..... | 1,521 | 1,521 | 463,519 | 304.75 | 304.75 | 1,355 | 1,355 | 272,114 | 166 | 166 | 191,405 |
| Pennsylvania..... | *6,377 | 6,377 | 2,118,894 | 332.27 | 332.27 | (¹) | (^{1}) | (^{1}) | (^{1}) | (^{1}) | (^{1}) |
| Puerto Rico..... | 0 | 0 | 0 | (^a) | (^a) | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island..... | 291 | 423 | 126,341 | 434.16 | 298.68 | 232 | 355 | 60,104 | 59 | 68 | 66,237 |
| South Carolina..... | 342 | 526 | 70,150 | 205.12 | 132.86 | 342 | 528 | 70,150 | 0 | 0 | 0 |
| South Dakota..... | 387 | 387 | 79,501 | 205.43 | 205.43 | 358 | 358 | 64,159 | 29 | 29 | 15,342 |
| Tennessee..... | 857 | 1,835 | 246,960 | 288.17 | 134.58 | 816 | 1,766 | 235,064 | 58 | 69 | 11,896 |
| Texas..... | 2,784 | 2,784 | 785,060 | 281.99 | 281.99 | 2,675 | 2,675 | 742,902 | 109 | 109 | 42,158 |
| Utah..... | 243 | 243 | 53,461 | 220.00 | 220.00 | (^{1}) | (^{1}) | (^{1}) | (^{1}) | (^{1}) | (¹) |
| Vermont..... | *161 | 315 | 50,000 | 310.56 | 158.73 | 154 | 302 | 37,045 | 7 | 13 | 12,955 |
| Virgin Islands..... | 0 | 0 | 0 | (^a) | (^a) | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia..... | 1,628 | 2,459 | 424,533 | 260.77 | 172.64 | 1,533 | 2,344 | 391,580 | 95 | 115 | 32,953 |
| Washington..... | 604 | 833 | 216,273 | 358.07 | 259.63 | 537 | 755 | 153,317 | 67 | 78 | 62,956 |

TABLE 3.—AID TO FAMILIES WITH DEPENDENT CHILDREN, FOSTER CARE SEGMENT: RECIPIENTS OF CASH PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1980—Continued

[Includes nonmedical vendor payments]

| State | Total foster care | | | | | Foster family homes | | | Child care institutions | | |
|--------------------|-------------------|----------------|--------------|--------------|--------|---------------------|----------------|----------------|-------------------------|----------------|----------------|
| | Total cases | Total children | Total amount | Average per— | | Total cases | Total children | Total payments | Total cases | Total children | Total payments |
| | | | | Case | Child | | | | | | |
| West Virginia..... | 269 | 537 | 131,353 | 488.30 | 244.61 | 231 | 462 | 64,710 | 38 | 75 | 66,643 |
| Wisconsin..... | 3,082 | 3,082 | 1,378,277 | 447.20 | 447.20 | 2,731 | 2,731 | 680,818 | 351 | 351 | 697,459 |
| Wyoming..... | 36 | 45 | 14,658 | (*) | (*) | 24 | 33 | 6,758 | 12 | 12 | 7,900 |

* Foster family homes and child care institution columns will not add due to nonreporting of these items by several States.

* Average payment not computed on base of fewer than 50 cases or children.

* Estimated data.

Source: Department of Health and Human Services.

12. LOW-INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)

LEGISLATIVE OBJECTIVE

The Low-Income Home Energy Assistance Act of 1981 (title XXVI of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981) provides 100 percent Federal funds to States so that they may aid needy households in meeting the costs of home energy. The States have broad latitude in designing their own programs. Within general Federal guidelines States set actual eligibility rules, types and methods of assistance and benefit levels.

ELIGIBILITY

The act permits States to use Federal funds to provide assistance to: (a) households with incomes below either 150 percent of the OMB poverty guidelines or 60 percent of a State's median income adjusted for family size; (b) households that receive cash welfare payments from aid to families with dependent children (AFDC), or supplemental security income (SSI), unless such SSI benefits are reduced on grounds that the recipient resides in an institution receiving medicaid or lives in the household of another and receives food and shelter from him or is a child recipient of benefits; (c) households that receive certain veterans benefits or food stamps.

The law sets only maximum income ceilings; States may choose lower limits.

The OMB poverty guidelines are uniform for a given family size in the 48 contiguous States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands, but 15 percent higher in Hawaii and 25 percent higher in Alaska. For use in the fiscal year 1982 program, 150 percent of State median income for a 4-person family ranges from \$10,603 (Mississippi) to \$18,622 (Alaska). For a 4-person family, 150 percent of poverty in fiscal year 1982 is \$12,765. For a 4-person family, 60 percent of the State's median income is higher than 150 percent of the OMB poverty guidelines in 34 States and the District of Columbia. Table 1 presents the median income levels in effect for fiscal year 1982.

BENEFITS

Three basic types of LIEAP benefits are permitted; (a) assistance to help households pay for the costs of home heating or cooling, (b) low-cost weatherization of eligible household's homes (up to 15 percent of a State's allotment), (c) energy-related emergency assistance. The exact method of providing each of these types of benefits is a State decision. Assistance for home heating and cooling is typically either in cash payments, vendor lines of credit or voucher. States may purchase and/or install weatherization materials. The form of emergency assistance is up to the State but often is in-kind

aid such as blankets or space heaters. There is no Federal limit on the value of a household's benefits.

FINANCING

Benefits and administrative costs are 100 percent federally financed. Up to 10 percent of a State's allotment may be transferred to other block grants (community services, social services, and the several health block grants) or 10 percent of the funds from these programs may be transferred into LIEAP. Up to 25 percent of a State's allotment may be carried over into fiscal year 1983. Funds not carried over and not obligated by the States in fiscal year 1983 can be reallocated by the Secretary of Health and Human Services (HHS).

In fiscal year 1982, \$1.875 billion was appropriated for LIEAP. The funds are allocated to States on the basis of their share of fiscal year 1981 LIEAP funds. Allocation in fiscal year 1981 was based on a complex formula that took into account climate, energy expenditures, fiscal year 1980 funding level and low income population. Table 2 presents the fiscal year 1981 and 1982 LIEAP allocations by State.

ADMINISTRATION

LIEAP funds are given to States as modified block grants. States must submit a plan for their energy assistance program to HHS. However, HHS does not approve or disapprove of the State plan. States must assure that funds will be used in accordance with the purposes of the act and that outreach directed at the aged and disabled will be conducted. Consistent with efficient administration of the program, States are to give priority in aid to those with lowest incomes and highest energy costs in relation to income.

TABLE 1.—LOW-INCOME HOME ENERGY ASSISTANCE: 60 PERCENT OF STATES' MEDIAN INCOME, FISCAL YEAR 1982

| States | 4-person household | 2-person household | 1-person household |
|---------------------------|--------------------|--------------------|--------------------|
| Alabama | \$11,168 | \$7,594 | \$5,807 |
| Alaska | 18,622 | 12,663 | 9,683 |
| Arizona | 13,800 | 9,384 | 7,176 |
| Arkansas | 11,096 | 7,545 | 5,770 |
| California | 15,065 | 10,244 | 7,834 |
| Colorado | 15,137 | 10,293 | 7,871 |
| Connecticut | 14,646 | 9,959 | 7,616 |
| Delaware | 12,710 | 8,643 | 6,609 |
| District of Columbia..... | 12,786 | 8,694 | 6,649 |
| Florida | 12,454 | 8,469 | 6,476 |
| Georgia..... | 12,947 | 8,804 | 6,473 |
| Hawaii..... | 14,749 | 1,029 | 7,669 |
| Idaho..... | 12,257 | 8,335 | 6,374 |

TABLE 1.—LOW-INCOME HOME ENERGY ASSISTANCE: 60 PERCENT OF STATES' MEDIAN INCOME, FISCAL YEAR 1982—Continued

| States | 4-person household | 2-person household | 1-person household |
|----------------------|--------------------|--------------------|--------------------|
| Illinois | 14,559 | 9,900 | 7,571 |
| Indiana | 13,568 | 9,227 | 7,055 |
| Iowa | 13,540 | 9,207 | 7,041 |
| Kansas | 13,709 | 9,322 | 7,129 |
| Kentucky | 11,483 | 7,808 | 5,971 |
| Louisiana | 12,100 | 8,228 | 6,292 |
| Maine | 10,844 | 7,374 | 5,638 |
| Maryland | 14,812 | 10,072 | 7,702 |
| Massachusetts | 14,272 | 9,705 | 7,421 |
| Michigan | 14,653 | 9,964 | 7,620 |
| Minnesota | 14,645 | 9,959 | 7,615 |
| Mississippi | 10,603 | 7,210 | 5,514 |
| Missouri | 12,776 | 8,688 | 6,644 |
| Montana | 12,031 | 8,181 | 6,256 |
| Nebraska | 12,449 | 8,466 | 6,473 |
| Nevada | 15,274 | 10,386 | 7,942 |
| New Hampshire | 13,401 | 9,113 | 6,969 |
| New Jersey | 14,676 | 9,980 | 7,632 |
| New Mexico | 12,619 | 8,581 | 6,562 |
| New York | 12,649 | 8,601 | 6,577 |
| North Carolina | 11,789 | 8,016 | 6,130 |
| North Dakota | 11,712 | 7,964 | 6,090 |
| Ohio | 13,517 | 9,191 | 7,029 |
| Oklahoma | 12,511 | 8,507 | 6,506 |
| Oregon | 14,419 | 9,805 | 7,498 |
| Pennsylvania | 12,388 | 9,104 | 6,962 |
| Rhode Island | 12,982 | 8,828 | 6,751 |
| South Carolina | 12,092 | 8,223 | 6,288 |
| South Dakota | 11,525 | 7,837 | 5,993 |
| Tennessee | 11,662 | 7,930 | 6,064 |
| Texas | 14,050 | 9,554 | 7,306 |
| Utah | 12,750 | 8,670 | 6,630 |
| Vermont | 11,588 | 7,880 | 6,026 |
| Virginia | 13,786 | 9,374 | 7,169 |
| Washington | 14,646 | 9,959 | 7,616 |
| West Virginia | 11,326 | 7,701 | 5,890 |
| Wisconsin | 14,111 | 9,595 | 7,338 |
| Wyoming | 13,604 | 9,251 | 7,074 |

TABLE 2.—FISCAL YEARS 1981 AND 1982 ALLOCATIONS TO STATES FOR LOW INCOME ENERGY ASSISTANCE

| FIPS | 1981 ¹ | 1982 ² |
|-------------------------------|-------------------|-------------------|
| 1. Alabama..... | 15,674 | 16,004 |
| 2. Alaska..... | 7,505 | 7,667 |
| 4. Arizona..... | 7,580 | 6,997 |
| 5. Arkansas..... | 11,960 | 12,268 |
| 6. California..... | 84,088 | 86,164 |
| 8. Colorado..... | 29,319 | 30,072 |
| 9. Connecticut..... | 38,247 | 39,230 |
| 10. Delaware..... | 5,077 | 5,207 |
| 11. District of Columbia..... | 5,940 | 6,093 |
| 12. Florida..... | 25,921 | 25,434 |
| 13. Georgia..... | 16,609 | 20,113 |
| 15. Hawaii..... | 1,975 | 2,026 |
| 16. Idaho..... | 11,436 | 11,639 |
| 17. Illinois..... | 105,862 | 108,583 |
| 18. Indiana..... | 47,931 | 49,163 |
| 19. Iowa..... | 29,470 | 34,843 |
| 20. Kansas..... | 15,600 | 15,973 |
| 21. Kentucky..... | 24,943 | 25,584 |
| 22. Louisiana..... | 16,024 | 16,402 |
| 23. Maine..... | 27,512 | 25,164 |
| 24. Maryland..... | 29,285 | 30,038 |
| 25. Massachusetts..... | 82,707 | 78,455 |
| 26. Michigan..... | 111,598 | 102,996 |
| 27. Minnesota..... | 72,409 | 74,271 |
| 28. Mississippi..... | 13,938 | 13,763 |
| 29. Missouri..... | 37,885 | 43,372 |
| 30. Montana..... | 13,414 | 11,107 |
| 31. Nebraska..... | 13,799 | 17,210 |
| 32. Nevada..... | 3,560 | 3,644 |
| 33. New Hampshire..... | 14,481 | 14,854 |
| 34. New Jersey..... | 71,025 | 72,717 |
| 35. New Mexico..... | 9,490 | 9,154 |
| 36. New York..... | 231,907 | 237,742 |
| 37. North Carolina..... | 34,561 | 35,450 |
| 38. North Dakota..... | 9,572 | 13,196 |
| 39. Ohio..... | 93,651 | 96,058 |
| 40. Oklahoma..... | 15,998 | 14,536 |
| 41. Oregon..... | 22,723 | 23,307 |
| 42. Pennsylvania..... | 124,569 | 127,771 |
| 44. Rhode Island..... | 12,594 | 12,917 |
| 45. South Carolina..... | 13,823 | 12,769 |
| 46. South Dakota..... | 11,835 | 10,439 |
| 47. Tennessee..... | 25,267 | 25,917 |
| 48. Texas..... | 41,261 | 42,322 |
| 49. Utah..... | 13,624 | 13,536 |
| 50. Vermont..... | 10,854 | 11,133 |
| 51. Virginia..... | 39,019 | 36,590 |
| 53. Washington..... | 34,377 | 37,579 |

TABLE 2.—FISCAL YEARS 1981 AND 1982 ALLOCATIONS TO STATES FOR LOW INCOME ENERGY ASSISTANCE—Continued

| FIPS | 1981 ¹ | 1982 ² |
|-------------------------|-------------------|-------------------|
| 54. West Virginia | 16,507 | 16,931 |
| 55. Wisconsin..... | 61,679 | 66,854 |
| 56. Wyoming..... | 3,561 | 5,595 |
| Total | | 1,856,849 |

¹ Fiscal year 1981 figures do not include allotments for Territories or Indian tribes but do reflect reallocation of \$56.4 million made on Aug. 28, 1981. Fiscal year 1981 figures include both HHS and CSA program components.

² Fiscal year 1982 allotments reflect both \$1.752 billion appropriation contained in 3d continuing resolution and \$123 million urgent supplemental appropriation.

13. BLACK LUNG DISABILITY TRUST FUND

SUMMARY

Under the terms of the Black Lung Benefits Revenue Act of 1977 (P.L. 95-227), the Black Lung Benefits Reform Act of 1977 (P.L. 95-239), and the Black Lung Benefits Revenue Act of 1981 (P.L. 97-119),¹ the Black Lung Disability Trust Fund is charged with paying the cost of cash and medical benefits for coal mine workers (or their survivors) who have been determined totally disabled by coal miners' pneumoconiosis (black lung disease). The trust fund is responsible for paying these benefits for:

Approved claims filed after July 1, 1973 (December 31, 1973 in the case of survivors), so-called "part C" claims;
if no "responsible coal operator" has been identified;
if the operator is in default; and
in all cases where the coal mine worker's last coal mine employment was before January 1970.²

The trust fund is also responsible for administrative costs associated with claims approval.

ELIGIBILITY

Beneficiaries must be totally disabled due to black lung disease (chronic dust disease of the lung arising out of employment in or around coal mines). For these purposes, total disability is defined as inability to do work using skills comparable to mine work previously performed. Survivors are eligible for benefits if the coal mine worker is determined to have been totally disabled at death. Medical standards, promulgated by the Labor Department, and a set of "presumptions" are used in determining eligibility. In effect, the use of "presumptions" allows for a determination of total disability, in some cases, in the absence of a judgment based on generally accepted medical standards, by permitting the number of years of coal mine employment and legislatively established types of medical or other evidence to establish eligibility.

The Black Lung Benefits Revenue Act of 1981 reduced the availability of "presumptions" in establishing eligibility for benefits, eliminated some benefits for survivors, and reduced benefits in certain cases where there are outside earnings. The act also ended certain restrictions on rereading X-rays in making determinations of

¹ The Black Lung Benefits Revenue Act of 1977 established the trust fund and an excise tax on coal to finance it. The Black Lung Benefits Reform Act amended title IV of the Federal Coal Mine Health and Safety Act as to eligibility for benefits, and the Black Lung Benefits Revenue Act of 1981 modified the excise tax and certain of the rules governing benefit payments in order to eliminate deficits in the trust fund and reduce the need for appropriated funds.

² Other claims, so-called "part B" claims, are paid out of general revenues, through the Social Security Administration.

eligibility, and limited the use of affidavits in making such determinations.

BENEFITS

Monthly cash benefits are legislatively set at between 37.5 and 75 percent of the Federal GS-2 salary level; this is equal to between 50 and 100 percent of the cash benefit available to a totally disabled GS-2 Federal worker. The basic 37.5 percent rate applies to miners or survivors with no dependents; the maximum 75 percent rate applies to miners or survivors with 3 or more dependents. Benefits are reduced by any payments received through another workers' compensation law for the same disability. In fiscal 1982, the basic monthly benefit is \$293 and the maximum is \$586. Average cash benefits are estimated at approximately \$370 per month, excluding retroactive lump-sum payments. In addition to cash benefits, medical benefits are also available for the cost of treatment or medication for black lung disease or directly associated illnesses.

FINANCING

The Black Lung Disability Trust Fund is financed through an excise tax on mined bituminous and anthracite coal, along with certain reimbursements from and penalties on mine operators. The basic tax rates imposed to finance the trust fund are 50 cents per ton of coal from underground mines and 25 cents per ton of coal from surface mines; as a limitation, the tax cannot exceed 2 percent of the price at which the coal is sold by the producer. Under the Black Lung Benefits Revenue Act of 1981, these tax rates are doubled until 1995 or until the debt in the trust fund is retired, whichever is sooner. Accordingly, the rates in effect through 1995 are \$1 per ton of coal from underground mines and 50 cents per ton of coal from surface mines, limited to 4 percent of the sales price.

Appropriations from general revenues also are used to finance the trust fund. Appropriated advances from general revenues are authorized and must be repaid, with interest, from later coal tax revenues. The tax and benefit changes made by the Black Lung Benefits Revenue Act of 1981 are designed to eliminate the need for appropriations to cover deficits in the trust fund. Thus, Federal appropriations to the trust fund are expected to decline over the next few years.

ADMINISTRATION

Eligibility determinations and payment of benefits are the responsibility of the Labor Department's Employment Standards Administration, Office of Workers' Compensation Programs. Administrative costs are paid by the trust fund.

1. RECIPIENTS

| | Beneficiaries (cash and medical) |
|--------------|-------------------------------------|
| Fiscal year: | |
| 1980 | 166,730 |
| 1981 | ¹ 190,400 |
| 1982 | ¹ 201,300 |
| 1983 | ¹ 191,350 |

¹ Estimate.

2. PROGRAM DATA

[In millions of dollars, fiscal years]

| | 1978 | 1979 | 1980 | 1981 | 1982 ¹ | 1983 ¹ |
|-----------------------------------|------|-------|-------|-------|-------------------|-------------------|
| Direct Federal appropriation..... | 18.9 | 400.8 | 535.8 | 554.8 | 235.0 | 62.0 |

¹ Estimate.

14. WORK INCENTIVE, COMMUNITY WORK EXPERIENCE, AND WORK SUPPLEMENTATION PROGRAMS

GENERAL

The work incentive (WIN) program was enacted by Congress in 1967 with the purpose of reducing welfare dependency through the provision of manpower training and job placement services. In 1971 the Congress adopted amendments aimed at strengthening the administrative framework of the program and at placing greater emphasis on immediate employment instead of institutional training, thus specifically directing the program to assist individuals in the transition from welfare to work. In the same year, Congress also provided for a tax credit to employers who hire WIN participants. Table 1 shows WIN program data for fiscal years 1973-1981, and Table 2 shows WIN funding in fiscal years 1981 and 1982.

The Omnibus Budget Reconciliation Act of 1981 included a provision authorizing States to operate 3-year demonstration programs as alternatives to the current WIN program. The demonstration is aimed at testing single-agency administration and must be operated under the direction of the welfare agency. The legislation includes broad waiver authority.

The 1981 Reconciliation Act also authorized States to operate community work experience (CWEP) programs which serve a useful public purpose, and to require AFDC recipients to participate in these programs as a condition of eligibility. Participants may not be required to work in excess of the number of hours which, when multiplied by the greater of the Federal or the applicable State minimum wage, equals the sum of the amount of aid payable to the family.

In addition, the 1981 Reconciliation Act included a provision under which States are permitted to use any savings from reduced AFDC grant levels to make jobs available on a voluntary basis. Under this approach (work supplementation), recipients may be given a choice between taking a job or depending upon a lower AFDC grant. States may use the savings from the reduced AFDC grant levels to provide or underwrite job opportunities for AFDC eligibles.

Table 3 shows the States which have implemented, or may implement, the work program alternatives provided in the Reconciliation Act.

ELIGIBILITY

As a condition of AFDC eligibility, all applicants and recipients must register for WIN unless they are: children under age 16 or in school full time; ill, incapacitated, or elderly; too far from a project to participate; needed at home to care for a person who is ill; a

caretaker relative providing care on a substantially full-time basis for a child under age 6; employed at least 30 hours a week; or the parent of a child if the other parent is required to register (unless that parent has refused). Persons who are not required to register may volunteer to do so. Table 4 shows the characteristics of WIN registrants for fiscal years 1977-1979.

Under the community work experience program, States may require caretaker relatives who are caring for child under 3 (rather than 6) to participate, provided child care is available. They may also require persons who are not required to register for WIN because they live too far from a WIN project to participate in CWEP. Individuals who are employed 80 hours a month and earning at least the applicable minimum wage may not be required to participate in a CWEP project. Otherwise, all registrants of WIN may be required to participate in a CWEP project.

The work supplementation legislation gives States complete flexibility in determining who may be included in the program, provided they meet the State's May 1981 AFDC eligibility requirements.

JOBS AND OTHER SERVICES

WIN participants may receive employment or training services. They may also be given supportive services, including child care, which are needed to enable them to take a job or participate in training. Table 5 shows a breakdown of WIN program costs by component.

Community work experience programs must be designed to improve the employability of participants through actual work experience and training, and to enable individuals to move into regular employment.

The work supplementation legislation defines a supplemented job as one which is provided by: the State or local agency administering the program; a public or nonprofit entity for which all or part of the wages are paid by the administering agency; or a proprietary child care provider for which all or part of the wages are paid by the administering agency.

FINANCING

The Federal Government provides 90 percent matching funds for WIN. States must contribute 10 percent matching in cash or kind. Half the funds are allocated to the States on the basis of the State's percentage of WIN registrants during the preceding January; half are distributed under a formula developed by the Secretary to take into consideration each State's performance. Special funding provisions apply to States with WIN demonstration programs. (See Table 6.)

Regular AFDC matching provisions prevail in the case of individuals who are receiving AFDC benefits and are participating in CWEP. State expenditures for administration of CWEP are eligible for Federal matching of 50 percent. However, such expenditures may not include the cost of making or acquiring materials or equipment or the cost of supervision of work, and may include only such other costs as are permitted by the Secretary.

Federal matching (as determined by the regular AFDC matching provisions) is available to a State for the costs of a work supplementation program to the extent that those expenditures do not exceed the amount of Federal savings resulting from the reductions in assistance payments made to eligible participants. To the extent that program costs are less than the savings generated through the reduction in assistance payments, both State and Federal governments derive a saving. No Federal matching is available to a State for expenditures which exceed the savings in Federal matching. Program costs which a State may claim within this matching limitation include wage subsidies, necessary employment related services, and administrative overhead.

ADMINISTRATION

WIN is administered jointly at the Federal level by the Department of Health and Human Services and the Department of Labor. At the State level it is administered jointly by the welfare (or social services) agency and the State employment service. The new WIN demonstration authority requires single-agency administration of the program under the direction of the welfare agency.

Both the community work experience and the work supplementation programs are administered at the Federal level by the Department of Health and Human Services. Regulations require that the CWEP and work supplementation programs be administered through the welfare agency.

TABLE 1.—WORK INCENTIVE (WIN) PROGRAM DATA: FISCAL YEARS 1973–81

[Dollars in millions]

| Category | 1973 | 1974 | 1975 | 1976 ¹ | 1977 | 1978 | 1979 | 1980 | 1981 |
|--|-----------|-----------|-----------|-------------------|-----------|-----------|-----------|-----------|-----------|
| New registrants..... | 1,235,048 | 820,126 | 839,408 | 942,260 | 1,060,739 | 1,013,247 | 920,454 | 1,037,348 | 1,155,711 |
| Registrants on board (end of year) | 995,658 | 1,215,928 | 1,335,029 | 1,483,423 | 1,541,761 | 1,553,010 | 1,502,078 | 1,566,848 | 1,566,515 |
| Appraisals..... | 510,724 | 547,464 | 555,447 | 879,732 | 690,825 | 644,238 | 625,942 | 777,531 | 808,213 |
| Certifications (with services)..... | 371,020 | 302,307 | 327,772 | 580,475 | 484,440 | 470,257 | 477,519 | 401,655 | 376,736 |
| Participants served ² | | | | 229,486 | 234,483 | 257,969 | 256,781 | 276,697 | 275,631 |
| Entered employment: ³ | | | | | | | | | |
| Full-time..... | 136,783 | 177,271 | 170,641 | 278,329 | 245,566 | 254,191 | 250,482 | 230,210 | 250,072 |
| Part-time..... | | | | 25,868 | 31,988 | 39,399 | 48,427 | 53,128 | 68,589 |
| Total..... | 136,783 | 177,271 | 170,641 | 304,197 | 277,554 | 293,590 | 298,909 | 276,671 | 309,940 |
| Annualized welfare cost savings ⁴ | NA | NA | NA | \$251 | \$436 | \$645 | \$599 | \$632 | \$760 |
| Appropriations..... | \$290 | \$340 | \$210 | \$400 | \$370 | \$365 | \$385 | \$365 | \$365 |

¹ Includes transition quarter (15 months).

² Individuals registered in WIN component during the year. Comparable data for 1973, 1974, and 1975 are not available.

³ Numbers do not total; some individuals have both part- and full-time jobs.

⁴ Department of Labor estimate.

Source: Data provided by U.S. Department of Labor, table compiled by the Congressional Research Service.

TABLE 2.—FUNDING FOR THE WIN PROGRAM, FISCAL YEARS 1981 AND 1982

| | Fiscal year 1981 | Fiscal year 1982 |
|--|------------------|------------------|
| Appropriation..... | \$365,000,000 | \$245,760,000 |
| Program direction and evaluation | 14,040,000 | 14,000,000 |
| Grants to States..... | 350,960,000 | 231,760,000 |
| Postage ¹ | 1,000,000 | 1,000,000 |
| Reserve ² | 0 | 4,020,836 |
| Issue to States..... | 349,960,000 | 226,739,164 |

¹ Funds WIN provides as Federal share of State employment service mailing costs.

² Held in reserve toward additional funding requirements resulting from expected changes in State demonstration program startup dates.

Source: Data provided by WIN Office, Department of Labor. Table compiled by the Congressional Research Service.

TABLE 3.—STATE IMPLEMENTATION OF WORK PROGRAM ALTERNATIVES PROVIDED IN PUBLIC LAW 97-35

[As of Feb. 26, 1982]

| State | WIN demonstration—Elected to implement | CWEP ¹ | | | Work supplementation—Have expressed interest |
|---------------------------|--|---------------------|-----------------------|-------------------------|--|
| | | Already implemented | Demonstration planned | Have expressed interest | |
| Alabama..... | X | | | X | |
| Alaska..... | | | | | |
| Arizona..... | X | | | | |
| Arkansas..... | X | | | X | |
| California..... | | | | X | |
| Colorado..... | | | | | |
| Connecticut..... | | | | | |
| Delaware..... | X | | | X | |
| District of Columbia..... | | | | | |
| Florida..... | X | | | | |
| Georgia..... | | | | | |
| Hawaii..... | | | | | |
| Idaho..... | | | | X | |
| Illinois..... | X | | | | |
| Indiana..... | | | | | |
| Iowa..... | | | | | |
| Kansas..... | | | | | |
| Kentucky..... | X | | | X | |
| Louisiana..... | | | | | |
| Maine..... | X | | | | |

TABLE 3.—STATE IMPLEMENTATION OF WORK PROGRAM ALTERNATIVES PROVIDED IN
PUBLIC LAW 97-35—Continued

[As of Feb. 26, 1982]

| State | WIN demonstra- tion—Elected to implement | CWEP ¹ | | | Work supplementa- tion—Have expressed interest |
|---------------------|---|------------------------|--------------------------|-------------------------------|--|
| | | Already implemented | Demonstration planned | Have expressed interest | |
| Maryland | X | | | | |
| Massachusetts..... | X | | | X | |
| Michigan | X | | X | | |
| Minnesota..... | | | | | |
| Mississippi..... | | | | | |
| Missouri | | | | X | |
| Montana..... | | | | X | |
| Nebraska..... | X | | | | |
| Nevada..... | | | | | |
| New Hampshire..... | | | | | |
| New Jersey..... | X | | | | |
| New Mexico..... | | | | | |
| New York..... | | | X | | |
| North Carolina..... | | | X | | |
| North Dakota..... | | X | | | |
| Ohio..... | | | X | | |
| Oklahoma..... | X | X | | | |
| Oregon..... | X | | | | X |
| Pennsylvania..... | X | | | | |
| Rhode Island..... | X | | | | |
| South Carolina..... | | | | X | |
| South Dakota..... | X | | X | | |
| Tennessee..... | X | | | | |
| Texas..... | X | | | | |
| Utah..... | | (²) | | | |
| Vermont..... | X | | | | |
| Virginia..... | X | | | | |
| Washington..... | | | | | |
| West Virginia..... | X | X | | | |
| Wisconsin..... | X | | | | |
| Wyoming..... | | | | | |
| Guam..... | | | | | |
| Puerto Rico..... | | | | | |
| Virgin Islands..... | | | | | |

¹ A number of additional States are expected to include a CWEP-type program as a component of their WIN demonstration program.

² Utah had a program consistent with CWEP legislation prior to enactment of P.L. 97-35.

Source: Office of Family Assistance, SSA. Table compiled by the Congressional Research Service.

TABLE 4.—WIN REGISTRANTS AND JOB ENTRANTS BY SELECTED CHARACTERISTICS, FISCAL YEARS 1977-79

[In percent]

| Characteristic | 1977 | | 1978 | | 1979 | |
|-----------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| | Regis- trants | Job entrants | Regis- trants | Job entrants | Regis- trants | Job entrants |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Sex: | | | | | | |
| Male (total) ¹ | 27.4 | 37.8 | 26.1 | 33.8 | 24.8 | 30.3 |
| (Unemployed fathers) | ² NA | NA | (8.5) | (15.8) | (12.5) | (16.7) |
| Female | 72.6 | 62.2 | 73.9 | 66.2 | 75.2 | 69.7 |
| Ethnic group: | | | | | | |
| White | 55.4 | 67.6 | 55.7 | 66.1 | 44.9 | 55.4 |
| Black | 39.0 | 28.9 | 38.9 | 30.4 | 39.4 | 31.5 |
| Other | 5.6 | 3.5 | 5.4 | 3.5 | 15.7 | 13.1 |
| Years of school completed: | | | | | | |
| 0 to 7 years | 10.5 | 6.2 | 10.1 | 6.1 | 9.9 | 5.8 |
| 8 to 11 years | 48.7 | 44.8 | 48.0 | 45.0 | 47.7 | 44.3 |
| 12 years | 33.1 | 39.1 | 33.6 | 38.8 | 33.7 | 39.1 |
| Over 12 years | 7.7 | 9.9 | 8.3 | 10.1 | 8.7 | 10.8 |
| Age: | | | | | | |
| Under 22 years | 15.7 | 15.2 | 14.4 | 14.4 | 13.8 | 13.4 |
| 22 to 39 years | 62.0 | 69.4 | 63.2 | 70.2 | 63.6 | 71.2 |
| 40 years and over | 22.3 | 15.4 | 22.4 | 15.4 | 22.6 | 15.4 |
| Registrant status: | | | | | | |
| Mandatory | 79.0 | 82.6 | 82.7 | 82.4 | 83.5 | 82.1 |
| Voluntary | 21.0 | 17.4 | 17.3 | 17.6 | 16.5 | 17.9 |

¹ Includes male heads of single-parent households, unemployed fathers, and other males, most of them youth (under 22 years of age) who are recipient members of AFDC families.

² Not applicable.

Source: U.S. Departments of Labor and Health, Education, and Welfare. WIN: 1968-78, A Report at 10 Years. The Work Incentive Program. Ninth Annual Report to Congress. June 1979, Washington, 1979. p. 20; and based on conversations with DOL staff. Compiled by Congressional Research Service.

TABLE 5.—WIN COSTS, BY COMPONENT, FISCAL YEARS 1980 AND 1981

[Dollars in thousands]

| | Fiscal year 1980 | Fiscal year 1981 estimate |
|---|------------------|------------------------------|
| Total grants to States | \$359,886 | \$350,960 |
| Intake services | (148,975) | (138,902) |
| Work and training | (97,420) | (97,658) |
| Child care/supportive services ¹ | (113,491) | (114,400) |
| Program direction and evaluation | 11,945 | 14,040 |
| Total WIN costs | 371,831 | 365,000 |

¹ HHS incurs the costs for child care/supportive services, and the remaining costs are incurred by DOL. Source: Data provided by Department of Labor; table compiled by the Congressional Research Service.

TABLE 6.—ACTUAL AND ESTIMATED AWARDS FOR WIN PROGRAM EMPLOYMENT AND TRAINING ACTIVITIES AND SOCIAL SERVICES, FISCAL YEARS 1981 AND 1982

| State | 1981 ¹ | 1982 Revised estimate ² |
|----------------------------|-------------------|------------------------------------|
| Alabama | \$3,265,709 | ³ \$2,157,744 |
| Alaska | 1,085,922 | 806,708 |
| Arizona | 2,462,002 | ³ 1,384,019 |
| Arkansas | 2,104,067 | ³ 1,275,703 |
| California | 48,466,466 | 30,350,094 |
| Colorado | 5,931,981 | 3,749,167 |
| Connecticut | 5,021,664 | 3,200,743 |
| Delaware | 1,174,413 | ³ 779,577 |
| District of Columbia | 3,500,803 | 2,191,686 |
| Florida | 5,253,639 | ³ 3,382,483 |
| Georgia | 5,818,685 | 3,494,643 |
| Guam | 260,000 | 173,290 |
| Hawaii | 1,932,005 | 1,368,657 |
| Idaho | 2,370,127 | 1,731,214 |
| Illinois | 17,186,676 | ³ 11,355,868 |
| Indiana | 4,495,044 | 3,100,282 |
| Iowa | 3,462,059 | 2,386,001 |
| Kansas | 2,707,905 | 1,715,838 |
| Kentucky | 3,601,046 | ³ 2,346,621 |
| Louisiana | 2,835,389 | 1,707,129 |
| Maine | 2,011,088 | ³ 1,238,632 |
| Maryland | 6,408,099 | ³ 4,300,583 |
| Massachusetts | 11,066,647 | ³ 7,647,113 |
| Michigan | 25,544,329 | ³ 15,381,134 |
| Minnesota | 6,501,302 | 4,547,667 |
| Mississippi | 3,052,411 | 1,755,408 |
| Missouri | 5,586,502 | 3,159,391 |
| Montana | 1,556,138 | 1,036,647 |
| Nebraska | 1,227,892 | ³ 776,714 |
| Nevada | 1,030,754 | 677,753 |
| New Hampshire | 768,759 | 481,806 |
| New Jersey | 13,693,180 | ³ 8,442,987 |
| New Mexico | 1,595,488 | 971,606 |
| New York | 28,526,947 | 19,924,373 |
| North Carolina | 4,847,948 | 3,311,819 |
| North Dakota | 963,018 | 534,556 |
| Ohio | 19,641,596 | 12,829,050 |
| Oklahoma | 2,097,570 | ³ 1,381,281 |

TABLE 6.—ACTUAL AND ESTIMATED AWARDS FOR WIN PROGRAM EMPLOYMENT AND TRAINING ACTIVITIES AND SOCIAL SERVICES, FISCAL YEARS 1981 AND 1982—Continued

| State | 1981 ¹ | 1982 Revised estimate ² |
|----------------------|-------------------|------------------------------------|
| Oregon | 9,671,995 | ³ 6,199,603 |
| Pennsylvania | 15,729,937 | ³ 10,368,292 |
| Puerto Rico | 2,556,841 | 1,408,554 |
| Rhode Island..... | 2,031,103 | ³ 1,284,217 |
| South Carolina..... | 2,854,262 | 1,672,511 |
| South Dakota | 1,495,491 | ³ 986,837 |
| Tennessee..... | 3,477,271 | ³ 2,258,342 |
| Texas..... | 8,934,651 | ³ 4,710,051 |
| Utah..... | 4,853,373 | 2,724,438 |
| Vermont | 2,481,199 | ³ 1,710,623 |
| Virginia..... | 4,998,382 | ³ 3,266,094 |
| Virgin Islands | 370,192 | 200,702 |
| Washington | 12,290,390 | 9,658,540 |
| West Virginia..... | 4,790,444 | ³ 3,387,483 |
| Wisconsin..... | 13,776,676 | ³ 8,369,710 |
| Wyoming..... | 592,523 | 370,586 |
| Grants..... | 349,960,000 | 225,651,600 |
| Postage..... | 1,000,000 | 1,000,000 |
| Subtotal..... | 350,960,000 | 226,651,600 |
| Reserve | 0 | 5,108,400 |
| Total..... | 350,960,000 | 231,760,000 |

¹ New budget authority issued to employment and training units, and limits of entitlement issued for the separate administrative units.

² Distribution of new budget authority based on continuing resolution through Mar. 31, 1982, using the work incentive program allocation formula. Subject to modification during the fiscal year.

³ Planned WIN demonstrations States funding included.

Source: Department of Health and Human Services.

15. MATERNAL AND CHILD HEALTH (MCH) SERVICES BLOCK GRANT

LEGISLATIVE OBJECTIVE

Title V of the Social Security Act authorizes the Maternal and Child Health (MCH) Services Block Grant which provides funding for the following programs: MCH and crippled childrens (CC) services; supplementary security income services for disabled children; lead-based paint poisoning prevention; genetic diseases; sudden infant death syndrome; hemophilia; and adolescent pregnancy.

Funds are specifically provided under the block grant to: (1) assure mothers and children, particularly those with low incomes or limited availability to health services, access to quality MCH services; (2) reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children; (3) reduce the need for inpatient and long-term care services; (4) increase the number of children, especially preschool children, appropriately immunized against disease, and the number of low income children receiving health assessments and follow-up diagnostic and treatment services; and (5) otherwise promote the health of mothers and children; (6) provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under the supplemental security income program under the Social Security Act; (7) provide services for locating crippled children and for those with conditions leading to crippling; and for medical, surgical, corrective, and other services and care for such children; and (8) provide facilities for diagnosis, hospitalization, and aftercare for crippled children and those with conditions leading to crippling.

ELIGIBILITY CRITERIA

Eligibility criteria may be determined by each State although the statute does place special emphasis on the provision of services to women and children with low income or limited availability to health services.

States may furnish services free of charge to all persons. However, they must provide all their services free of charge to low income persons. The statute defines these persons as individuals or families with an income determined to be below 100 percent of the poverty level defined by the Office of Management and Budget. Under the program, the current poverty level for a family of four, except in Alaska and Hawaii, is \$8,450.

Other persons may pay all or part of the cost for services furnished depending on the service agency's sliding fee scale.

BENEFITS

States determine the level of services. Under title V, States typically have supported such health services as those available in maternity clinics and well-child checkups, immunization programs, vision and hearing screenings, school health services, family planning, dental care, and other traditional MCH services. The statute prohibits States from using their block grant funds for: (1) inpatient services, other than inpatient services provided to crippled children or to high-risk pregnant women and infants and such other inpatient services as the Secretary may approve; (2) cash payments to intended recipients of health services; (3) the purchase or improvement of land, the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or the purchase of major medical equipment, except with special waiver; (4) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or (5) providing funds for research or training to any entity other than a public or nonprofit private entity.

FINANCING

Fifteen percent of the MCH Services Block Grant appropriation in fiscal year 1982, and a minimum of 10 percent and a maximum of 15 percent in subsequent fiscal years must be retained at the Federal level to carry out (1) special projects of regional and national significance, training, and research; (2) funding of genetic disease testing, counseling, and information development and dissemination programs; and (3) comprehensive hemophilia diagnostic and treatment centers. The remaining funds will be distributed among States according to the proportion of funds received in a State in fiscal year 1981 of the total amounts awarded under categorical programs in the block, excluding those programs in the set-aside. If the amount available in fiscal year 1984 exceeds the total amount available for this block grant in fiscal year 1983, the additional amounts would be allotted to the States on the basis of their relative proportion of low-income children.

ADMINISTRATION

The Maternal and Child Health Block Grant is administered by the Office of Maternal and Child Health (OMCH) within the Bureau of Community Health Services (BCHS) in the Public Health Service (PHS) of the Department of Health and Human Services (DHHS). At the State level, State health agencies administer the block grant although the statute provides that States which administer their CC programs through other State agencies as provided on July 1, 1967, may continue to do so.¹ Some State health agencies provide direct health services, but most distribute block grant funds throughout the State to local health agencies and other public or nonprofit private agencies, institutions, or organizations which provide health services.

¹ According to OMCH, all States administer their MCH Block Grants through their State health agency except Oklahoma, where the CC program will continue to be administered by the State welfare agency.

CHARACTERISTICS OF RECIPIENTS

Available national data provide information on the types of services provided and the numbers of persons served under title V. National data are not available on characteristics (i.e. age, income) of persons receiving title V services.

RECENT ENROLLMENT DATA

TABLE 1.—FUNDING FOR TITLE V FOR SELECTED YEARS

| | Amount |
|---|---------------|
| Fiscal year 1970 (actual): | |
| Federal outlays ¹ | \$183,681,000 |
| Budget authority ¹ | 275,000,000 |
| Fiscal year 1975 (actual): | |
| Federal outlays ¹ | 277,395,000 |
| Budget authority ¹ | 350,000,000 |
| Fiscal year 1980 (actual): | |
| Federal outlays ¹ | 370,792,000 |
| Budget authority ¹ | 399,864,200 |
| Fiscal year 1981: | |
| Federal outlays ¹ | 357,400,000 |
| Budget authority ¹ | 399,864,200 |
| Fiscal year 1982: | |
| Federal outlays ² (estimate) | 347,500,000 |
| Budget authority | 373,000,000 |

¹ Includes the maternal and child health (MCH) and crippled children services (CCS) programs. In fiscal year 1981, the following appropriations were made: MCH—\$235,095,000; CCS—\$105,700,000; sec. 516—\$16,605,000.

² For fiscal year 1982, the MCH Block Grant appropriation under the Continuing Resolution for DHHS programs (P.L. 97-92) is set at \$362 million. This funding level is effective only until Mar. 31, 1982, and is subject to a 4-percent reduction according to the Office of Maternal and Child Health, so that the amount available will be \$347.5 million.

TABLE 2.—RECIPIENTS OF MCH AND CC SERVICES

| | 1980 |
|--|-----------|
| Maternal and child health: | |
| Women receiving physician maternity services | \$397,000 |
| Women receiving nursing maternity services | 522,000 |
| Women receiving nurse-midwifery maternity services | 53,000 |
| Women receiving family planning services | 419,000 |
| Children receiving physician services | 2,789,000 |
| Children receiving nursing services | 5,598,000 |
| Children receiving dental services | 1,669,000 |
| Infants admitted to intensive care | 75,000 |
| Children receiving pre-school assessment services | 1,070,000 |
| Crippled children services: | |
| Inpatient | 99,000 |
| Basic and specialty assessments | 766,000 |
| Ambulatory care services | 535,000 |

TABLE 3.—MCH BLOCK GRANT PROVISIONAL ALLOTMENTS, FISCAL YEAR 1982 ¹

| State or jurisdiction | Amount |
|----------------------------|-------------------------|
| Total | \$295,334,387 |
| Connecticut | 2,673,298 |
| Maine | 2,076,606 |
| Massachusetts | 6,672,905 |
| New Hampshire | 1,222,923 |
| Rhode Island | 927,531 |
| Vermont | 1,060,457 |
| | |
| New Jersey | 6,454,315 |
| New York | ^a 21,794,022 |
| Puerto Rico | 8,560,460 |
| Virgin Islands | 806,420 |
| | |
| Delaware | 1,199,292 |
| District of Columbia | 4,679,009 |
| Maryland | 7,293,228 |
| Pennsylvania | 13,880,470 |
| Virginia | 7,086,454 |
| West Virginia | 3,775,110 |
| | |
| Alabama | 6,404,099 |
| Florida | 8,660,893 |
| Georgia | 8,631,354 |
| Kentucky | 6,407,052 |
| Mississippi | 5,252,070 |
| North Carolina | 9,275,309 |
| South Carolina | 6,566,564 |
| Tennessee | 6,315,481 |
| | |
| Illinois | 11,727,062 |
| Indiana | 6,760,034 |
| Michigan | 10,539,587 |
| Minnesota | 5,429,305 |
| Ohio | 12,388,740 |
| Wisconsin | 6,439,546 |
| | |
| Arkansas | 3,860,773 |
| Louisiana | 6,932,850 |
| New Mexico | 2,103,191 |
| Oklahoma | 3,801,695 |
| Texas | 15,100,441 |

TABLE 3.—MCH BLOCK GRANT PROVISIONAL ALLOTMENTS, FISCAL YEAR 1982 ¹—
Continued

| State or jurisdiction | Amount |
|-------------------------|-------------------------|
| Iowa | 3,970,068 |
| Kansas | 2,667,390 |
| Missouri | 7,000,790 |
| Nebraska | 2,404,491 |
| Colorado | 4,153,212 |
| Montana | 1,379,481 |
| North Dakota | 1,104,766 |
| South Dakota | 1,323,356 |
| Utah | 3,665,815 |
| Wyoming | 741,434 |
| American Samoa | 265,853 |
| Arizona | 3,012,998 |
| California | ² 17,023,441 |
| Guam | ² 410,595 |
| Hawaii | 1,284,955 |
| Nevada | 726,664 |
| Northern Marianas | 251,083 |
| Trust Territory | ² 484,443 |
| Alaska | 614,415 |
| Idaho | 1,872,785 |
| Oregon | 3,438,363 |
| Washington | 4,779,443 |

¹ For fiscal year 1982, funds available for State allotments for the MCH Block Grant are estimated to be \$295,392,000. The total amount listed in the above table does not equal this amount because \$57,613 of Indiana's allotment has been withheld due to 1981 audit findings. This amount will be redistributed to the rest of the States at the end of the fiscal year. The above State allotments may be subject to further change should the fiscal year 1982 appropriations change; if funds are withheld from States on the basis of audit findings; or if such funds are used for supplies or equipment furnished the State, or for the pay, allowances, and travel expenses of government officers or employees when detailed to the State.

² These States have not yet entered into the MCH Block Grant. These amounts represent their allotments for individual categorical programs in the block.

Source: Office of Maternal and Child Health, DHHS.

APPENDIX

INCIDENCE OF THE FEDERAL TAX BURDEN: WHO PAYS TAXES?

Introduction: The Changing Contributions of Federal Taxes

Since World War II, close to 95 percent of the Federal Government's annual budget receipts have come from taxes. During the post-war period the major sources of Federal tax revenue have been income taxes levied on individuals and corporations; social insurance taxes and contributions levied on employers, employees, and the self-employed; excise taxes imposed on selected products, services and activities; and estate and gift taxes levied on transfers of wealth.

During the five-year period ending in fiscal year 1980, the relative contribution of these taxes to Federal receipts has been fairly constant. In rough terms, the individual income tax has provided 45 percent, the corporate income tax 12 percent, social insurance taxes and contributions 30 percent, excise taxes five percent, and estate and gift taxes between one and two percent of Federal budget receipts.¹ For fiscal year 1981, the relative contributions of these Federal taxes to total budget receipts are reflected in the following table.

1. 1981 BUDGET RECEIPTS BY SOURCE

| Source | Amount (billions) | Percentage |
|---|----------------------|--------------|
| Individual income taxes..... | \$285.9 | 47.7 |
| Corporation income taxes..... | 61.1 | 10.2 |
| Social insurance taxes and contributions..... | 182.7 | 30.5 |
| Excise taxes..... | 40.8 | 6.8 |
| Estate and gift taxes..... | 6.8 | 1.1 |
| Customs duties..... | 8.1 | 1.4 |
| Miscellaneous receipts..... | 13.8 | 2.3 |
| Total, budget receipts..... | 599.3 | 100.0 |

Source: Budget of the U.S. Government, 1983. OMB. (Percentages are derived.)

¹Source: Federal Government Finances, March 1981 Edition, Budget Review Division, Fiscal Analysis Branch, Office of Management and Budget (OMB).

By way of comparison, the Tax Foundation estimates that of the total governmental revenues raised directly in 1979 (\$329 billion), 60 percent was collected by the federal government, 28 percent by state governments, and 17 percent by local governments. Tax Foundation, Facts and Figures on Government Finance, 1981.

During the last 30 years there have been several major changes in the relative contributions of these Federal taxes to total Federal receipts.²

The contribution of the individual income tax has gradually increased from around 42 percent in 1952, to approximately 48 percent in 1981.

The contribution of the corporate income tax has decreased from around 32 percent in 1952, to approximately 10 percent in 1981.

The contribution of social insurance employment taxes and contributions has increased from around 10 percent in 1952, to approximately 30 percent in 1981.

The contribution of Federal excise taxes (other than the windfall profit tax) has decreased from around 15 percent in the early 1950's, to approximately 4 percent in 1979.

The Crude Oil Windfall Profit Tax Act of 1980 more than doubled Federal excise tax collections, raising \$23 billion in 1981, an amount equal to 3.8 percent of Federal receipts.

Changing contributions of corporate tax, social insurance taxes, excise taxes

Perhaps the most dramatic changes during this period have been the steady increase in the relative contribution of social insurance taxes and the declining relative contribution of the corporate income tax and Federal excise taxes. The Congressional Budget Office has offered several explanations of these changes.³

The increase in social insurance taxes, predominantly taxes and contributions for the social security trust funds, reflects a steady increase in the statutory rates for employment taxes levied on employers, employees and the self-employed. According to CBO estimates, taxes and contributions for social insurance programs averaged 4.5 percent of wages and salaries in the 1950's, 7.0 percent in the 1960's, 11.2 percent in the 1970's, and 13.7 percent in 1981.

The decreasing contribution of the corporate income tax, according to CBO, was also partly attributable to statutory changes, "in particular the institution of and subsequent increase in the investment tax credit and the acceleration of cost recovery deductions for investment expenditures." (Another contributing factor was the decrease in corporate pre-tax profits, during this period, as a percentage of gross national product.)

CBO has concluded that the declining share of Federal excise taxes can be attributed partly to the repeal of various excises, and partly to the "relationship of excise revenues to the volume of transactions rather than to the more rapidly increasing dollar value of these transactions". For example, in 1980 the Government collected some \$24 billion in excise taxes, half of which were taxes on alcohol, tobacco, and gasoline. Many of the taxes on these items, imposed at a flat dollar amount on volume, have remained virtually unchanged since the 1950's, as illustrated in the following table.

² Source: Derived from OMB, footnote 1, supra.

³ Source: Baseline Budget Projections for Fiscal Years 1983-87, Congressional Budget Office, February 1982. The Prospects for Economic Recovery, Congressional Budget Office, February 1982.

2. FEDERAL EXCISE TAX RATES ON SELECTED ITEMS.

| Item taxed | Dec. 31, 1939 | 1951 | 1964 | Apr. 1, 1981 |
|--|------------------|---------|---------|-----------------|
| Liquor taxes: | | | | |
| Distilled spirits (per proof or wine gallon)..... | \$2.25 | \$10.50 | \$10.50 | \$10.50 |
| Still wines (per wine gallon 14 percent alcohol or less)..... | .05 | .17 | .17 | .17 |
| Champagne and sparkling wines (per wine gallon)..... | .40 | 2.72 | 3.40 | 3.40 |
| Fermented malt liquors (per 31 gallon barrel) | 5.00 | 9.00 | 9.00 | 9.00 |
| Tobacco taxes: | | | | |
| Cigarettes (per thousand) weighing not more than 3 lbs | 3.00 | 4.00 | 4.00 | 4.00 |
| Manufacturers' excise taxes: | | | | |
| Lubricating oil (per gallon) | .04 | .06 | .06 | .06 |
| Gasoline (per gallon) | .01 | .02 | .04 | .04 |
| Tires used on highways (per pound) | .02¼ | .05 | .10 | .10 |

Source: Tax Foundation, Facts and Figures on Government Finance, Tax Foundation 1981.

In the following pages, the operation and incidence of two of the more complex Federal taxes, the individual and corporate income taxes, are described in greater detail.

The Individual Income Tax

The individual income tax has been described as the workhorse of the Federal tax system. The tax is imposed annually, at graduated rates, on individual income, which is principally derived from wages and salaries. Other sources of income include dividends, interest and royalties; gains from dealing in property; distributions from trusts; prizes and awards; and business income from proprietorships, partnerships, and certain corporations.

The annual income tax is premised on a concept of economic "income" designed to distribute the annual cost of government in accordance with each individual's ability to pay. However, some receipts are specifically exempted from the individual tax base to further various legislative policies, such as the exemption of interest on municipal bonds, and the limited exclusion of corporate dividends.

The graduated tax rates applicable to individual taxable income are also designed to distribute the tax burden in accordance with the "ability to pay" principle. Currently, individual tax rates range from 12 percent to 50 percent, with effective rates on capital gains ranging from 4.8 percent to 20 percent.

An individual's annual income tax is affected by various deductions allowed in determining "taxable income", the base amount from which the annual graduated tax is computed. Allowable deductions include amounts that are closely related to an accurate determination of the individual's economic income (e.g., business expenses, casualty losses, bad debts) and other deductions that are allowed in order to further various economic and social policies.

(e.g. residential mortgage interest deduction, accelerated deduction of low income housing rehabilitation costs).

In addition to the deductions allowable in determining taxable income, individuals may also reduce their tax burden by qualifying for various "tax credits" which are directly subtracted from their tax bill. Because a deduction only reduces the tax base on which the income tax is computed, the economic value of a deduction depends on the individual's marginal tax rate. A tax credit, however, is generally worth the same amount to high income and low income individuals.

Because of the many exclusions, deductions, and credits allowable in computing the individual income tax, many individuals with large economic incomes have been able to avoid paying any significant amounts of individual tax. Since 1969, Congress has attempted to deal with this problem by imposing an additional tax designed to require individuals to make a minimum annual contribution to the cost of government. Under present law, individuals are required to pay a "minimum tax" to the extent that they take advantage of certain deductions referred to as "tax preferences". In addition, if an individual has large amounts of income from capital gains, which are taxed at reduced rates, and also uses large amounts of deductions to reduce his individual tax bill, an "alternative minimum tax" will be imposed in lieu of both the regular individual tax and minimum tax on tax preferences.

Analysis of the Individual Income Tax Burden

Available statistics on the incidence of the individual income tax are of limited usefulness in determining the relative tax burden of various income classes, for two major reasons. First, existing tax statistics fail to reflect true economic income, in many cases, because certain income sources are statutorily excluded from taxation, and certain income deferral techniques can reduce taxable income below an individual's real economic income. Secondly, there is considerable uncertainty concerning whether certain taxes imposed on individuals and corporations are effectively shifted to others in the form of higher prices for land, capital, or goods and services. Nevertheless, some rough generalizations can be drawn on the basis of IRS statistics on individual income tax returns, and scholarly analyses of the individual income tax burden. The most recent IRS statistics available on the individual income tax are for returns filed in 1979, for taxable year 1978.

In 1979 the IRS received some 90 million individual tax returns, approximately half of which were joint returns filed by husbands and wives. Another 41 percent of the returns were filed by single people, and seven percent were filed by individuals qualifying as "heads-of-household" (generally, an unmarried individual or separated spouse with a live-in dependent). The remaining 2 percent of returns were largely the separate returns of husbands and wives.⁴

The 90 million returns filed for 1978 reported an aggregate adjusted gross income (after subtracting losses) of \$1.3 trillion. In the

⁴ Source: Derived from Table 1B, Statistics of Income—1978, Individual Income Tax Returns, Internal Revenue Service.

aggregate, this amount reflected the following sources of income, and adjustments to income.

**3. SOURCES OF INCOME AND ADJUSTMENTS CONTRIBUTING TO ADJUSTED GROSS INCOME:
ALL RETURNS FILED FOR TAXABLE YEAR 1978**

| | Percent |
|---|---------|
| Salaries and wages | 84.0 |
| Interest..... | 4.7 |
| Business and profession net profit less loss | 4.0 |
| Pensions and annuities in adjusted gross income | 2.5 |
| Dividends in adjusted gross income..... | 2.3 |
| Capital gains, less losses..... | 1.7 |
| Partnership net profit, less loss..... | 1.1 |
| Small Business Corporation net profit, less loss..... | .2 |
| Farm net profit, less loss..... | .2 |
| Rental net income, less loss..... | .2 |
| Estate or trust net income, less loss..... | .2 |
| Royalty net income, less loss..... | .2 |
| Gains other than capital gains, less loss..... | .1 |
| All other sources..... | .2 |
| Total statutory adjustments (e.g. disability income exclusion, moving expense deduction, employee business expenses, contributions to self-directed retirement plans, alimony paid, etc.) | 1.7 |

Source: Derived from Table 1A, IRS Statistics of Income, footnote 4, supra.

On the basis of \$1.3 trillion of adjusted gross income reported for 1978, the regular income tax paid was \$187 billion, after subtracting \$17 billion of tax credits. The minimum tax for tax preferences contributed an additional \$1.5 billion.

In terms of percentages, the total regular income taxes paid were 14.4 percent of total adjusted gross income, the total amount of individual tax credits were equal to approximately 8 percent of pre-credit taxes, and the total minimum tax paid was less than 1 percent of total adjusted gross income.

Analysis of the individual tax burden by adjusted gross income class

Ideally, statistics on the distribution of the tax burden would be based on a measure of the individual's economic income. The income measure most readily available, adjusted gross income (AGI), is an inadequate measure of economic income because it excludes some income (e.g. interest on tax-exempt bonds, social security benefits, the excluded portion of long-term capital gains) and also fails to exclude some expenses, incurred in the production of income, that are deductible from AGI only if the taxpayer itemizes his deductions. In addition, AGI fails to reflect income from certain activities that is deferred to later years as a consequence of depreciation, and other deductions, in excess of actual economic costs. Because of these limitations the Treasury Department has conducted studies of high income tax returns analyzed under alternative

income concepts. Despite the limitations of AGI as a measure of economic income, some insight regarding the distribution of the individual tax burden can be obtained from IRS statistics using AGI.

Because over 90 percent of the returns filed for 1978 were joint returns and returns of single persons not qualifying as heads of households or surviving spouses, statistics for these returns may provide some sense of the distribution of the individual income tax burden. The following tables, showing the distribution of returns and tax liabilities by adjusted gross income class, roughly illustrate that the largest numbers of income tax returns are filed by relatively lower income taxpayers, while greater portions of the individual income tax burden are borne by relatively higher income taxpayers.

The following tables illustrate the distribution of tax liabilities, by adjusted gross income classes, among joint returns, and single returns.

4. 1978 TAX RETURNS: JOINT RETURNS OF HUSBANDS AND WIVES

[Dollar amounts in thousands]

| Size of AGI | Percent of returns | Total income tax, after credits, plus minimum tax | Total tax as percent of all tax on joint returns filed |
|-------------------------------|--------------------|---|--|
| All returns..... | 100 | \$143,641,372 | 100.0 |
| Under \$2,000..... | 2 | 55,336 | <.1 |
| \$2,000 to \$4,000..... | 2.7 | 3,261 | <.1 |
| \$4,000 to \$6,000..... | 4 | 20,884 | <.1 |
| \$6,000 to \$8,000..... | 5.5 | 231,052 | .1 |
| \$8,000 to \$10,000..... | 5.7 | 803,013 | .5 |
| \$10,000 to \$12,000..... | 6.4 | 1,742,381 | 1.2 |
| \$12,000 to \$14,000..... | 6.8 | 2,914,664 | 2.0 |
| \$14,000 to \$16,000..... | 7 | 4,128,039 | 2.8 |
| \$16,000 to \$18,000..... | 7.4 | 5,505,763 | 3.8 |
| \$18,000 to \$20,000..... | 7.4 | 6,818,119 | 4.7 |
| \$20,000 to \$25,000..... | 16 | 20,056,981 | 14.0 |
| \$25,000 to \$30,000..... | 11 | 19,283,589 | 13.4 |
| \$30,000 to \$50,000..... | 13.8 | 39,234,113 | 27.0 |
| \$50,000 to \$100,000..... | 3 | 21,930,173 | 15.0 |
| \$100,000 to \$200,000..... | .6 | 11,606,390 | 8.0 |
| \$200,000 to \$500,000..... | <.5 | 6,073,373 | 4.0 |
| \$500,000 to \$1,000,000..... | <.1 | 1,681,324 | 1.0 |
| Over \$1,000,000..... | <.1 | 1,552,916 | 1.0 |

Note: Detail may not add to total because of rounding.

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

5. 1978 TAX RETURNS: RETURNS OF SINGLE PERSONS NOT HEADS OF HOUSEHOLDS OR SURVIVING SPOUSES

[Dollar amounts in thousands]

| Size of AGI | Percent of returns | Total income tax, after credits, plus minimum tax | Total tax as percent of all tax on single returns filed |
|--------------------------------|--------------------|---|---|
| All returns | 100 | \$36,158,594 | 100.0 |
| Under \$2,000..... | 20 | 21,584 | <.1 |
| \$2,000 to \$4,000 | 19 | 141,650 | <.5 |
| \$4,000 to \$6,000 | 14 | 1,322,305 | 4.0 |
| \$6,000 to \$8,000 | 12 | 2,567,433 | 7.0 |
| \$8,000 to \$10,000 | 9 | 3,192,934 | 9.0 |
| \$10,000 to \$12,000 | 7 | 3,356,317 | 9.0 |
| \$12,000 to \$14,000 | 5 | 3,574,963 | 10.0 |
| \$14,000 to \$16,000 | 4 | 3,270,009 | 9.0 |
| \$16,000 to \$18,000 | 3 | 2,998,994 | 8.0 |
| \$18,000 to \$20,000 | 2 | 2,508,229 | 7.0 |
| \$20,000 to \$25,000 | 3 | 4,135,960 | 11.0 |
| \$25,000 to \$30,000 | 1 | 2,144,210 | 6.0 |
| \$30,000 to \$50,000 | 1 | 2,774,557 | 8.0 |
| \$50,000 to \$100,000 | .3 | 1,898,948 | 5.0 |
| \$100,000 to \$200,000 | .05 | 1,006,600 | 3.0 |
| \$200,000 to \$500,000 | .01 | 659,238 | 2.0 |
| \$500,000 to \$1,000,000 | <.01 | 254,480 | 1.0 |
| Over \$1,000,000..... | <.01 | 330,183 | 1.0 |

Note: Detail may not add to total, because of rounding.

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

Selected sources of income by AGI class

In the aggregate, the predominant source of income on individual returns is wages and salaries, accounting for 84 percent of total AGI in 1978. It is interesting to note that, in 1981, approximately 75 percent of IRS gross individual tax collections came from amounts withheld by employers on salary and wage payments.⁵

As might be expected, statistics indicate that as incomes rise the proportion of AGI derived from salaries and wages declines, as shown in the following table. The figures indicate that major changes occur in AGI groups larger than \$50,000.

⁵ Source: 1981 Annual Report of the Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service.

6. ALL 1978 RETURNS: PERCENTAGE OF AGI FROM SALARIES AND WAGES, BY SIZE OF AGI

| Size of AGI | Percent |
|--------------------------------|---------|
| All returns | 84 |
| 0 to \$10,000 | 87 |
| \$10,000 to \$20,000 | 88 |
| \$20,000 to \$25,000 | 90 |
| \$25,000 to \$30,000 | 89 |
| \$30,000 to \$50,000 | 83 |
| \$50,000 to \$100,000 | 64 |
| \$100,000 to \$200,000 | 56 |
| \$200,000 to \$500,000 | 44 |
| \$500,000 to \$1,000,000 | 30 |
| Over \$1,000,000 | 16 |

Source: Derived from Table 1.4, IRS Statistics of Income, footnote 4, supra.

In discussions of the individual income tax burden, much attention is given to long-term capital gains, which are subject to favorable treatment by operation of tax provisions excluding from income a portion of such gains (currently 60 percent).

Only a relatively minor amount of AGI, in the aggregate, is derived from net long-term capital gains. In 1978 it amounted to less than 2 percent. But it is interesting to note that the relative distribution of capital gains income, in rough terms, is the opposite of the distribution of wage and salary income. This is shown in the following chart.

7. ALL 1978 RETURNS WITH NET LONG-TERM CAPITAL GAIN: AMOUNT INCLUDED IN AGI (AFTER THE CAPITAL GAINS EXCLUSION) AS PROPORTION OF TOTAL AGI, BY AGI CLASS

| Size of AGI | Included capital gains as percent of AGI |
|--------------------------------|--|
| Under \$10,000 | 1.4 |
| \$10,000 to \$20,000 | .9 |
| \$20,000 to \$25,000 | .8 |
| \$25,000 to \$30,000 | 1.1 |
| \$30,000 to \$50,000 | 1.7 |
| \$50,000 to \$100,000 | 4.0 |
| \$100,000 to \$200,000 | 6.7 |
| \$200,000 to \$500,000 | 11.0 |
| \$500,000 to \$1,000,000 | 18.0 |
| Over \$1,000,000 | 25.0 |

Source: Derived from Table 1C, IRS Statistics of Income, footnote 4, supra.

Sources of income by AGI class

Of the 90 million individual tax returns filed for 1978, approximately 90 percent reported an adjusted gross income less than \$30,000. These returns reported close to 70 percent of the total AGI on individual returns and were responsible for slightly over half of the total individual income tax burden. For this large group of individual returns reporting AGI less than \$30,000, the individual income tax was predominantly a tax on wages and salaries. Over 88 percent of the income reported on tax returns in this group was derived from wages and salaries. The remainder was derived from a variety of sources, predominantly interest (4.5 percent) and profits from business and professional activities operated as sole proprietorships (3.6 percent).

Among the 10 percent of returns reporting AGI over \$30,000, the sources of income are different. As incomes rise the proportion of income derived from wages and salaries decrease sharply. Among the higher income returns, somewhat greater proportions of income are derived from business and professional proprietorships, and partnerships. For returns reporting AGI greater than \$30,000, the most dramatic change is the steady increase, as incomes rise, in the proportion of income derived from dividends and capital gains. The changing sources of income, as incomes rise, is reflected in the following table.

8. 1978 RETURNS SHOWING AGI GREATER THAN \$30,000: PERCENTAGE OF AGI DERIVED FROM VARIOUS SOURCES, BY SIZE OF AGI

| Size of AGI | Wages and salaries | Business and professional proprietorship net income, less loss | Partnership net income, less loss | Interest | Dividends | Included portion of capital gains |
|-------------------------------|--------------------|--|-----------------------------------|----------|-----------|-----------------------------------|
| \$30,000 to \$50,000 | 83 | 5.6 | 1.4 | 4.0 | 2.0 | 1.7 |
| \$50,000 to \$100,000 .. | 64 | 12.0 | 5.0 | 6.0 | 5.7 | 4.0 |
| \$100,000 to \$200,000..... | 55 | 8.5 | 7.0 | 6.1 | 10.0 | 6.7 |
| \$200,000 to \$500,000..... | 44 | 6.0 | 6.0 | 6.4 | 18.0 | 11.0 |
| \$500,000 to \$1,000,000..... | 29 | 5.0 | 4.0 | 6.5 | 27.0 | 18.0 |
| Over \$1,000,000..... | 16 | 7.6 | 2.0 | 6.0 | 32.0 | 25.0 |

Source: Derived from Tables 1C and 1.4, IRS Statistics of Income, footnote 4, supra. Statistics for included portion of capital gains do not reflect capital losses used to offset ordinary income.

Progressivity of the Individual Income Tax: Deductions, Effective Tax Rates, High Income Returns

Statistics on the distribution of the tax burden by adjusted gross income class (AGI class) illustrate the progressive feature of the individual income tax. As the following table for joint returns demon-

strates, as incomes rise, smaller numbers of returns bear increasingly higher proportions of the individual tax burden.

9. 1978 JOINT RETURNS OF HUSBANDS AND WIVES

| Size of AGI | Percent of all joint returns | Total income tax (billions) ¹ | Percent ² |
|-----------------------------|------------------------------|--|----------------------|
| Under \$10,000..... | 20 | \$1.1 | 7.7 |
| \$10,000 to \$20,000..... | 35 | 21.1 | 14.7 |
| \$20,000 to \$25,000..... | 16 | 20.0 | 14.0 |
| \$25,000 to \$30,000..... | 11 | 19.3 | 13.4 |
| \$30,000 to \$50,000..... | 13.8 | 39.2 | 27.0 |
| \$50,000 to \$100,000..... | 3 | 21.9 | 15.0 |
| \$100,000 to \$500,000..... | 3.6 | 39.6 | 27.5 |
| Over \$500,000..... | .02 | 3.2 | 2.2 |

Source: Derived from Table 1.2, IRS Statistics of Income, footnote 4, supra.

¹ After credits and including minimum tax.

² Total income tax as proportion of total income tax liability on all joint returns.

These figures are based on adjusted gross income, before allowing for itemized deductions. Itemized deductions, of course, play an important role in determining the distribution of the tax burden, especially for tax returns reporting adjusted gross incomes greater than \$20,000.

Of the 89.7 million returns filed for 1978, 25.7 million returns claimed itemized deductions. Almost all of these returns reported itemized deductions in excess of the amount of deductions automatically allowed to all taxpayers, by operation of the so-called "zero bracket amount" (a concept roughly equivalent to the "standard deduction" allowed prior to 1977).⁶

Itemized deductions were generally more significant in high income returns. For returns reporting AGI greater than \$20,000, 73 percent reported itemized deductions in excess of the amount automatically allowed to all taxpayers. For returns reporting smaller amounts of AGI, only 13 percent reported such itemized deductions. For returns reporting AGI less than \$20,000 the major items deducted are deductible taxes (29 percent of all itemized deductions), home mortgage interest (26 percent), other interest (12 percent), medical and dental expenses (14 percent) and charitable contributions (10 percent). Among higher income returns the same items are generally responsible for over 90 percent of the itemized deductions. However, as incomes rise the relative importance of each of these items changes.

The following table illustrates the relative importance of various deductions, by AGI class, for all returns itemizing deductions and reporting AGI greater than \$20,000.

⁶Source: Statistics on itemized deductions are derived from Table 2.1, IRS Statistics of Income, footnote 4, supra.

10. 1978 RETURNS CLAIMING ITEMIZED DEDUCTIONS—AMOUNT OF DEDUCTIONS AND PERCENTAGE OF ALL DEDUCTIONS BY INCOME CLASS

[Amounts in billions]

| Size of AGI | Total Itemized deduc- tions | Excess Itemized deduc- tions | Medical and dental | | Taxes | | All interest | | Home mortgage interest | | Contributions | | Percent of all other deduc- tions |
|-------------------------------|--------------------------------------|---------------------------------------|-----------------------|--------------|--------|--------------|--------------|--------------|---------------------------|--------------|---------------|--------------|---|
| | | | Amount | Per- cent | Amount | Per- cent | Amount | Per- cent | Amount | Per- cent | Amount | Per- cent | |
| Over \$1,000,000..... | 1.0 | 1.0 | 0.002 | <1 | 0.283 | 28 | 0.185 | 19 | 0.007 | <1 | 0.471 | 47 | <6 |
| \$500,000 to \$1,000,000..... | 1.0 | 1.0 | .007 | <1 | .321 | 32 | .212 | 21 | .021 | 2 | .364 | 37 | <10 |
| \$200,000 to \$500,000..... | 3.2 | 3.0 | .044 | 1 | 1.2 | 37 | .815 | 25 | .155 | 5 | .854 | 27 | <10 |
| \$100,000 to \$200,000..... | 6.6 | 5.7 | .134 | 2 | 2.8 | 42 | 1.9 | 29 | .707 | 11 | 1.3 | 20 | <7 |
| \$50,000 to \$100,000..... | 17.3 | 13.0 | .568 | 3 | 7.3 | 42 | 5.7 | 33 | 3.2 | 18 | 2.4 | 14 | <8 |
| \$30,000 to \$50,000..... | 41.5 | 24.0 | 1.9 | 5 | 17 | 41 | 15 | 36 | 10 | 24 | 4.7 | 11 | <7 |
| \$25,000 to \$30,000..... | 23.2 | 11.0 | 1.3 | 6 | 8.7 | 38 | 9 | 39 | 6.3 | 27 | 2.4 | 10 | <7 |
| \$20,000 to \$25,000..... | 27.7 | 12.0 | 2.0 | 7 | 9.6 | 35 | 11.2 | 40 | 7.7 | 28 | 2.8 | 10 | <8 |

Source: Derived from Table 2.1, IRS Statistics of Income, footnote 4, supra.

As incomes rise, there are several clear and consistent trends. Medical and dental deductions sharply decline in importance. Taxes slowly increase in relative importance until incomes approach \$200,000, thereafter gradually decreasing to approximately the same relative proportion as that found in the lowest income returns. The importance of interest deductions decreases, as incomes rise, but the importance of interest expenses other than home mortgage interest increases, from 12 percent for the lowest income returns, to almost 20 percent for the highest income returns. Perhaps the most interesting statistic is the steady increase in the importance of charitable contribution deductions as incomes rise. Among the lowest income returns only 10 percent of itemized deductions are attributable to charitable donations. But this figure steadily increases, with charitable contributions accounting for nearly 50 percent of all itemized deductions for the wealthiest taxpayers. Indeed (treating home mortgage interest and other interest as separate items) charitable contributions are the single largest source of deductions for all returns with incomes over \$100,000.

Typical effective tax rates for various income groups

In discussing individual tax burdens, perhaps the most meaningful statistic is the effective tax rate imposed on the typical taxpayer. The effective tax rate is the proportion of total income (here, adjusted gross income) that is paid in federal income taxes. Rather than using average figures, the following tables attempt to identify a "typical" taxpayer's effective tax rate by identifying the effective tax rates (using IRS statistics) where the vast bulk of the taxpayers with income tax liabilities are to be found, in each income class.

11. 1978 RETURNS WITH INCOME TAX LIABILITY: NUMBER OF RETURNS IN 3 MOST FREQUENTLY OCCURRING EFFECTIVE TAX RATE GROUPS (TAX AS PERCENT OF AGI) BY AGI CLASS

| Size of AGI | Number of returns with tax liability | Effective tax rate groups (percent) | | | | | | | | | Percent of returns in 3 most frequent tax rate groups |
|------------------------------|--------------------------------------|-------------------------------------|------------|------------|-----------|-----------|---------|---------|--------|--------|---|
| | | Under 5 | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | 30-40 | 40-50 | 50-70 | |
| Over \$200,000 | 68,408 | | | | | | | 17,970 | 27,404 | 13,388 | 85 |
| \$100,000 to \$200,000 | 284,208 | | | | | | 33,776 | 154,808 | 56,112 | | 86 |
| \$50,000 to \$100,000 | 1,460,169 | | | | | 416,155 | 441,233 | 301,098 | | | 79 |
| \$30,000 to \$50,000 | 6,495,225 | | | 1,246,625 | 3,196,523 | 1,520,475 | | | | | 92 |
| \$20,000 to \$30,000 | 13,843,171 | | 1,390,614 | 7,327,963 | 4,169,466 | | | | | | 93 |
| Under \$20,000 | 46,534,124 | 10,322,330 | 18,411,786 | 14,282,645 | | | | | | | 92 |

Source: Derived from Table 3.5, IRS Statistics of Income, footnote 4, supra.

These statistics illustrate the general progressivity of the income tax for upwards of 80 percent of the returns filed with income tax liability.

Despite these encouraging aggregate statistics, much attention has been given in recent years to the problem of the high income individual with little or no income tax liability. As the previous discussion has indicated, statistics based on adjusted gross income are of limited value since they fail to reflect the tax avoidance opportunities present when AGI does not reflect the taxpayer's real economic income. Nevertheless, statistics based on AGI can be of some value in judging the magnitude of the problem, apart from issues associated with exclusions from AGI and adjustments to AGI in excess of real economic losses.

The first table below illustrates the surprising infrequency of high income returns reporting no tax liability. In 1978 only 98 returns with incomes greater than \$200,000 reported no tax liability, a figure representing less than 0.2 percent of the returns filed in that income class.

12. HIGH INCOME NONTAXABLE RETURNS (1978)

| Size of AGI | Number of returns filed | Nontaxable returns | Percent nontaxable under— |
|-----------------------------|-------------------------|--------------------|---------------------------|
| Over \$200,000..... | 68,506 | 98 | <0.2 |
| \$100,000 to \$200,000..... | 285,309 | 1,101 | .4 |
| \$50,000 to \$100,000..... | 1,471,406 | 11,237 | .8 |

Source: Derived from Table 3.4, IRS Statistics of Income, footnote 4, supra.

Perhaps of greater significance, the following table illustrates the infrequency of high income returns reporting low effective tax rates. For example, among returns reporting AGI over \$200,000 less than 6 percent reported tax liabilities at effective tax rates lower than 20 percent, and among returns with AGI between \$100,000 and \$200,000, only slightly over 7 percent reported effective tax rates lower than 20 percent.

13. HIGH INCOME RETURNS WITH LOW EFFECTIVE TAX RATES (1978)

| Size of AGI | Number of returns filed | Effective tax rates—total tax as percent of AGI | | | | | | | |
|-----------------------------|-------------------------|---|----------|--------|----------|--------|----------|---------|----------|
| | | Under 5 | | 5-10 | | 10-15 | | 15-20 | |
| | | Number | Per-cent | Number | Per-cent | Number | Per-cent | Number | Per-cent |
| Over \$200,000..... | 68,408 | 423 | <1.0 | 826 | 1.2 | 943 | 1.4 | 1,562 | 2.3 |
| \$100,000 to \$200,000..... | 284,208 | 3,183 | 1.1 | 3,655 | 1.3 | 5,329 | 1.9 | 8,070 | 2.8 |
| \$50,000 to \$100,000..... | 1,460,169 | 23,015 | 1.6 | 25,959 | 1.8 | 56,416 | 3.9 | 177,269 | 12.0 |

Source: Derived from Table 3.5, IRS Statistics of Income, footnote 4, supra.

Available statistics on these high income returns do not provide detailed information on the importance of the minimum tax in maintaining the progressivity of the individual tax, by ensuring that high income individuals contribute significantly to Federal tax

receipts. Nevertheless, it is interesting to note the relative insignificance of the minimum tax, as an overall factor in increasing the aggregate tax liability of high income taxpayers. The following table illustrates the total number of returns, and the number of returns with tax preference items and minimum tax liabilities, in various income classes. The table also shows the relative amounts of total tax liability, and "add-on" minimum tax liability for returns in various income classes.

14. MINIMUM TAX LIABILITIES AND TAX PREFERENCES BY AGI CLASS (1978)

| Size of AGI | Number of returns | Number of returns reporting tax preferences | Number of returns reporting minimum tax liability | Total tax for all returns (billions) | Total minimum tax for returns reporting minimum tax (millions) | Minimum tax liability as percent of total tax for all returns |
|-------------------------------|-------------------|---|---|--------------------------------------|--|---|
| Over \$1,000,000..... | 2,041 | 1,460 | 807 | \$2.0 | \$124 | 6.2 |
| \$500,000 to \$1,000,000..... | 6,581 | 4,251 | 2,154 | 2.0 | 102 | 5.1 |
| \$200,000 to \$500,000..... | 59,884 | 26,779 | 13,278 | 6.9 | 230 | 3.3 |
| \$100,000 to \$200,000..... | 285,309 | 71,986 | 45,061 | 13.0 | 284 | 2.2 |
| \$50,000 to \$100,000..... | 1,471,406 | 144,369 | 125,066 | 24.4 | 349 | 1.4 |

Source: Derived from Tables 3.8 and 1.2, IRS Statistics of Income, footnote 4, supra.

The Corporate Income Tax

Taxation of business income generally

The individual income tax is predominantly a tax on wages and salaries. Business income, and losses, are reflected directly in the income tax only when a business is operated as a sole proprietorship, a partnership, or an electing "small business corporation". In each of these cases the business income of the entity is generally treated as part of the current individual income of the proprietor, partners, or small business corporation shareholders. Nevertheless, these sources of business income represent only a small portion of total individual income, on average less than 25 percent, even for the higher income returns.

Corporate business income is reflected in the individual income tax indirectly, through the taxation of corporate dividends, and gains (usually capital gains) on the sale of a corporate stock, or liquidation or sale of corporate businesses. Among the highest income groups, corporate distributions are a significant source of income for the individual income tax. In addition to the indirect taxes on corporate profits imposed through the individual income tax, corporations themselves are subject to taxation, on the corporate level, through the corporate income tax.

During the 5-year period ending in fiscal year 1980, the corporate income tax provided approximately 12 percent of total Federal revenues. In 1981, the corporate income tax raised \$61.1 billion, slightly over 10 percent of total Federal revenues for that year.

1977 is the latest year for which extensive IRS statistics are available on the corporate income tax. In that year, active corporations filed some 2¼ million returns, reporting \$96 billion in income taxes, and claiming some \$39 billion in offsetting tax credits. The result was a total income tax bill for U.S. corporations of \$57 bil-

lion. That tax bill represented approximately 15 percent of total Federal receipts for 1977, or approximately 8 percent of the gross national product.

Among the 2¼ million corporate tax returns filed for 1977, only 1.4 million reported net income. Even a smaller number of corporations, some 85-percent, had tax liability, after accounting for tax credits.

Distribution of the corporate tax burden

Statistics on the corporate income tax burden strongly reinforce popular notions of the predominance of large corporations in the U.S. economy, as well as their importance to Federal revenues. Almost 50 percent of the total corporate income tax burden for 1977 was borne by a small number of large corporations filing some 790 tax returns. These large corporations each reported annual gross business receipts of over \$500 million, in the aggregate reporting approximately 48 percent of the business receipts reported on all corporate returns.

On the other end of the corporate spectrum, approximately 42 percent of the corporate tax returns were filed by small corporations with gross annual business receipts smaller than \$100,000. In the aggregate, these small corporations reported less than 1 percent of the total business receipts reflected on corporate tax returns, and paid less than 1 percent of the total corporate tax bill.⁷

The following table illustrates these statistics, as well as the relative tax burden of corporations in the middle of the spectrum, with annual gross business receipts between \$100,000 and \$500 million.

15. 1977 CORPORATION INCOME TAX RETURNS

| Size of gross business receipts | Percent | | Amount of corporate taxes paid (millions) | Proportion of total returns filed, percent |
|--------------------------------------|---|------------------------------------|---|--|
| | Proportion of total gross corporate business receipts | Proportion of corporate tax burden | | |
| Under \$100,000..... | <1.0 | <1.0 | \$416 | 42.0 |
| \$100,000 to \$500,000 | 4.6 | 2.0 | 1,178 | 34.0 |
| \$500,000 to \$1,000,000 | 3.7 | 1.7 | 987 | 9.5 |
| \$1,000,000 to \$5,000,000 | 13.0 | 8.2 | 4,688 | 11.0 |
| \$5,000,000 to \$10,000,000 | 6.3 | 5.3 | 3,049 | 1.6 |
| \$10,000,000 to \$50,000,000 | 12.0 | 13.0 | 7,361 | 1.2 |
| \$50,000,000 to \$100,000,000 | 4.5 | 5.4 | 3,086 | .1 |
| \$100,000,000 to \$250,000,000 | 6.3 | 8.4 | 4,796 | <.1 |
| \$250,000,000 to \$500,000,000 | 5.3 | 7.2 | 4,096 | <.1 |
| Over \$500,000,000..... | 43.0 | 47.5 | 27,080 | <.1 |

Source: Derived from Table 7, IRS Statistics of Corporate Income, footnote 7, *infra*.

⁷ Source: Derived from Statistics of Income—1977, Corporation Income Tax Returns, Internal Revenue Service.

The importance of business tax credits in the corporate tax

Corporate income tax statistics plainly illustrate the significance of the various tax credits available to U.S. businesses. In the aggregate, active corporations reported \$96 billion of income tax liabilities, before subtracting the tax credits available under current law. This corporate tax bill was reduced by 40 percent after allowing for \$39 billion of tax credits, predominantly the foreign tax credit (\$26 billion) and the investment tax credit (\$11 billion).

The foreign tax credit is designed to permit U.S. corporations to avoid U.S. taxation of their foreign business operations, to the extent those operations are already subjected to a foreign income tax. By claiming a credit for foreign income taxes paid on foreign source income, the corporation is permitted to substitute the income taxes paid to the foreign jurisdiction for the U.S. taxes that would otherwise be imposed on the U.S. corporation's income from foreign sources. In general, the credit is designed to further a policy promoting the efficient allocation of corporate investment on a world wide basis, without regard to the tax burdens imposed in various countries.

In the aggregate, the \$26 billion of foreign tax credits claimed in 1977 were directly responsible for eliminating 27 percent of the corporate tax bill that year. Obviously, the foreign tax credit is available only to taxpayers with foreign operations subject to foreign income taxes. It is nevertheless interesting to note the relative importance of the credit to different industry groups.

In 1977, more than 58 percent of the foreign tax credits were claimed by companies involved in oil and gas extraction, and another 15 percent were claimed by companies involved in petroleum refining, and other companies engaged in the manufacture of energy. 28 percent of the foreign tax credits were claimed by all manufacturing industries other than energy manufacturing. The remaining nine or ten percent of foreign tax credits were distributed among all other industries.

The importance of the foreign tax credit to the energy industry, and in particular to large energy companies, is illustrated by the following tables indicating the extent to which precredit tax liabilities are offset by foreign tax credits.

16. ALL RETURNS—FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL INCOME TAX LIABILITY BEFORE ALLOWING FOR ANY TAX CREDITS: BY INDUSTRY CLASSES (1977)

| | Percent |
|--|---------|
| All industries | 27 |
| Oil and gas extraction | 94 |
| Petroleum and other energy manufacturing | 51 |
| Other manufacturing | 15 |

Source: Derived from Table 2, IRS Statistics of Corporate Income, footnote 7, supra.

17. ALL INDUSTRIES—FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL INCOME TAX LIABILITY BEFORE ALLOWING FOR ANY TAX CREDITS: BY SIZE OF ASSETS AND SIZE OF CORPORATE BUSINESS RECEIPTS (1977)

| | Percent |
|--|---------|
| All returns | 27 |
| 2,025 returns with corporate assets greater than \$250,000,000 | 39 |
| 790 returns with business receipts over \$500,000,000 | 42 |

Source: Derived from Tables 2, 6, 7, IRS Statistics of Corporate Income, footnote 7, supra.

18. FOREIGN TAX CREDITS CLAIMED, AS A PERCENTAGE OF TOTAL TAX LIABILITY BEFORE ALLOWING ANY TAX CREDITS: BY SIZE OF ASSETS WITHIN SELECTED INDUSTRIES (1977)

[Dollar amounts in billions]

| Industry | Number of returns filed | Total tax liability before credits | Foreign tax credit | |
|--|-------------------------|------------------------------------|--------------------|--|
| | | | Amount | As percent of tax liability before credits |
| Oil and gas extraction: | | | | |
| All companies | 10,672 | \$14.8 | \$13.9 | 94 |
| Companies with assets over \$250,000,000 | 29 | 14.2 | 13.8 | 97 |
| Energy manufacturing: | | | | |
| All companies | 1,201 | 7.9 | 4.0 | 51 |
| Companies with assets over \$250,000,000 | 33 | 7.7 | 4.0 | 53 |
| Other manufacturing: | | | | |
| All companies | 229,948 | 39.5 | 6.1 | 15 |
| Companies with assets over \$250,000,000 | 466 | 25.6 | 5.6 | 22 |

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

The investment tax credit is also designed with investment policy in mind. It is designed generally to stimulate capital investments by U.S. businesses. The credit is allowed for businesses making investments in depreciable property (other than investments in buildings, with some exceptions). The allowable credit is generally equal to 10 percent of the cost of the investment.

The investment tax credit is utilized predominantly by two major industrial groups, manufacturing (including energy manufacture) and transportation and public utilities. The statistics for the latter group are most interesting. Transportation companies and public utilities claimed almost 40 percent of the total credits, while their share of the precredit corporate tax was less than 10 percent. Through the use of the investment credit, these companies offset 46 percent of their precredit tax liability, four times the all-industry

average. Moreover here (as in the foreign tax credit statistics) it is noteworthy that 92 percent of the credits used by transportation companies and public utilities were claimed by large companies with assets valued at more than \$250 million.

These statistics, and other characteristics of investment credit usage, are displayed in the following chart.

19. USE OF ITC BY INDUSTRY GROUPING (1977)

| Industry | Total tax before credits (billions) | ITC (billions) | Percent of all ITC claimed | ITC as percent of total tax before credits |
|--------------------------------------|-------------------------------------|----------------|----------------------------|--|
| All industries | \$96.3 | \$11.0 | 100 | 11 |
| All manufacturing | 47.4 | 4.6 | 42 | 10 |
| Transport and public utilities | 8.9 | 4.1 | 37 | 47 |
| Other | 40. | 2.3 | 21 | 6 |

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

20. USE OF ITC BY LARGEST CORPORATIONS WITHIN SELECTED INDUSTRY GROUPS (1977)

[In percent]

| Industry | Proportion of total corporate tax before credits | Proportion of total corporate tax after ITC, percent | Percent of ITC | Proportion of ITC used by largest corps ¹ |
|--------------------------------------|--|--|----------------|--|
| All industries | 100.0 | 100 | 100 | 74 |
| All manufacturing | 49.0 | 50 | 42 | 76 |
| Energy manufacturing | 5.6 | 5 | 9 | 98 |
| Transport and public utilities | 9.2 | 5.6 | 37 | 92 |

Source: Derived from Tables 2, 6, IRS Statistics of Corporate Income, footnote 7, supra.

¹ Corporations with assets over \$250 million.