

**JOINT LEGISLATIVE  
AUDIT AND REVIEW  
COMMISSION**

**THE  
VIRGINIA  
GENERAL  
ASSEMBLY**

**THE GENERAL RELIEF  
PROGRAM IN VIRGINIA**

A report in a series focusing on individual and family services  
programs in the Commonwealth \*

September 8, 1980

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## THE GENERAL RELIEF PROGRAM IN VIRGINIA

September 8, 1980

Joint Legislative  
Audit and Review  
Commission

**General relief** is a welfare program which offers financial assistance to needy persons who are not eligible for federal income maintenance. The program is funded entirely by the Commonwealth and its localities. Approximately \$10.2 million was spent during FY 1979 to aid about 6,500 clients each month.

The program has been established by the General Assembly on a local option basis, which allows a locality to provide assistance in accordance with its own perceived need and funding capacity. During FY 1980, every locality in the State except Caroline, Lunenburg, and Floyd counties participated in the general relief program.

The assistance offered across the State varies, however, from one or more emergency services,

such as payment of a single utility bill, to long-term monthly cash grants. Localities often offer several combinations of emergency and continuing maintenance services. Although general relief is commonly viewed as a temporary assistance program, about 38 percent of all recipients have been clients for more than one year. Ninety percent of all program expenditures are for continuing maintenance services.

Localities determine the services and payment levels for their programs and the State Department of Welfare (SDW) sets statewide standards for eligibility and benefits. Thus, both State and local welfare agencies are responsible for some aspect of the efficient and appropriate use of general relief.

### A JLARC REPORT SUMMARY

The Department of Welfare and local welfare agencies need to address management problems that stem from (1) assumptions that the general relief program requires little monitoring; (2) insufficient training of local workers; (3) poor communication of complex program policies; and (4) lack of adequate management information.

#### Case Errors (pp. 11-20)

In approximately 24 percent of general relief cases, JLARC found that local eligibility workers made errors which resulted in incorrect payments or payments to ineligible persons. The cost of these errors was estimated to be at least \$1.3 million and possibly as high as \$2.2 million during FY 1980. Additional cases had errors where procedures for determining eligibility and protecting recipients were not followed.

*Payment Errors.* JLARC and SDW staffs conducted separate desk reviews of 378 representative case files. These reviews revealed significant errors, such as providing general relief assistance to clients eligible for federal programs or with income in excess of allowable limits; failing to document eligibility; and incorrectly calculating benefits. The cost associated with these errors was found to average \$111 per case monthly.

SDW identified clear-cut eligibility and payment errors in 14.8 percent of the cases it reviewed.

Another 14.8 percent of the cases were identified as potentially ineligible or having payment errors, but additional field investigation was required to confirm information contained in the case record. Distribution of case errors by type of error is shown below.

GENERAL RELIEF ERRORS  
BASED ON SDW REVIEW

	Number of Cases	Percent
ELIGIBILITY/PAYMENT ERROR		
Ineligible	34	9.0%
Overpayment	21	5.5
Underpayment	1	0.3
POTENTIAL ELIGIBILITY/ PAYMENT ERROR		
Subject to field confirmation	<u>56</u>	<u>14.8</u>
Subtotal	112	29.6
OTHER PROCEDURAL ERROR	139	36.8
NO ERROR FOUND	<u>127</u>	<u>33.6</u>
Total Cases Reviewed	378	100%

**Procedural Errors.** Although procedural errors do not necessarily result in an incorrect payment, they do indicate failure of workers to comply with program policies. For example, SDW requires timely reevaluation of cases to determine continued eligibility for general relief. However, local agencies did not examine cases within required time limits in six percent of the cases reviewed. Additionally, local agencies did not assign protective payees as required to 34 percent of clients with diagnosed alcohol or drug abuse problems. Protective payees ensure that clients receive basic food and shelter.

**Improved Monitoring.** In addition to the desk reviews conducted by JLARC and SDW staffs, field reviews of 60 cases were conducted by SDW's Quality Control Unit. The field reviews were intended to independently verify client eligibility findings made in the desk reviews.

There was a high degree of concurrence between the JLARC desk reviews and the quality control field review, indicating that low-cost case readings can be effective in identifying the extent and nature of errors in the general relief program. These findings can then be used to clarify policy and identify required training for workers in each locality.

SDW should develop mechanisms for monitoring casework in the general relief program. SDW

could require that in-depth supervisory reviews be conducted routinely by local agencies. Regional specialists should conduct desk reviews on a sizable number of general relief cases in each local agency at least annually. Periodic field reviews should be made by quality control staff at local agencies which are large users of general relief or which appear from desk reviews to have high error rates.

## Causes of Errors (pp. 20-31)

Case errors result primarily from misinterpretation of program policies or inadequate verification of client information. These problems are created by unclear or poorly communicated policy and inadequate training of workers.

**Application of Policy.** Eligibility criteria for general relief are not consistently understood or applied within or among local welfare agencies. Consequently, an eligibility determination by two different workers for the same client could range from a finding of ineligible to eligible for a full range of benefits.

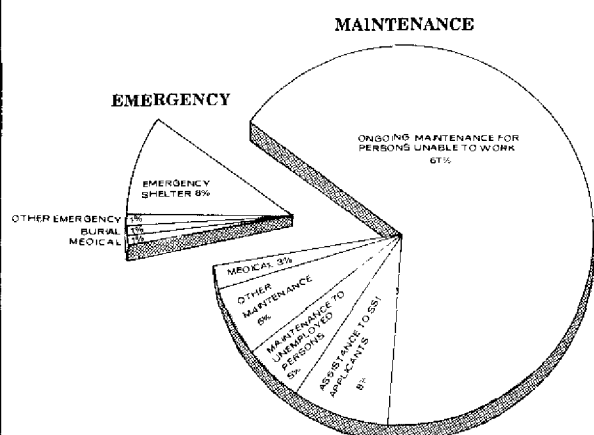
As part of the study, local eligibility workers were surveyed to test knowledge of general relief policies and application of policy to typical cases. Worker responses to questions about policy and client eligibility were widely divergent. The most serious discrepancies occurred when clients had income, when disability was questionable, and when applying local eligibility criteria for emergency assistance.

SDW needs to clarify policies about which workers are unsure and take steps to improve the general relief manual. Consideration should be given to establishing, to the extent feasible, consistent eligibility requirements for emergency assistance. In addition, the department should develop appropriate training programs for general relief.

**Verification of Eligibility.** The general relief program manual does not provide workers with guidance on verifying income, assets, medical disability, and other eligibility factors. Consequently, local agencies have developed inconsistent procedures for verifications, and workers do not generally use available information on client eligibility.

Virginia Employment Commission, Social Security Administration, and local property records reviewed by JLARC all revealed instances of unreported income and resources. These documents are easily accessible to local agencies. In fact, they are routinely used for quality control reviews of federal programs.

## GENERAL RELIEF EXPENDITURES AND PROGRAM COMPONENTS



Component	Percent of Localities Offering Components	Estimated FY 1980 Expenditures
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### MAINTENANCE

Ongoing maintenance for:		
– persons unable to work	77%	\$ 7,137,000
– unemployed persons	13	520,000
– unattached children	29	287,000
– persons in institutions	30	297,000
Interim assistance for SSI applicants	81	807,000
Ongoing medical assistance	55	308,000

### EMERGENCY

Food	64	53,000
Rent/mortgage payments	63	637,000
Utility payments	65	224,000
Emergency medical assistance	69	96,000
One-time assistance to SSI recipients	36	73,000
Clothing	12	1,000
Aid to transients	64	22,000
Burial	90	159,000
		<u>\$10,621,000</u>

NOTE: General relief is not offered in three counties.

are certified by client physicians, many workers believed that this procedure was often abused. In several instances, client records were found to have conflicting medical statements.

SDW should develop procedures to provide greater control over and consistency in determining medical disabilities for general relief. This should include establishing more precise criteria for evaluating disabilities and revising the medical evaluation form.

## Financial Practices (pp. 35-40)

Since general relief is a local option program, there is variation in the types of assistance and levels of payment available in localities across the State. Within the context of local option, meaningful procedures are required at the State and local levels to plan, budget, manage cases, and exercise fiscal control.

SDW requires each local welfare agency to adopt a general relief plan. The plan is intended to serve as a framework for documenting the types of assistance offered, monitoring reimbursements, and estimating expenditures. As presently construed, however, the plans serve few purposes. In fact, little attention seems to have been given to making State or local fiscal practices more precise.

*Budgeting and Allotment.* Expenditures for the general relief program have been overprojected by an average of \$1.7 million annually during the past three fiscal years. Budgeting problems have resulted from inadequate program and expenditure data, incorrect assumptions about inflation and caseloads, and failure of local agencies to accurately project expenditures.

The allotment process used by SDW for general relief does not encourage local agencies to accurately estimate their expenditures. Local agencies are allotted State funds based on their requests to SDW. However, most agencies significantly overspend or underspend their allotments, resulting in substantial surpluses or the need for supplemental allotments.

SDW should give greater attention to budgeting and allotment procedures to better project expenditures and manage appropriations. Initially, the reliability and accuracy of statistical and financial data should be improved. In addition, local welfare agencies should be encouraged to accurately project expenditures for general relief.

*Reimbursement.* During the first nine months of FY 1980, SDW reimbursed local agencies over \$226,000 for expenditures which did not conform to local plans.

It does not appear to be consistent with law or administrative policy for individuals to receive assistance that is not authorized by local plans. However, the department does not compare monthly reimbursement reports with local plans for compliance. SDW should develop procedures for comparing financial reports with local plans, and make reimbursements only for expenditures which conform with these plans.

**Medical Assistance Payments.** Payment procedures should ensure that appropriate amounts of assistance are used by clients for the purposes intended. However, SDW does not require local agencies to use methods which would ensure that grants for medical assistance are appropriately expended. In one agency, expenses for prescription drugs were simply added to the client's monthly-cash grant. Most agencies make vendor payments to the providers of medical services.

SDW should develop an explicit procedure for making medical assistance payments under general relief and should consider prohibiting direct grants to clients for medical needs.

### **Assessing Program Impact (pp. 40-43)**

As currently prepared, general relief plans cannot be used to fully assess the patterns of assistance across Virginia. Program data are fragmented and are not used to provide an overall picture of general relief. Neither SDW nor local agencies have analyzed needs or expenditure patterns. Nevertheless, some variations among localities and gaps in assistance can be determined.

To assess the impact of general relief and identify service gaps, SDW should develop a consolidated statewide inventory and analysis of

the types of assistance offered and client groups covered by general relief.

### **Case Management (pp. 43-47)**

The adequacy of general relief as a financial assistance program is difficult to assess. Case records do not contain information about the range of services needed or those actually received by a client. In addition to general relief, a client may receive other assistance such as food stamps, social services, and subsidized housing. However, eligibility determination and case records for these programs are separated among several workers or agencies.

To improve the management of client cases, local workers should be aware of the overall needs of clients, and the services being received from other programs and agencies. SDW should develop and provide to local agencies a comprehensive client form which would contain a checklist of services needed and received by each client.

### **Conclusion**

Although general relief represents only a small portion of total expenditures for public assistance in Virginia, it plays a major role in aiding needy persons. As a program of last resort, it fills the gaps among federal assistance programs. As a local option, it is used in various ways by communities to meet local needs with available resources.

Since 1977, SDW has taken several steps to improve the administration of general relief at the State and local levels. However, some problems exist in administrative practices and case management. Improved monitoring and aggressive supervision are needed to ensure efficient and effective management of general relief.

# **JLARC**

*JLARC is an oversight agency of the Virginia General Assembly. Its primary function is to carry out operational and performance evaluations of State agencies and programs.*

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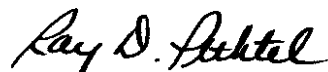
# Preface

The Joint Legislative Audit and Review Commission (JLARC) has responsibility for operational and performance reviews of State agencies and programs. The Legislative Program Review and Evaluation Act requires that some program reviews be made according to a schedule adopted by the General Assembly. This evaluation is the second in a series focused on the Individual and Family Services budget function. The report series was authorized by SJR 133, enacted during the 1979 legislative session. Six legislators who serve on the House Committee on Health, Welfare and Institutions or the Senate Committee on Rehabilitation and Social Services are cooperating in the evaluation process.

General relief is the way by which the Commonwealth provides financial assistance to needy people who are not eligible for federal income maintenance. The report examines the accuracy of the eligibility determination process and assesses key aspects of case management. Two reviews of client case files, one by JLARC and another by the Department of Welfare, found many recipients were ineligible for the program or had received an incorrect payment. These case errors cost the Commonwealth substantial sums of money each year and result in poor service delivery to some clients. In addition, the low priority given the general relief program by State and local agencies over the last few years has resulted in lax case management. The program requires a new commitment for changes in policy interpretation; staff training; program budgeting; and local, regional, and State oversight.

Recommendations to improve the general relief program were adopted by the Commission and cooperating subcommittees on September 8, 1980. The recommendations are explained in the body of this report and are being transmitted to appropriate executive and legislative agencies.

On behalf of the Commission staff, I wish to acknowledge the help provided by the employees of the Department of Welfare and local welfare agencies contacted during the course of the study.



Ray D. Pethtel  
Director

September 24, 1980

# Table Of Contents

	Page
<b>I. INTRODUCTION .....</b>	<b>1</b>
Background .....	1
JLARC Review .....	8
<b>II. ELIGIBILITY MANAGEMENT .....</b>	<b>11</b>
Case Errors .....	11
Cost of Errors .....	18
Causes of Errors .....	20
Conclusion and Recommendations .....	32
<b>III. PROGRAM ADMINISTRATION .....</b>	<b>35</b>
Budgeting and Planning .....	35
Assessing Program Impact .....	40
Case Management .....	43
Conclusion and Recommendations .....	48
<b>APPENDIX .....</b>	<b>51</b>
Technical Appendix Summary .....	52
Agency Responses .....	53



# I. Introduction

The general relief program represents the Commonwealth's long-term commitment to assisting needy people who are not eligible for federal income maintenance programs. It serves these individuals through ongoing cash assistance or through emergency assistance such as the purchase of food, shelter, and clothing. During FY 1979, about \$10.2 million in State and local funds was expended for a monthly caseload of 6,500 clients.

The general relief program was established by the General Assembly as a local option. The State Department of Welfare (SDW) and local welfare agencies are accountable for the efficient and appropriate use of general relief funds to serve eligible clients. Although localities determine the scope and payment limits of their programs, they must adhere to SDW standards for determining eligibility and computing benefits.

Due to minimal State and local scrutiny of the general relief program, loose administrative policies and sloppy case management practices have gone undetected. During the course of this review, it was found that a substantial amount of general relief funds were mistakenly spent or unnecessarily encumbered. In an estimated 24 percent of general relief cases, local eligibility workers made judgmental or procedural errors which resulted in payments to ineligible persons or payments of incorrect amounts of assistance. During FY 1980, SDW reimbursed local agencies at least \$226,400 for expenditures which were not authorized by officially approved or amended program plans. In addition, surplus appropriations resulting from overprojection of expenditures by SDW have occurred during the last four fiscal years.

SDW and local agencies need to vigorously address management problems that stem from (1) the assumption that the general relief program requires little monitoring; (2) insufficient training of local workers; (3) poor communication of complex eligibility requirements; and (4) inadequate planning and reporting data to support budgeting activities. Meaningful training programs, improved management information, and effective oversight are needed to ensure that the general relief program adequately benefits needy individuals.

## BACKGROUND

General relief has existed in the Commonwealth since the 1930s, although legislative and administrative requirements have been more precisely defined in recent years. Since general relief is a local option, the types of assistance offered by localities are permitted to vary. Local agencies develop their programs by selecting from numerous State-defined components.

## History

General relief has always been viewed as a local option program in practice, according to SDW officials, despite a lack of clarity in the enabling legislation. The program has not always been offered by all localities and considerable variation among types of assistance has existed. Nevertheless, prior to 1977 no mention was made of local option in the *Code of Virginia*. The legislation defined general relief as "money payments and other forms of relief ..." and stated that "a person shall be eligible for general relief if such person is in need ..." (Section 63.1-106, *Code of Virginia*).

In the early 1970s, legal action was initiated against some local agencies because of alleged arbitrary and inconsistent administration of the program statewide. Although there were no definitive legal decisions, the court challenges prompted several studies of general relief and significant legislative and administrative changes were made to the program.

- In 1976 the Virginia Advisory Legislative Council (VALC) recognized the diversity of local programs and service gaps across the State. A uniform general relief program statewide was recommended by a VALC task force but, after considering it, the VALC did not recommend it due to anticipated large increases in program costs and caseloads.
- The 1977 session of the General Assembly amended Sections 63.1-87 and 63.1-106 of the *Code of Virginia* to explicitly make general relief a local option program. The legislation now states that "the establishment of and continued participation in such general relief program shall be optional with the local board."
- In 1980 the General Assembly further specified that an individual is eligible for only "such components of the general relief program as the locality chooses to provide."

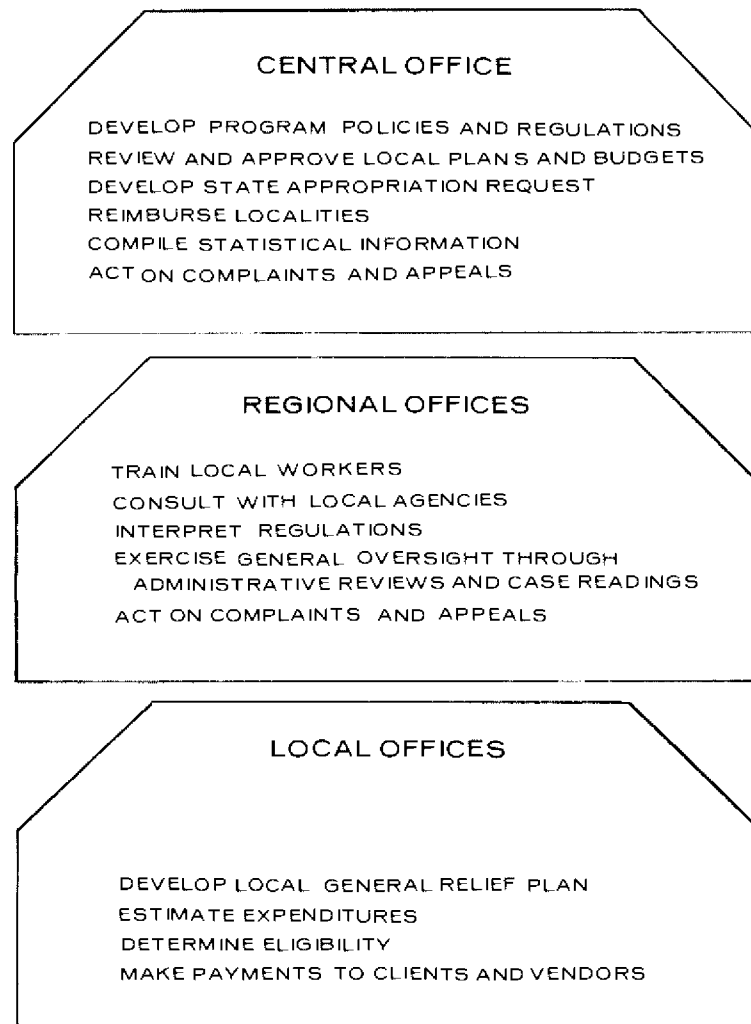
## Administration

SDW made administrative changes in 1977 in response to revised legislation which specified that general relief assistance be made in accordance with the rules and regulations of the State Board of Welfare. Each participating locality was required to adopt a general relief plan and to determine eligibility according to criteria, standards, and procedures developed by SDW.

Administration of general relief is divided among State, regional, and local welfare agencies (Figure 1). SDW is responsible for policy development, supervision, and reimbursement through its central and regional offices. Local agencies have primary operational responsibilities for the program, including assessing

Figure 1

ORGANIZATIONAL RESPONSIBILITIES  
FOR GENERAL RELIEF



community need, determining client eligibility, and making payments. Many of the local functions are circumscribed by State policy.

Utilization

Of the 124 local welfare agencies in the State, 121 offered some form of general relief during FY 1980; only Floyd, Lunenburg, and Caroline counties did not have programs.

*Categories of Assistance.* Local boards of welfare can offer general relief assistance in two principal categories: maintenance and emergency.

- Maintenance consists of ongoing money payments to clients to meet expenses of daily living.
- Emergency is short-term assistance to meet specific client needs such as food, shelter, medical care, or clothing.

Within these two categories, local agencies can select among several components which have been defined by SDW (Figure 2). The most frequently offered forms of assistance are burial, which is offered by 90 percent of local agencies, temporary assistance to applicants for Supplemental Security Income (SSI), and maintenance to persons who are unable to work.

In addition to selecting program components, localities establish the amount of the monthly maintenance grant, the length of time emergency assistance will be provided, certain payment limits, and the types of households eligible for aid. Local choices are recorded in the general relief plan, which is the official program of the agency.

*Expenditures and Caseloads.* Expenditures for general relief were \$10.2 million in FY 1979--a 57 percent increase from FY 1971. SDW reimburses localities for 62.5 percent of allowable program expenditures. Some local agencies spend additional money which is not expected to be reimbursed by the State. For example, some agencies pay clients more for ongoing maintenance than provided for by State standards. In FY 1979, the State spent \$6.2 million and local agencies spent \$4 million for general relief.

Most general relief expenditures are for maintenance payments. Although most agencies offer emergency assistance, this expenditure accounts for only 12 percent of total expenditures. Burial assistance, which is offered by almost all localities, accounts for only one percent of program expenditures.

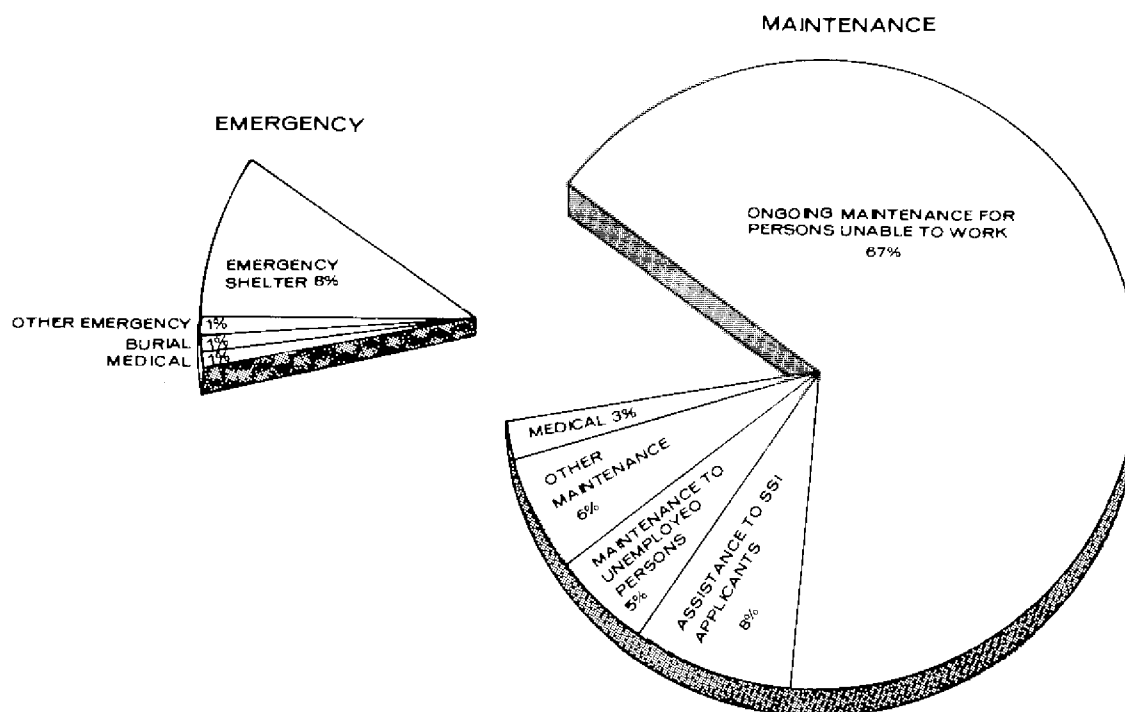
Although program expenditures have risen in recent years, caseloads have declined. Utilization of general relief peaked at 8,900 cases per month in FY 1974, before decreasing to an average of 6,500 cases per month in FY 1979.

### Client Characteristics

General relief serves a wide range of people (Figure 3). The program is commonly perceived by State officials as a short-term assistance program, due most likely to the limited offerings in many localities. However, about 38 percent of all clients have received assistance for more than a year, and over 89 percent of program expenditures are for ongoing maintenance.

Most recipients are unable to work due to mental or physical disabilities, such as hypertension, mental disorders, arthritis, and alcoholism. Client cases reviewed by JLARC indicated

**Figure 2**  
**GENERAL RELIEF**  
**EXPENDITURES AND PROGRAM COMPONENTS**



<u>Component</u>	<u>Percent of Localities Offering Components</u>	<u>Estimated FY 1980 Expenditures</u>
<b>MAINTENANCE</b>		
Ongoing maintenance for:		
— persons unable to work	77%	\$7,137,000
— unemployed persons	13	520,000
— unattached children	29	287,000
— persons in institutions	30	297,000
Interim assistance for SSI applicants	81	807,000
Ongoing medical assistance	55	308,000
<b>EMERGENCY</b>		
Food	64	53,000
Rent/mortgage payments	63	637,000
Utility payments	65	224,000
Emergency medical assistance	69	96,000
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Clothing	12	1,000
Aid to transients	64	22,000
Burial	90	159,000
		<u>\$10,621,000</u>

NOTE: General relief is not offered in three counties.

Source: Compiled by JLARC from SDW financial and statistical reports  
FY 1980.

that general relief recipients typically have few resources and, in some instances, also rely on charitable organizations, family, or friends to supplement their maintenance grants, as illustrated by the following cases.

*A 43-year-old man has received general relief since December 1979. He is disabled because of cirrhosis of the liver and has a history of heavy drinking since the death of his wife a few years ago. The client used to work as a painter and indicated that he does "day work" whenever he can get it.*

*Although his monthly grant is \$121 plus food stamps, his apartment rent is \$145 per month. The client said that he has been able to pay this rent with the help of contributions from various church organizations and some money saved from Christmas gifts. The man does not own a car and has no other resources.*

\* \* \*

*A 45-year-old woman's sole source of income is a monthly general relief check for \$117. She is disabled due to a heart condition, and has been a program client since 1971. The woman shares an apartment with a friend and pays \$65 per month for rent. She buys \$18 worth of medication each month and purchases her groceries with food stamps. She has no car, bank accounts, or other resources.*

\* \* \*

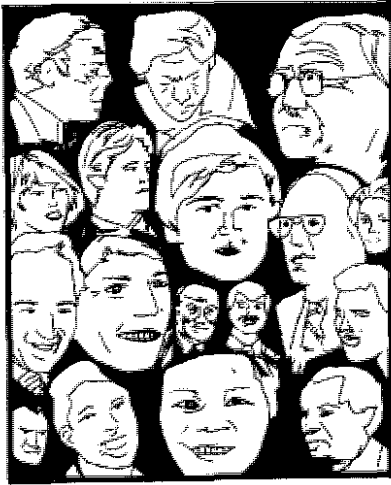
*A 31-year-old woman, disabled because of paranoid schizophrenia, receives a monthly general relief grant of \$199 and food stamps. She is unable to hold a job because of her mental disorder.*

*The woman lives alone in a trailer which is being paid for by her father, but she pays the phone, electric, and gas bills. The client owns a 1973 Pontiac and has a small bank account but no other resources.*

*The woman is receiving counseling and therapy from the community mental health center and is involved in work adjustment training. She expects to be off general relief by the end of the summer.*

Figure 3

PROFILE OF GENERAL RELIEF CLIENTS



- 68 percent are physically or mentally disabled
- Two-thirds have no income or resources
- Median age is 41 years
- Half have less than an eighth-grade education
- Median time on general relief is six months
- 82 percent are not married

Source: JLARC case record review.

Sometimes individuals have financial needs, such as a house payment or utility bill, that cannot be met because of an emergency. General relief may be used to assist individuals on a short-term basis, as illustrated by the following cases.

*A 29-year-old factory worker was laid off from his job in December 1979. He is married and has two young children.*

*The man had no income but was expecting unemployment compensation from the Virginia Employment Commission. However, his rent and electric bills for January were due, and he had no resources to pay them. He received \$100 in general relief for his rent and utilities.*

\* \* \*

*A woman applied for medical assistance for her three-year-old son from a rural welfare agency which only offers emergency assistance. The boy had an ear problem and needed to see a physician.*

*Although the woman had previously received Aid to Dependent Children, she was no longer eligible for this federal program because her husband was now living with the family. The husband had been laid off from his job and had no income or other resources. The family was receiving food stamps.*

*The agency authorized \$12 for a physician visit and \$4.50 for medication to be paid from general relief.*

\* \* \*

*A 19-year-old man was laid off from his seasonal job grading tobacco. The man had no income and was waiting to start vocational training, during which he would receive a stipend.*

*He was living with a friend but needed assistance to pay his rent. The agency paid the man's \$80 rent for January from general relief.*

The general relief program is important because it is the only State program designed to fill the gaps among federal assistance programs such as Aid to Dependent Children (ADC) and Supplemental Security Income (SSI). Many people who do not qualify for these federal programs, because of age, nature of disability, or the absence of minor children in their homes, benefit from State-local maintenance grants or short-term assistance. It is essential that SDW and local welfare agencies administer the program to achieve maximum benefit for these eligible individuals.

#### JLARC REVIEW

The 1978 Legislative Program Review and Evaluation Act provides for JLARC to review selected programs, agencies, and activities of State government, according to a specific schedule. Senate Joint Resolution 133, enacted during the 1979 legislative session, implemented the provisions of the Evaluation Act. During FY 1979-80, SJR 133 directs JLARC to evaluate programs and agencies in the Standards of Living subfunction of the Individual and Family Services budget function.

This review of general relief is the second study prepared by JLARC under the joint resolution. The first study, Homes for Adults in Virginia, was published in December 1979. Study efforts are being coordinated with the House Committee on Health, Welfare and Institutions and the Senate Committee on Rehabilitation and Social Services.

#### Scope

This review focuses on the development, use, administration, and oversight of general relief in Virginia. Although general relief is a local option program administered by local welfare



agencies, SDW has supervisory responsibilities. The JLARC review had three major concerns:

- To assess how general relief is used by localities to meet the needs of their citizens for financial assistance.
- To determine the extent of administrative consistency and uniformity across the Commonwealth.
- To evaluate sufficiency of oversight in the general relief program to prevent errors, fraud, and abuse.

### Methods

To carry out this review, JLARC collected and analyzed data from numerous sources. The lack of statewide information about general relief dictated a case study methodology. Six local welfare agencies, illustrative of different types of local general relief programs and representing approximately 59 percent of general relief expenditures, were studied intensively. Large urban agencies in Norfolk, Richmond, and Fairfax were chosen along with three smaller agencies in Southampton, Smyth, and Washington counties.

The research methodology in the case study localities included:

- Interviews with 50 local staff, including agency directors, supervisors, eligibility workers, and selected administrative personnel.
- A survey of 115 eligibility supervisors and workers to determine their familiarity with general relief policy and procedures.
- A random sample of 383 case records to collect information on client characteristics and to review eligibility decisions and compliance with SDW policy and procedures.

At JLARC's request, the SDW Quality Control Unit reviewed a sample of 60 general relief cases. The purpose of this review was to independently verify eligibility for each of the cases and to determine whether a low-cost file review, such as the one conducted by JLARC staff, could spot eligibility and procedural errors. Regional quality control staff examined case records, made home visits with the clients, contacted banks, employers, and other agencies, and evaluated the findings.

Additional information was gathered through interviews with SDW central office and regional staff, and from general relief program and financial records. A technical appendix, which explains in more detail the methodologies and research techniques used in this study, is available on request.

## Report Organization

This chapter has presented a basic overview of general relief in Virginia. Chapter II reviews the management of eligibility determination for the program. Finally, Chapter III addresses program administration.

## II. Eligibility Management

The State Department of Welfare (SDW) and local welfare agencies are responsible for the efficient and appropriate use of general relief funds. Localities exercise local option in selecting State-defined program components and levels of payment. For selected components, the State Board of Welfare requires that eligibility be consistently determined across the State, in accordance with criteria specified by SDW.

Nevertheless, during the course of this review it was found that local workers often did not apply State policy correctly. About one-fourth of all client cases were found by JLARC to contain payment or eligibility errors. At JLARC's request, SDW made a special review of cases which found eligibility and payment error rates of at least 15 percent, with specific procedural errors found in more than half of the cases. Program expenditures are directly affected when clients are incorrectly determined to be eligible or payments for eligible clients are not correctly calculated. The cost of these errors in FY 1980 was estimated to be between \$1.3 and \$2.2 million.

This magnitude of error has gone undetected because there has been minimal State and local scrutiny of the general relief program. SDW has put greater emphasis on developing policies and procedures, although the department did cooperate fully in desk and field reviews conducted for this study in order to confirm the scope of the problem. It appears that in most cases problems with eligibility management stem from (1) unclear policy requirements, (2) insufficient training of workers, and (3) poor communication. In some instances, failure of clients to report income or resources may constitute fraud or abuse.

### CASE ERRORS

To assess the accuracy and consistency of eligibility determination for general relief, the JLARC review focused on compliance with written SDW policies and procedures. Six local welfare agencies were selected as case studies. These agencies expended 59 percent of all program funds and were illustrative of the range of general relief services and client types. In each locality case files were subjected to desk and field reviews.

- A desk review by JLARC staff of a representative sample of 383 client case files was made to check arithmetic accuracy, file documentation, compliance with policy, timely reassessment, and probable eligibility for federal programs.

- A field review of a subsample of 60 cases was made at JLARC's request by SDW regional quality control staff (persons skilled in verification of eligibility for federal programs). Client eligibility was verified by file reviews, home visits, contacts with banks, employers, and other agencies, and record searches.

Both of these reviews revealed a high error rate. The comparability of findings between the desk and field reviews demonstrated the usefulness of a low-cost, standardized review of case files.

### Eligibility and Payment Errors

Error rates in each locality were primarily attributable to misapplication of policy or insufficient verification of data. The most frequently encountered errors included (1) failing to sufficiently document eligibility; (2) providing State-local general relief assistance to clients who were eligible for federal programs; and (3) making payments to clients with income or resources in excess of allowable limits.

*Range of Error.* Among the six local welfare agencies examined in-depth, total case error in eligibility determination and payments ranged as high as 31 percent of total caseload. The range of error in cases receiving payments during January 1980 is shown in Table 1.

Table 1  
ELIGIBILITY AND PAYMENT ERROR RATES  
January 1980

<u>Locality</u>	<u>General Relief Caseload</u>	<u>Cases Reviewed</u>	<u>Total Cases in Error</u>	<u>Percent in Error</u>
Richmond	1,503	96*	30	31%
Norfolk	1,130	104*	29	28
Fairfax	970	98*	23	23
Southampton	11	11	1	9
Smyth	54	54	9	16
Washington	20	20	0	0

\*A random sample of cases was reviewed; in the other localities, all open cases were reviewed.

Source: JLARC case record review.

Eighty-two percent of the errors found by the SDW field review were ascribed to the local agency. In three instances a

client was at fault for failure to report information. JLARC found that some information was not routinely used by workers even though it was in the client's file or readily accessible from other agencies such as the Virginia Employment Commission.

The quality control review conducted by SDW confirmed the types and extent of error found by the JLARC desk review. Approximately 24 percent of all cases reviewed by JLARC and 30 percent of the cases investigated in the quality control review had errors in eligibility determination or payment (Table 2). Statistical projections based on the representativeness of the JLARC sample and the quality control subsample indicated that 24 percent of all general relief cases each month contained inaccuracies which affected program expenditures.

Table 2  
GENERAL RELIEF CASE ERRORS

<u>Type of Error</u>	<u>JLARC Review</u>		<u>Quality Control Review</u>	
	<u>Number of Cases With Errors</u>	<u>Percent of Cases With Errors</u>	<u>Number of Cases With Errors</u>	<u>Percent of Cases With Errors</u>
INELIGIBLE				
Eligible for Federal Program	24	6.3%	3	5.3%
Eligibility Not Documented	24	6.3	4	7.0
PAYMENT				
Income/Excess Resources	21	5.5	4	7.0
Contributions	12	3.1	2	3.5
Incorrect Payment	11	2.9	4	7.0
TOTAL ERRORS	92	24.1%	17	29.8%

Source: JLARC and SDW case reviews.

*Concentration of Errors.* The same type of error occurred repeatedly within localities. For example, over one-third of Norfolk's errors were in cases that appeared to be or were eligible for the federal Supplemental Security Income (SSI) or Aid to Dependent Children (ADC) programs. This may have occurred because a high proportion (44 percent) of Norfolk's general relief caseload consisted of SSI applicants or children living with adults to whom they were not related. Children living with relatives may be eligible for ADC; needy children unrelated to their caretaker are eligible for general relief. This problem is illustrated by Client Case A.

#### Client Case A

*A woman was receiving a \$99 general relief payment for her four-year-old grandson. The case record included both a paternity statement and custody papers naming the woman as the paternal grandmother of the child.*

*This relationship makes the child eligible for ADC. If ADC eligibility were established, the client could receive up to \$189 monthly.*

In Richmond, 35 percent of the errors were in cases in which the client had income while receiving general relief payments. Client Case B illustrates this type of problem.

#### Client Case B

*A man in his late twenties had received a monthly general relief grant of \$121 since December 1978. He had worked in construction but was disabled from a hernia, diabetes, and alcoholism.*

*A check of Virginia Employment Commission wage records, however, showed that the man had earned at least \$1,100 between April and September 1979, while also receiving general relief.*

This client may not have been eligible to receive general relief if his earnings exceeded the amount of the grant during the period. If earnings were willfully concealed, the man could be subject to prosecution for fraud. The case should be investigated and appropriate action taken to prosecute the case or recover the funds.

It appears that workers in these localities require training in dealing with certain types of eligibility determinations. SDW and local agencies should take steps to monitor casework and identify problem areas which require training of workers.

#### Eligibility Redetermination

A serious procedural error, which was encountered in six percent of all cases, involved failure to redetermine client eligibility on a timely basis. Cases receiving ongoing maintenance assistance are required to be reviewed periodically to verify continuing eligibility for general relief. Review is usually required at six-month intervals, but specific circumstances such as a short-term illness certified by a physician may require more frequent review. The amount of payment received by cases that

were past their review date as of January 1980 is shown in Table 3. Expenditures per case averaged \$450.

Table 3

OVERDUE REVIEWS FOR ONGOING ASSISTANCE

<u>Agency</u>	<u>Number of Cases Past Review Date</u>	<u>Average Number of Months Overdue</u>	<u>Total Assistance Paid After Review Dates</u>
Richmond	5	3	\$ 2,163
Norfolk	11	4	4,852
Fairfax	4	2	1,791
Southampton	0	0	-0-
Smyth	<u>1</u>	<u>14</u>	<u>644</u>
Total	21	4	\$ 9,450

Source: JLARC case record review.

Frequent reevaluation of cases is important to find changes in client circumstances that could affect eligibility. Client Case C illustrates how unreviewed cases can allow ineligible clients to continue receiving general relief.

Client Case C

*A disabled man had been receiving a monthly general relief grant for over four and one-half years. Although maintenance cases are supposed to be evaluated every six months, this client had not been reviewed since November 1978.*

*The case record contained a notice from the Social Security Administration that the client would be receiving Social Security benefits effective June 1979, retroactive to January.*

*When JLARC reviewed the case in February 1980, the client was still receiving a monthly general relief grant of \$119--eight months after Social Security benefits were to begin.*

State policy prohibits clients from receiving dual benefits. If clients willfully fail to notify the agency when other program benefits start, they could be subject to prosecution for fraud. Given the notice in the file, Client Case C at least shows sloppy management.

Timely review of ongoing cases can prevent unnecessary expenditure of State and local funds. SDW should make certain that

localities effectively implement required procedures, such as reminder files, to ensure that workers are aware of review dates and conduct redeterminations as required. Workers should also be better trained to detect changes in circumstances that may lead to potential fraud or abuse.

### Potential Fraud

The potential for fraud exists in the general relief program, as it does in any program where eligibility and payment levels are dependent upon resource and income information reported by applicants. Of the 383 cases randomly selected for this review, four were already under investigation for fraud by local welfare agencies. In one case the client allegedly did not reside in the locality and in the other three cases the clients allegedly had income while receiving general relief grants. These cases were detected through a one-time spot check of Virginia Employment Commission records and tips to the local agency.

Ten additional clients were found by JLARC to have regular income or excess resources which was not reported to the agency while receiving assistance. These clients received over \$9,300 in general relief payments during the period in question. The following cases are illustrative of this problem.

#### Client Case D

*A general relief recipient had been receiving \$99 a month in assistance since November 1977. The client had a physician's statement indicating she was unable to work because of hypertension, arthritis, and obesity.*

*Nevertheless, VEC records showed that the client earned \$5,100 between April 1978 and June 1979 which was not reported to the welfare agency.*

#### Client Case E

*A 40-year-old divorced man was approved for a \$121 per month general relief grant in September 1978. He had to quit his job as a janitor because of a heart attack and problems with his knee.*

*Between October 1978 and June 1979, the man earned over \$900 which he did not report to the agency while receiving general relief. The client's grant should have been reduced.*

It is illegal for clients to give false information in order to receive assistance, and to not report changes in their circumstances to local agencies (Sections 63.1-112 and 63.1-124, Code of Virginia). Regular income, new resources, or changes in



the composition of the assistance unit are examples of reportable changes.

Although a desk review cannot establish willful intent to defraud, these cases clearly demonstrate the potential for abuse of general relief. Local agencies should thoroughly investigate cases for potential fraud and possible prosecution. In addition, agencies should attempt to recover any assistance erroneously granted to the client, as permitted under Section 63.1-133.1 of the *Code*. In any event, the grant should be adjusted or terminated.

### Insufficient Program Monitoring

Although there are mechanisms to monitor worker compliance with program requirements, they are not adequately used at the State, regional, or local levels for the general relief program. To some extent, there appears to be an assumption that local option programs require little monitoring. State Board of Welfare policy requires administrative uniformity, and the degree of error disclosed by this review clearly indicates a need for more regular surveillance.

*Case Reading.* A small number of general relief cases are supposed to be read (1) by regional financial services specialists as part of their ongoing program monitoring responsibilities and (2) during administrative review, a process which is intended to assess overall local agency management on a three-year cycle. However, these processes are not sufficient for in-depth program monitoring and are inconsistently carried out. For example, one regional specialist had never read any general relief cases from one large urban agency, and two case study agencies with serious eligibility problems had never undergone administrative review. In fact, 20 agencies accounting for 54 percent of total general relief expenditures have never had an administrative review.

*Quality Control.* Independent verification of client eligibility is regularly conducted by SDW's Quality Control Unit for ADC, food stamp, and Medicaid programs. Cases from each program are randomly selected on a quarterly basis for in-depth file and field review. The review conducted at JLARC's request for this report was patterned after this process because no regular review is conducted for general relief.

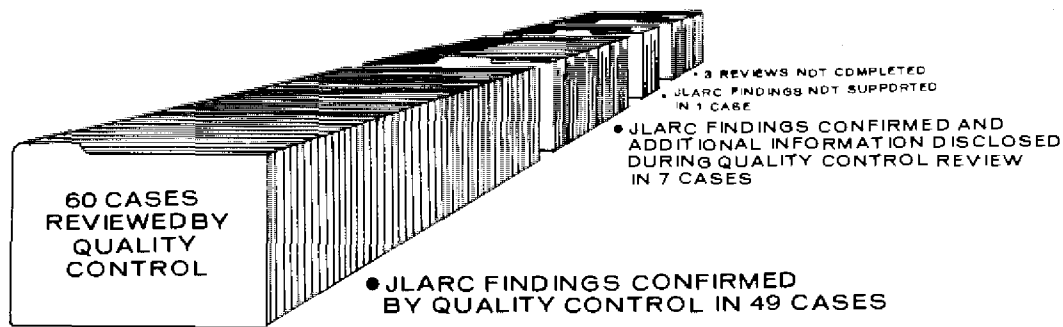
### Improvement of Monitoring

The high degree of concurrence between JLARC's desk review and the quality control review indicates that different levels of monitoring can be effective in identifying the extent and nature of eligibility, payment, and procedural error in the general relief program. Of 57 cases checked by both reviews, the findings of the desk review were confirmed in 49 cases and information in addition to that disclosed by JLARC was found in seven cases

(Figure 4). One potential error cited by the desk review is still being checked.

Figure 4

#### CONCURRENCE BETWEEN JLARC AND QUALITY CONTROL REVIEWS



Source: JLARC and quality control case record reviews.

SDW should develop appropriate levels of review for the general relief program. At the local level, the "Supervisory Case Action Review System" designed by the Fairfax Department of Social Services might be considered for adaptation on a statewide basis. This internal review based on a sample of active cases is used for evaluating worker understanding and application of program policy. The review is not, however, presently geared exclusively toward general relief.

At the State level, regular monitoring should be implemented based initially on including a sizeable number of general relief cases in case readings and administrative reviews. Additionally, the Quality Control Unit should periodically assess eligibility based on a statistically valid sample of cases in selected localities.

#### COST OF ERRORS

To establish an estimate of the cost associated with case errors, SDW regional staff, who were familiar with the general relief program, were requested to conduct a desk review of all cases in the JLARC sample. Whenever possible, the cost associated with eligibility or payment errors was established.

SDW reviewers found that two-thirds of all cases had eligibility, payment, or procedural errors. Almost 15 percent of the

cases were classified as payment or eligibility errors. Fifty-two percent of the cases were classified as procedural errors. Almost one-third of the procedural errors (14.8 percent of the cases) were potential eligibility or payment errors (Table 4).

Table 4

GENERAL RELIEF ERRORS BASED ON SDW REVIEW

	<u>Number of Cases</u>	<u>Percent</u>
ELIGIBILITY/PAYMENT ERROR		
Ineligible	34	9.0%
Overpayment	21	5.5
Underpayment	1	0.3
POTENTIAL ELIGIBILITY/PAYMENT ERROR	<u>56</u>	<u>14.8</u>
Subject to field confirmation		
Subtotal	112	29.6
OTHER PROCEDURAL ERROR	139	36.8
NO ERROR FOUND	<u>127</u>	<u>33.6</u>
Total Cases Reviewed	378	100%

Source: SDW quality control and desk reviews.

The cost associated with eligibility and payment errors was found to be \$6,210, or an average of \$111 per case. If the error rate were 15 percent, it would result in the cost of these errors being \$1.3 million, assuming the cost per case held state-wide.

The costs could be as high as \$2.2 million if the 24 percent error rate found by JLARC were confirmed by additional field reviews. According to SDW, an additional 15 percent of all cases reviewed could be eligibility or payment errors. However, field review would be required to determine conclusively the type of error.

The following examples are typical of cases which SDW classified as procedural errors with the possibility of a payment error.

*A general relief recipient had received a monthly grant of \$99 since November 1977. The individual earned over \$5,000 over a period of 14 months while also receiving general relief.*

*SDW acknowledged that the case was potentially fraudulent but classified the case as a procedural error because of the need to establish*

*the exact amount of earnings applicable to the grant.*

*\* \* \**

*A woman was receiving a general relief grant for her niece as an unattached child. The child's paternal grandmother also lived in the household. This case would be ineligible if either of the relationships would make the child eligible for ADC.*

*The SDW review identified the relationships but listed the case as a procedural error with the need to verify the relationships in the household by a field review.*

*\* \* \**

*A man received a general relief grant of \$121 because of medical disabilities. Local property records revealed that he owned real estate assessed at \$2,400 which was not exempt. Although the resources limit for general relief is \$600, SDW classified the case as a procedural error with the need to follow up on the property ownership.*

*\* \* \**

*A woman was found eligible for a monthly general relief grant of \$199. Although she was found eligible by the agency because of medical disabilities, the physician who examined her did not indicate that she was unable to work.*

*The agency requested further medical documentation but it was not provided by the client or her physician. SDW found this case to have a procedural error with the need to follow up on the medical documentation.*

Regardless of the manner in which cases are categorized, the significant amount of costly error in the general relief program requires an aggressive response. SDW should take steps to accurately determine the causes of incorrect spending and develop corrective action plans to reduce error rates in the general relief program.

#### CAUSES OF ERRORS

Eligibility criteria for general relief are not consistently applied within or among local welfare agencies. Workers are

often unaware of SDW policies and their required application. Consequently, determinations for the same client could range from ineligible to eligible for a full range of benefits.

Case errors result primarily from misinterpretation of program policies and procedures and inadequate verification of client information. Workers do not appear to be fully prepared to implement eligibility criteria developed by SDW. Further problems are created by unclear or poorly communicated policy direction.

### Eligibility Criteria

As part of this review, local eligibility workers and supervisors were surveyed to assess their knowledge of general relief policies and the consistency of eligibility determinations on a range of typical cases. Responses were analyzed according to program policies applicable for the types of assistance offered in each case study locality.

Basic policies with which workers are expected to comply are specified in the general relief manual prepared by SDW. Generally, individuals are eligible for ongoing maintenance or emergency assistance if they are (1) in need of public assistance, (2) not receiving ADC or SSI, (3) U.S. citizens or aliens, and (4) residents of the locality of application.

Specific criteria for emergency assistance are usually left to local agency discretion. For ongoing maintenance assistance, SDW has developed specific criteria that local workers are required to use. Examples include:

- The value of a client's resources cannot exceed \$600, although the value of a residence, one car, and personal effects are exempt.
- Unemployability must be established by a physician or, in special circumstances, by the Department of Rehabilitative Services or the Virginia Employment Commission.
- Recipients who are able to work must register for employment with the Virginia Employment Commission and complete a job search.
- The monthly grant must be reduced by the amount of the client's income.

### Determination of Eligibility and Assistance Levels

When workers do not apply policies correctly, clients may be denied assistance to which they are entitled or the amount of assistance may be incorrect. When presented with typical client

## CASE 1

### Disability

*Ann Kenney's husband died three months ago. Ann now has no income and has spent all of her savings. For the past month, she has been getting by with help from relatives and friends but they can no longer support her. She is 57 and has no dependent children. Ann has a PA-9 disability form, signed by a physician, which shows that she has various chronic medical problems which prevent her from working. Ann says she needs some type of assistance.*

Is Ann eligible for general relief?  
( ✓ indicates correct answer)

	Not Eligible	✓ Eligible	<u>Type of Assistance*</u>		<u>Grant</u>
			<u>Maintenance</u>	<u>Medical</u>	
Richmond	0	8	5	2	\$121
Norfolk	0	13	11	5	\$ 99-\$139
Fairfax	0	14	14	1	\$199
Southampton	0	3	3	3	\$ 95
Smyth	0	1	1	0	missing
Washington	-	-	-	-	-

\*All respondents did not indicate the type of assistance. Some workers granted more than one type of assistance.

situations, worker responses were widely divergent on questions of eligibility and assistance levels.

Local welfare workers were asked to make eligibility decisions on case examples developed by JLARC based on extensive interviews and case file reviews. The situations were typical of the cases normally handled, and the information given was sufficient to make determinations on each case.

None of the respondents had difficulty with Case 1, in which the client was clearly eligible for general relief. The woman had no income or resources and her disability was documented by a physician on an official PA-9 form. All workers responded correctly.

Case 2 presented workers with more difficulty. Generally, the most serious discrepancies occurred in cases where the client had resources from employment. Although the woman in Case 2 had a PA-9 form certifying her inability to work, she also had some

## CASE 2

### Disability and Income

*Mable Johnson is a 53-year-old widow who is unable to work because of obesity and hypertension. She has a PA-9 verifying her medical problems and inability to work. The only income Mabel receives is \$35 in monthly benefits from her late husband's pension and about \$10 per week earned doing light housework.*

Is Mabel eligible for general relief?  
(✓ indicates correct answer)

	Not Eligible	✓ Eligible	Type of Assistance*		Grant
			Maintenance	Medical	
Richmond	3	7	7	2	\$ 43-\$ 76
Norfolk	19	7	7	2	\$ 21-\$ 54
Fairfax	6	12	12	0	\$120-\$154
Southampton	0	3	3	3	\$ 17-\$ 67
Smyth	0	2	2	0	\$29
Washington	-	-	-	-	-

\*Some workers found the client eligible for more than one type of assistance.

earnings and pension benefits. Workers were not adequately aware of how to apply SDW's policy for establishing that a client is unable to work and calculating the amount of an ongoing maintenance grant when the client has income.

In the five case study localities which offer maintenance assistance, the woman should have been found eligible for general relief and the amount of her income deducted from the grant. However, within the same agency some workers found the client to be eligible because she had valid medical documentation of her unemployability, while others indicated that the client was not unemployable because she had income from doing light housework. According to SDW policy, a client with a certified mental or physical disability is eligible for general relief if the "capacity for self-support" is clearly limited.

The amount of the grant also varied considerably. Although variation could legitimately exist among agencies because each establishes its own payment levels, the amount and type of assistance

### CASE 3

#### Shelter Contributions

*Jim Walker has been on general relief for six months. He receives a full monthly grant for maintenance. In your redetermination of Jim's eligibility, you discover that he now resides with his brother, Steve. Jim says that he gives his brother \$10 per week for rent. Steve is evasive when you ask him about rent payments from Jim. He finally says that Jim paid him only once a couple of months ago. The payment was \$10. Steve also says that he doesn't expect Jim to pay him for rent.*

Should Jim's maintenance grant be changed?  
( / indicates correct answer)

	<u>No</u>	<u>Yes</u>	<u>New Grant</u>
Richmond	11	14	\$56-\$65
Norfolk	3	43	\$43-\$50
Fairfax	2	29	\$66
Southampton	2	0	-
Smyth	0	4	\$59
Washington	-	-	-

should be consistent within agencies. Some workers did not deduct the amount earned from the grant. Some workers provided additional assistance for medical care, while others did not.

In Case 3, the eligibility for general relief was already established. In this instance workers needed to decide if the amount of the grant should be adjusted due to a change in the client's living arrangements. According to SDW policy, the grant should be reduced when a client does not have to pay for shelter. In this case, the client's brother was considered to be contributing shelter.

Incorrect application of policies concerning shelter contributions can result in clients receiving overpayments of general relief funds. Some workers in four localities (17 percent of all respondents) would not have reduced the grant, although policy is supposed to be uniformly applied statewide. Overpayments ranged from \$42 per month in Southampton to \$133 per month in Fairfax.



## CASE 4

### Unemployed Individual

*Karen Washington, a middle-aged woman, has just moved to this locality from North Carolina. She says that she will probably live in the area for some time because she has relatives here. Karen has had no income for 30 days, and no job. She has been looking for employment. She needs money for her monthly rent of \$95. Her only resource is \$32.30 in cash.*

Is Karen eligible for general relief?  
(Answers should be consistent in locality)

	Not Eligible	Eligible	Type of Assistance		Grant
			Maintenance	Emergency Rent	
Richmond	19	6	3	3	\$26-\$121
Norfolk	36	10	1	9	\$62-\$ 95
Fairfax	0	31	27	4	\$95-\$199
Southampton	1	0	0	0	--
Smyth	0	4	0	4	\$95
Washington	0	2	0	2	\$95

Worker decisions in Case 4 should be consistent in each agency. The client should be found eligible or ineligible for the same service and the same payment. There could be considerable variation among agencies because all agencies do not offer assistance uniformly to unemployed individuals without families. Workers would have to decide (1) whether an applicable service was offered in the general relief plan, (2) how to handle the woman's cash resource of \$32, and (3) the amount of the grant.

In the urban agencies, the client's ability to secure appropriate benefits would apparently be dependent upon the worker who happened to be handling the case; workers in rural localities were found to have made decisions consistent with local plans. In Richmond, six workers established eligibility for the client in categories not even offered by the locality. Richmond does not offer maintenance assistance for single, unemployed individuals; emergency assistance is only available for families.

In Norfolk, only nine workers found the client to be eligible in the applicable category of emergency rent assistance. Thirty-six workers would have provided no assistance at all. One worker established eligibility in a category not offered by the locality--maintenance assistance for single, unemployed individuals.

Fairfax offers maintenance assistance to unemployed individuals without families and emergency rent assistance. All workers correctly found the woman to be eligible. However, four workers would have provided only emergency rent assistance, while 27 workers would have provided ongoing cash assistance.

Within agencies, worker handling of the \$32 resource was also inconsistent. Workers either ignored the resource or deducted the amount from the grant. SDW policy permits localities to determine how to evaluate client resources in establishing eligibility for emergency assistance. Therefore, variation among agencies is due to local option. However, decisions within agencies should be consistent.

Some of the problems may be caused by differences in policy requirements for maintenance and emergency cases. SDW has clearly established that income must be deducted from the maintenance grant. For emergency cases, inter-agency variation is permitted. The absence of uniform policy for both categories of assistance may create unnecessary confusion.

Case 4 is illustrative of the complex network of policy pertaining to the numerous options from which a locality can select. For example, a locality can choose to provide maintenance assistance and then include or exclude various categories of clients and levels of payment.

A client's eligibility and benefit level should not vary according to the worker handling the case. SDW should take steps to improve the general relief manual and to properly train workers to determine eligibility according to State policies. Consideration should be given to establishing consistent administrative requirements for emergency and maintenance assistance to the extent feasible.

### Policy Interpretation

The case examples showed that workers had difficulty with many aspects of general relief policy. Workers appeared to have less difficulty in responding to questions about single points of policy that are also included in the manual. Nevertheless, some specific points of policy were not uniformly understood (Figure 5).

Workers had the fewest problems with the question about shelter contributions. It appears to be clear to most workers that clients living rent-free should not receive the same maintenance grant as clients who must pay for rent or mortgage out of their

Figure 5

## VARIATIONS IN INTERPRETING SELECTED ASPECTS OF GENERAL RELIEF

## SHELTER CONTRIBUTIONS

SURVEY QUESTION 1: *ALL OTHER THINGS BEING EQUAL, DO CLIENTS WHO ARE LIVING WITH RELATIVES OR FRIENDS RENT-FREE RECEIVE THE SAME MAINTENANCE GRANT AS CLIENTS WHO LIVE BY THEMSELVES? (✓ indicates correct answer)*

	<u>Yes</u>	<u>✓ No</u>	<u>Don't Know</u>
Richmond	7	18	0
Norfolk	4	43	0
Fairfax	3	30	0
Southampton	0	3	0
Smyth	0	4	0
Washington	-	-	-
Total	14	98	0

## ELIGIBILITY FOR EMERGENCY ASSISTANCE

SURVEY QUESTION 2: *ARE EMPLOYED PERSONS ELIGIBLE FOR EMERGENCY ASSISTANCE UNDER GENERAL RELIEF IN THIS LOCALITY? (Answers should be consistent in locality)*

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>
Richmond	8	15	0
Norfolk	22	21	0
Fairfax	30	2	1
Southampton	-	-	-
Smyth	4	0	0
Washington	2	0	0
Total	66	38	1

## MEDICAL ASSISTANCE PAYMENTS

SURVEY QUESTION 3: *DO PAYMENT LIMITS FOR GENERAL RELIEF MEDICAL ASSISTANCE APPLY TO EACH INDIVIDUAL IN THE ASSISTANCE UNIT?\** (✓ indicates correct answer)

	<u>Yes</u>	<u>✓ No</u>	<u>Don't Know</u>
Richmond	4	10	5
Norfolk	22	20	3
Fairfax	7	14	7
Southampton	2	0	1
Smyth	4	0	0
Washington	0	2	0
Total	39	46	16

\*An assistance unit may be composed of one or more individuals residing in the same household

## PROTECTIVE PAYEES

SURVEY QUESTION 4: *DO CLIENTS WHO ARE DISABLED BECAUSE OF ALCOHOLISM RECEIVE A DIRECT CHECK FOR GENERAL RELIEF MAINTENANCE? (✓ indicates correct answer)*

	<u>Yes</u>	<u>✓ No</u>	<u>Don't Know</u>
Richmond	2	23	0
Norfolk	12	33	2
Fairfax	2	30	1
Southampton	2	1	0
Smyth	0	4	0
Washington	-	-	-
Total	18	91	3

Source: JLARC survey.

general relief grant. However, 14 workers did respond incorrectly to Question 1.

Responses regarding emergency assistance for employed persons should be consistent within each agency. Some variation may occur among agencies, since localities are permitted to establish their own specific criteria to implement SDW's broad policy guidelines. However, in two local agencies, approximately half of the respondents answered "yes" while the rest answered "no" to the question.

According to SDW policy, workers are required to document that clients meet one of three conditions: (1) is without available resources, (2) cannot meet the need in question, or (3) the emergency occurred because of a change in circumstances beyond the control of the client. Localities may differ on what circumstances are considered to be beyond control or to result in unavailable resources.

Misinterpretation of policy with regard to medical assistance payment limits results in overpayments. Yet, 39 of the workers incorrectly responded "yes" to this question.

According to SDW, a local agency must establish the same payment limits for an assistance unit regardless of the number of individuals living in the household. Therefore, benefits should be computed for the unit, not for each individual.

Clients who are disabled because of alcoholism should not directly receive cash assistance, according to SDW policy. The general relief check should be sent to a protective payee or the local agency must pay the provider directly for basic items such as food and shelter. However, 18 workers incorrectly replied to the fourth question and three workers did not know.

More attention needs to be paid at State and local levels to ensuring that workers fully understand basic points of general relief policy. Misinterpretations of policy are reflected in the decisions workers make about client cases.

### Worker Preparation

Local eligibility workers do not appear to be adequately prepared to deal with general relief program requirements, although workers surveyed had been employed by their agency for an average of five years. Particular problems existed in the areas of obtaining policy clarification from SDW specialists and training.

*Policy Clarification.* Policy interpretations by SDW staff are not effectively communicated to local workers. The written manual is unclear in several key areas, and only the agency requesting clarification of a policy is typically provided with an answer. However, many of the same kinds of problems exist among local agencies, as illustrated by case errors and the frequency

Table 5

## REQUESTS FOR GENERAL RELIEF POLICY INTERPRETATIONS

<u>Policy</u>	<u>Number of Inquiries*</u>
Definition of income	14
Application of shelter contributions	8
Consideration of resources	7
Application of eligibility requirements for emergency assistance	17
Disability determinations	5
Relationship between general relief and other assistance programs	16
Other	22

\*Inquiries by local or regional agencies from July 1977 to May 1980.

Source: JLARC analysis of SDW information.

with which some policies are questioned. The types of inquiries recorded by SDW staff during a 34-month period are shown in Table 5.

Most requests for policy interpretations are received by regional financial services specialists. According to SDW policy, the specialists have primary liaison responsibility with localities. However, some local workers indicated that they rarely contacted the specialists for clarifications. One eligibility worker in a rural agency has never contacted a regional specialist about general relief. The worker said that, in judgment calls about policy, the judgment of the local agency was just as good as the region's.

SDW should clarify policies about which workers are unsure and routinely distribute policy clarifications to regional personnel and to local agencies when numerous requests indicate a general problem. This would eliminate unnecessary policy inquiries by local agencies and promote a common understanding of general relief policies among all agencies.

*Training.* Training local workers on existing and updated policies should be conducted by regional specialists. Local workers in the six case study agencies indicated that they had received no specific training on general relief from the regional specialists. The high level of errors and inconsistent interpretation of program policy point to the need for worker training.

Regional specialists should evaluate the need for general relief training in their local agencies. This evaluation could be based on a systematic review of cases in each locality, interviews with local workers, and findings of the special case reviews conducted by SDW and JLARC for this study.

### Verification of Resources

Income or assets that are not reported by clients can result in a change in the client's eligibility or in the level of correct payment. Approximately seven percent of the cases sampled by JLARC were found to have income or assets that were not considered at the time of application or redetermination. In some cases the client had failed to report fully, and in other cases the agency had not used information contained in the file. The amount of potential change in payments could not be estimated from existing data, because further follow-up by workers was needed.

The general relief manual does not provide workers with guidance about verification of income, assets, or other resources. Localities have developed procedures ranging from acceptance of the client's claim to manual review of external documents and contacts with other agencies (Table 6).

Table 6

### METHODS OF VERIFICATION

<u>Element of Eligibility</u>	<u>Norfolk</u>	<u>Richmond</u>	<u>Fairfax</u>	<u>Southampton</u>	<u>Smyth</u>	<u>Washington</u>
Income	Occasional VEC clearance	Occasional VEC clearance	Occasional VEC clearance	Client statement	Client statement	Client statement
Assets						
Bank Accounts	Bank clearance	Bank clearance	Bank clearance	Bank clearance	Bank clearance	Bank clearance
Real Estate	Client statement	Land atlas	Client statement	Client statement	Client statement	Client statement
Personal Property	Client statement	Check OMV	Client statement	Client statement	Client statement	Client statement
Life Insurance	View policy or contact agent	View policy or contact agent	View policy or contact agent	Client statement	Client statement	Client statement
Residence	Statement from landlord or neighbor	Check city map	Check street listing	Client statement	Client statement	Client statement
Disability	Accept PA-9	Accept PA-9	Accept PA-9	Accept PA-9	Accept PA-9	N/A

Source: JLARC case record review and staff interviews.

File review did not indicate that any agency routinely used records of the Virginia Employment Commission, computerized lists of recipients of Social Security Administration programs, or local real estate and personal property records. These sources were found useful during the JLARC review. They are easily accessible to local agencies and are regularly used as part of quality control evaluations for other welfare programs.

SDW should require that file checks be implemented for new applicants and for redetermination of eligibility. Review at the time of redetermination may be particularly important to detect fraud in which clients are employed or receiving other benefits concurrent with general relief benefits.

### Verification of Disability

To verify unemployability, local workers are required to accept the most recent physician's medical statement (documented on SDW form PA-9) concerning a client's ability to work. However, many eligibility workers voiced concern that there were some physicians in their communities who would provide certification for virtually anyone.

In several instances, JLARC noted that clients classified by one physician as able to work were later determined by another physician to be disabled. While the condition of the client may have changed, it is also possible that abusive practices may exist. The problem is illustrated in Client Case F.

#### Client Case F

*One client in an urban area had three PA-9's dated within one month by three different physicians. The first two indicated that the client could follow his usual occupation. The last said that the individual could not work. The person was found eligible for general relief.*

Localities are permitted to establish contracts for medical determinations with medical facilities or practitioners. However, no locality has contracted for all of its medical determinations. The Richmond Department of Public Welfare has contracted with the Richmond City Nursing Home for medical examinations of clients who do not have physicians. Approximately 36 percent of general relief clients requiring medicals are examined at the Richmond Nursing Home. Clients are not required to use the nursing home physician, however. In several cases, clients found able to work by the nursing home physician were subsequently certified as disabled by another physician.

SDW should consider requiring local welfare agencies to contract with specific medical facilities, private practitioners, or public health departments for medical examinations. This would provide greater control and consistency in disability determinations. Client rights should be adequately protected through a hearings and appeals process.

## CONCLUSION AND RECOMMENDATIONS

Although general relief represents only a small proportion of total public assistance expenditures, the program plays a major role in assisting needy individuals who do not qualify for ADC or SSI. SDW and local agencies should be accountable for accurate eligibility determinations and appropriate expenditure of funds.

The lack of systematic oversight, unclear and unapplied program policies, inadequate communication of policy interpretations, and a lack of worker training have contributed to a substantial error level and inappropriately expended funds in the general relief program. SDW needs to take a more aggressive role in supervising the general relief program.

*Recommendation (1).* SDW should develop mechanisms for monitoring casework in the general relief program. At the local level, SDW could require that in-depth supervisory review be conducted routinely. The Supervisory Case Action Review System used by the Fairfax Department of Social Services might be considered for implementation.

At the State level, regular monitoring could be conducted by regional financial services specialists. The specialists might conduct desk reviews on a sizeable number of general relief cases in each local agency at least annually. In addition, the SDW Quality Control Unit might periodically review a statistically valid sample of cases in localities which are large users of general relief or which appear to have a significant number of errors based on the desk reviews.

Appropriate action plans should be developed to reduce error rates in the program.

*Recommendation (2).* SDW needs to clarify policies about which workers are unsure and take steps to improve the general relief manual. Consideration should be given to establishing consistent eligibility requirements for emergency assistance to the extent feasible. Policy clarifications should be routinely distributed to all regional and local welfare agencies.

*Recommendation (3).* Regional financial services specialists need to develop appropriate training programs for general relief. The content of the training programs could be based on a systematic review of cases in each locality, interviews with local workers, and the findings of the special reviews conducted by SDW and JLARC for this study.

*Recommendation (4).* SDW should develop guidelines for local workers on how to verify client eligibility, especially in the areas of income, resources, and disability. At a minimum, SDW should require workers to use easily accessible sources of information such as the Virginia Employment Commission wage records, the



State Data Exchange (SDX) maintained by the Social Security Administration, and local property records. These sources should be routinely checked for new applicants and when a client is reviewed for continuing eligibility.

*Recommendation (5).* SDW should consider developing procedures to provide greater control over and consistency in disability determinations for general relief. This might include requiring local agencies to contract with specific medical facilities, private practitioners, or public health departments for medical examinations. The department may also wish to consider procedures used by the Social Security Administration and the Department of Rehabilitative Services for disability determinations. Client rights should be adequately protected through an appeals process.

*Recommendation (6).* SDW should ensure that local agencies effectively implement required procedures for timely redetermination of client eligibility. Local agencies should have adequate "reminder files" so that workers are aware of review dates and conduct regular and special redeterminations as required. Workers should also be trained to detect changes in a client's circumstances that could affect eligibility.

*Recommendation (7).* Local agencies should thoroughly investigate cases of potential fraud. In addition, agencies should attempt to recover any assistance erroneously granted to general relief clients.



# III. Program Administration

Since general relief is a local option program, considerable variation can be expected in types of assistance and levels of payment across the State. Nevertheless, within the context of local option, meaningful procedures are required at State and local levels to plan, budget, manage cases, and exercise fiscal control.

The State Department of Welfare (SDW) is responsible for guiding local program development and for establishing statewide budgetary needs. Local welfare agencies set the limits of general relief offerings and manage individual client cases. However, administrative weaknesses have been indicated in recent years by appropriation surpluses of up to \$2 million, inappropriately reimbursed expenditures, the absence of reliable management information, and inconsistent procedures for monitoring service delivery. Although SDW has taken some steps to overcome recognized problems, additional measures are necessary.

## BUDGETING AND PLANNING

A sound budgeting and planning process is the only way to ensure appropriate levels of funding for a program. Each local welfare agency is required by SDW to adopt a general relief plan which is intended, along with statistical and financial reports, to serve as a framework for documenting service offerings, monitoring reimbursements, and estimating budgets. These documents could also serve as a means of assessing program impact across the State. However, as presently construed, they serve few purposes. In fact, little attention seems to have been given to making State or local practices more precise. Each aspect of financial administration discussed below appears to operate in a manner which "makes do" with existing procedures.

### Budget Estimation

Overprojection by SDW of expenditures for the general relief program has resulted in excess appropriations exceeding \$1.3 million annually during the past four fiscal years. SDW has not insisted on adequate planning or reporting data to support budgeting activities. General relief program expenditures are usually greatly overestimated or underestimated by SDW. The difference between appropriations and program expenditures for fiscal years 1975 to 1980 is shown in Table 7.

According to SDW, surpluses will not occur during the 1980-82 biennium because appropriation requests were reduced by eliminating known surpluses to meet overall agency targets. However, there is little assurance that expenditures have been

Table 7  
STATE APPROPRIATIONS AND EXPENDITURES  
FOR GENERAL RELIEF

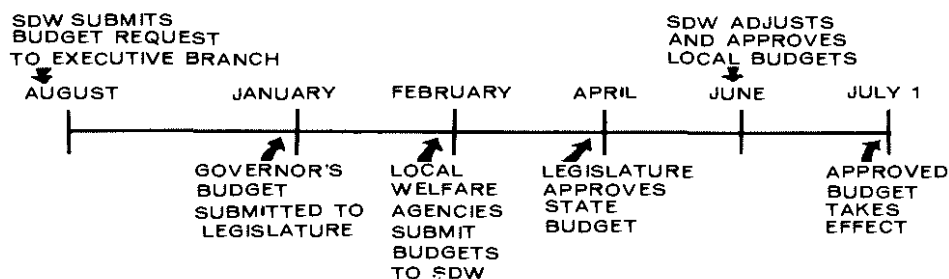
<u>Fiscal Year</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Difference</u>
1975	\$ 5,840,000	\$ 6,373,241	-\$ 533,241
1976	6,280,000	6,607,218	- 327,218
1977	6,749,140	6,665,946	83,194
1978	7,770,800	6,018,785	1,752,015
1979	7,780,400	6,211,465	1,568,935
1980	8,424,800	6,531,657	1,893,143
1981	7,319,800	--	--
1982	7,689,800	--	--

Source: Acts of Assembly, SDW annual reports.

accurately projected for the next biennium. In fact, appropriated funds may now be insufficient. For FY 1981, local agencies requested nearly \$1 million more than could be funded within the appropriation. To stay within the budget, local allotments were made at 90 percent of the requests. According to SDW, however, cuts can be restored to localities during FY 1981 by fund transfers from underspending to overspending localities.

Due to differences in budgetary cycles, SDW submits its request for program appropriations prior to receiving estimates of need from each local agency (Figure 6). The department's request is based upon historical expenditures and utilization of general relief statewide. It is not adjusted by the aggregate requests of local agencies.

Figure 6  
GENERAL RELIEF BUDGET CYCLE



Source: JLARC interviews.

The surpluses that occurred from FY 1977 to FY 1980 resulted, in part, because SDW assumed annual inflation and caseload increases during a period when cases were actually declining and official levels of assistance were increased only once. (Payments to clients are made according to fixed standards that are not adjusted for inflation, and localities may make only minor adjustments within the standards.)

Budgeting problems have been compounded by the absence of reliable utilization and cost data. SDW computes anticipated expenditures based on the number of cases and average payments for three broad categories of assistance: maintenance, medical, and burial/transient. Estimations based on such broad categories mix expenditures for widely divergent types of assistance. For example, emergency assistance included in the burial/transient category includes rent, food, clothing, and utility payments.

SDW has recently made an effort to improve financial reporting forms by requesting data on sub-components of the broad categories. For example, maintenance was broken down into client categories such as unemployable clients, employable clients, institutional care, and unattached children. However, this system has been difficult to implement and data reported to date has not been usable due to incorrect counting and duplication of cases.

#### Allotment of Funds

In similar fashion, the allotment process used by SDW does not encourage accurate estimation of expenditures by local welfare agencies. The process appears to be based on the premise that most localities will not expend all of their requested general relief funds; therefore, surplus appropriations can serve as a reserve or contingency fund.

SDW provides localities with an annual allotment equal to their entire request for general relief funds, although many localities regularly over or underspend. This accounts for from 80 to 90 percent of the total appropriation. The remainder, which for FY 1980 was over \$1 million, is held in reserve.

If some localities require additional funds because of unanticipated demand for assistance or inaccurate budget estimates, State funds are shifted from localities which have not spent their full allotment, or from the program reserve. All that is necessary to obtain additional funds is for the locality to raise the local match. The rate at which localities expended funds during the first half of FY 1980 is shown in Table 8. Almost 100 localities had spent less than half their funds and seven had already expended over 75 percent of their allotment. During the first nine months of FY 1980, 12 agencies had already received supplemental allotments totaling \$353,000. Another 14 underspending localities had their allotments reduced by \$280,000.

Table 8

RATE OF GENERAL RELIEF EXPENDITURES  
(as of December 1979)

<u>Proportion of FY 1980 Allotment Spent</u>	<u>Number of Localities</u>
Less than 25%	40
25% - 40%	41
41% - 50%	18
51% - 60%	10
61% - 75%	11
Over 75%	7

Source: JLARC review of SDW reports.

Almost \$1.9 million reverted to the general fund at the end of FY 1980. Although SDW may transfer funds from one program to another, general relief surpluses have been used only once to supplement other programs. In FY 1978, \$63,600 of the \$1.8 million surplus was transferred to the auxiliary grant program. All other surpluses have reverted to the general fund at the end of the biennium.

SDW should give greater attention to accurate budgeting and allotment procedures to avoid overencumbrance of funds and to ensure that adequate appropriations are made.

#### Monitoring Reimbursement

Program monitoring is also a loose process. Once local general relief plans are approved by SDW, they are supposed to be official documents and the basis for monitoring and appeals, although they can be revised to meet changing local needs. Expenditures of localities should relate to these plans. Nevertheless, for the first nine months of FY 1980, SDW actually reimbursed local agencies \$226,000 of \$362,000 in total expenditures which did not conform to the plans (Table 9).

The following cases illustrate the types of expenditures which were inappropriately reimbursed.

*Waynesboro, which primarily offers emergency services, listed in its monthly financial reports approximately \$63,000 in expenditures for ongoing maintenance between July 1979 and March 1980. The locality does not offer maintenance in its general relief plan. Nevertheless, SDW reimbursed the agency \$39,000 (62.5%) for these expenditures.*

\* \* \*

Table 9

EXPENDITURES NOT IN COMPLIANCE  
WITH LOCAL PLANS

<u>Month</u>	<u>Expenditures Not in Compliance</u>	<u>State Share*</u>	<u>Local Share**</u>	<u>Percent of Total Expenditures</u>
July 1979	\$ 21,800	\$ 13,600	\$ 8,200	3%
August 1979	30,000	18,800	11,200	3
September 1979	61,100	38,200	22,900	7
October 1979	27,100	16,900	10,200	3
November 1979	43,300	27,100	16,200	5
December 1979	32,300	20,200	12,100	4
January 1980	23,400	14,600	8,800	2
February 1980	65,000	40,600	24,400	7
March 1980	<u>58,200</u>	<u>36,400</u>	<u>21,800</u>	<u>6</u>
Total	\$362,200	\$226,400	\$135,800	4%

\*Estimated at 62.5% of total

\*\*Estimated at 37.5% of total

Source: JLARC comparison of SDW plan summaries with monthly expenditure reports.

*Chesapeake made \$19,700 in expenditures for medical emergency assistance between July 1979 and March 1980. SDW reimbursed the agency approximately \$12,300 for these expenditures, even though the locality does not offer emergency assistance in its general relief plan.*

\* \* \*

*Goochland County made a \$100 expenditure for institutional care in November 1979. Although the locality does not offer this component in its general relief plan, SDW reimbursed the agency \$62.50 for this expenditure.*

It does not appear to be consistent with State law or SDW policy for individuals to receive services not included in the approved plan. Therefore, it is doubtful that the State should reimburse the agency for such assistance. According to State law, applicants for general relief are only eligible for the program components which are offered in the locality of residence. These program components are documented by the local plans.

SDW has not established a procedure for comparing warrant registers and expenditure reports with the plan. At the present

time, warrant registers and reports are carefully reviewed for completeness and mathematical accuracy before reimbursement is issued. SDW should also require checks for consistency with the local plan and deny reimbursement for non-conforming expenditures.

### ASSESSING PROGRAM IMPACT

As currently prepared, general relief plans cannot be used, except superficially, to assess the pattern of service delivery across the State. The plans are simply lists of types of assistance offered, eligible client groups, and payment levels. No analysis of service or expenditure patterns, goals, objectives, or needs assessment has been included. Nevertheless, some variations among localities and gaps in assistance can be determined from the plans.

SDW initiated preparation of plans by local welfare agencies in 1977, as part of an effort to develop a consistent approach to program administration. Originally, SDW developed a list of 14 categories of assistance, eligible client groups, time limits, and payment levels from which localities could select components that reflected their own needs and financial resources.

Since no formal needs assessment had been conducted on the State or local level, the list incorporated types of assistance already being offered. Localities tended to select the components that they had traditionally offered under general relief.

#### Local Differences

Variations in the service offerings of the six case study localities analyzed by JLARC are shown in Figure 7. Differences are due, in part, to the size and nature of the poverty population, available funds, and local attitudes. Payment differences primarily reflect the portion of SDW's allowable payment that a locality chooses to provide. For example, Norfolk pays \$99, which is 70 percent of the standard of assistance for most urban localities, while Smyth County pays 90 percent of the standard for most rural agencies.

Substantial differences in service patterns among localities occur even when planned service offerings appear to be similar. For example, plans indicate that Norfolk and Smyth County both offer major components of maintenance and emergency services. However, about 95 percent of Norfolk's expenditures are for ongoing maintenance grants to individuals. In contrast, over two-thirds of Smyth's program expenditures are for emergency assistance to families.

Expenditure patterns also reflect differences in the options chosen by local agencies. Ten large urban agencies expend



Figure 7

SELECTED GENERAL RELIEF PROGRAMS  
(October 1979)

	FAIRFAX	NORFOLK	RICHMOND	SOUTHAMPTDN	SMYTH	WASHINGTON
MAINTENANCE						
PERSONS UNABLE TO WORK						
UNEMPLOYED						
UNATTACHED CHILD						
INTERIM ASSISTANCE						
MAXIMUM GRANT (INDIVIDUAL)	\$199	\$99	\$121	\$95	\$107	
INSTITUTIONAL CARE						
ON-GOING MEDICAL						
EMERGENCY						
FOOD						
RENT						
UTILITY						
SSI-ONE TIME						
MEDICAL						
TRANSIENT						
BURIAL						
CLOTHING						

KEY: ■ INDICATES LOCALITY OFFERS SERVICE

Source: Compiled by JLARC from SDW data.

over 80 percent of total program funds but serve only about one-third of the State's poor (Table 10). However, they offer a broad range of service components and most of the ongoing assistance that is provided in the State. Although most localities participate to some extent in the program, they offer primarily emergency services to relatively few clients.

Changes in general relief plans often reflect availability of local funds and changes in State-defined maximum payment levels. Most localities have made some changes in service components or payment levels. The following examples indicate the impact of limited local funding in two localities.

*Franklin County used to offer maintenance and emergency assistance under general relief. During FY 1979, the agency spent \$11,346 to aid eligible clients. The agency ran out of local funds in April 1980, and had to suspend the program for the remainder of the fiscal year.*

Table 10

## TOP TEN USERS OF GENERAL RELIEF

<u>Locality</u>	<u>Total FY 79 Expenditures</u>	<u>Percent of State Expenditures</u>	<u>Percent of State Poverty Population</u>
Richmond	\$2,645,305	25.8%	5.6%
Norfolk	1,692,506	16.6	7.8
Fairfax	1,519,567	14.9	3.0
Arlington	435,671	4.3	1.2
Roanoke City	410,641	4.0	2.1
Alexandria	379,519	3.7	1.2
Newport News	356,294	3.5	2.7
Portsmouth	276,395	2.7	2.8
Prince William	215,268	2.1	1.1
Hampton	191,958	1.9	1.8
Total	\$8,124,124	79.5%	29.3%

Source: SDW and 1970 census.

*No local funds were appropriated for FY 1981 and no general relief assistance will be offered.*

\* \* \*

*Nottoway County offers ongoing assistance to individuals unable to work. Until July 1978, the agency paid a monthly grant of \$100 which was 90 percent of the State maximum. When the standard was increased by 7.5 percent in 1978, the county reduced the proportion of the maximum it paid to 84 percent to keep the monthly grant at \$100.*

### Gaps

Although most local welfare staff surveyed or interviewed by JLARC believed that general relief was designed to fill the gaps among the federal assistance programs, few workers thought that their local programs served all needy individuals in the community. In JLARC's survey of eligibility workers and supervisors in case study localities, 60.9 percent agreed that the general relief program was designed to fill gaps among federal assistance programs. Only 28.6 percent agreed that their program served all needy individuals.

Welfare staff in the case study communities identified needy persons who were ineligible for assistance in their localities. For example, unemployed single people are ineligible in Richmond. Staff in Southampton County cited low-income, two-parent

families, and widows who have never worked but who are not disabled. However, no systematic assessment of unserved clients has been conducted at the State or local level.

SDW should consider developing a statewide inventory of the types of assistance offered and client groups served by general relief. Technical assistance should be provided to localities for assessing needs and preparing planning documents. The inventory could be used for program budgeting and for informing the General Assembly and local governments about the impact of the program. Consideration should also be given to developing financial incentives to localities to broaden their service offerings.

## CASE MANAGEMENT

Local welfare agencies are responsible for managing general relief at the client level, including delivery of services to clients and establishment of appropriate controls over payments. However, it is difficult to assess the adequacy of services provided to clients due to inconsistent record-keeping and referral patterns. While procedures for making payments appear to be generally acceptable, some improvements are needed in three areas: medical assistance, protective payees, and SSI recoupment.

### Coordination

The adequacy of general relief assistance is difficult to assess. General relief alone may not meet all the needs of a client. Monthly grants can be supplemented through food stamps, subsidized housing, and other services. However, clients are generally not evaluated for their total needs because eligibility determination for different programs is fragmented among several different workers or agencies. Existing records make it difficult to determine the total package of services that a client is actually receiving.

*Standards of Assistance.* Because of the wide variation in shelter costs across Virginia, three groups of standards have been established for ongoing assistance. Localities with the most expensive shelter costs are in Group III, followed by less expensive shelter costs in Group II and Group I, which includes most of the rural counties and smaller cities.

Although local agencies are reimbursed for payments up to 90 percent of the standard set by SDW, three of five case study localities had established a lower payment level (Table 11). The standards were established by SDW in 1975, based on Aid to Dependent Children program levels, and increased by 7.5 percent in 1978 and in 1980. Some localities maintained expenditure levels by decreasing payments when the standards were increased.

Table 11

## MAINTENANCE GRANTS IN CASE STUDY LOCALITIES

<u>Case Study Community</u>	<u>Shelter Grouping</u>	<u>Proportion of Standard Paid</u>	<u>Monthly Grant For One Person</u>	<u>Difference From 90% of Standard</u>
Fairfax	III	100%	\$ 199	\$ + 19
Norfolk	II	70	99	- 29
Richmond	II	85	121	- 7
Southampton	I	80	95	- 12
Smyth	I	90	107	0
Washington	I	Does not offer maintenance		

## STANDARDS OF ASSISTANCE

<u>Number of People in Assistance Unit</u>	<u>Group I</u>	<u>Group II</u>	<u>Group III</u>
1	\$119	\$142	\$199
2	187	210	267
3	241	263	320
4	292	315	372

Source: SDW manual and local general relief plans.

Each local agency has the option of paying a proportion of the standard. Localities are reimbursed for payment up to 90 percent of the standard. Payments above 90 percent must be made solely with local funds. The actual amount of the monthly grant depends on an agency's shelter grouping and the proportion of the standard it chooses to meet.

*Use of Other Programs.* Some general relief clients receive a wide range of benefits. Others receive nothing more than the general relief grant. The following cases illustrate differences in benefits that clients may receive.

Client Case G

*A former bartender who is now disabled received a wide range of benefits, including \$199 a month in general relief assistance, \$26 in food stamps, medical assistance through the State-local hospitalization program, and vocational training from the Department of Rehabilitation Services.*

Client Case H

*A general relief client in a large urban area was unable to work because of schizophrenia.*

*The individual received \$99 per month to meet his food, shelter, and clothing needs. The case record did not indicate that the client was receiving other services. The case was closed in January 1980 because the agency could not locate the client.*

General relief case records do not routinely contain information about the range of services received by a client. JLARC checked food stamp and social service case listings in each agency to determine the extent to which general relief clients received these services (Table 12).

Table 12  
PERCENT OF GENERAL RELIEF CLIENTS  
RECEIVING OTHER SERVICES  
(January 1980)

<u>Case Study Localities</u>	<u>Food Stamps</u>	<u>Social Services</u>
Richmond	42%	58%
Norfolk	75%	10%
Fairfax	65%	20%
Southampton County	55%	64%
Smyth County	59%	22%
Washington County	45%	10%

Source: Compiled by JLARC from data supplied by the six local welfare agencies.

At least half of the clients receiving general relief also received food stamps. This is probably a conservative estimate because some general relief recipients could be receiving food stamp benefits as part of another household unit, such as with a parent or other relatives.

The proportion of general relief clients from the case study agencies receiving social services such as counseling, companion, or day care ranged from ten percent in Norfolk and Washington to well over 50 percent in Richmond and Southampton. These differences may be explained, in part, by referral mechanisms in the local agencies. Only Richmond automatically evaluates all general relief recipients for social services needs. Other agencies evaluate clients only if the individual requests social services or the eligibility worker detects a need.

SDW should require local agencies to maintain comprehensive client records which evaluate total needs and record services received from multiple programs and agencies. Such information would facilitate monitoring of cases on the local level and provide

an accurate assessment of client needs upon which to base standards of assistance and program appropriations.

### Payments

Payment procedures should ensure that appropriate amounts of assistance are received by clients for the purposes intended. Local agencies are responsible for making payments to clients and vendors. While procedures appear to be generally acceptable, improvements may be necessary in the areas of medical assistance, protective payees, and SSI recoupment.

*Medical Assistance.* Some case study localities have established procedures to make certain that medical assistance payments are used only for that purpose. However, in one locality the amount of medical assistance is added to the amount of the ongoing grant. Use of the funds for medical assistance is not monitored and the client may continue receiving the additional assistance after the medical need has ended.

*Most of Richmond's general relief clients receive medical treatment and medication at the Medical College of Virginia. Occasionally, MCV cannot provide necessary medication or medical supplies. In these cases, the client's service worker authorizes a medical vendor payment directly to the supplier.*

\* \* \*

*In Fairfax, clients with ongoing medical expenses are "pre-authorized" by the eligibility worker for medical payments. Authorizations for physician visits or prescriptions are made by a medical clerk in the Administration Division and a vendor payment is made to the provider.*

\* \* \*

*In Norfolk, expenses for prescription drugs were added to the client's monthly check. Almost two-thirds of disabled clients receiving ongoing maintenance payments averaged \$24 per month for medication in addition to their grant of \$99. There is no way to ensure that this money is spent for medication.*

SDW should consider developing explicit procedures for the handling of medical assistance payments, such as requiring that local agencies make payments directly to vendors.

*Protective Payees.* SDW has established procedures to ensure that clients who are disabled due to alcoholism or drug

addiction receive basic shelter and food. Ongoing assistance checks for these clients must be received by protective payees, who are assigned by the agency or designated by the client. Nevertheless, JLARC found that protective payees had not been assigned for 34 percent of the cases reviewed.

The use of funds by protective payees does not appear to be uniformly monitored. In one local agency, a single individual was payee for 37 clients living in a residential alcohol and drug treatment program who received grants totaling \$4,500 per month. Some workers in the local agency expressed concern about how the money was being used, yet they made no attempt to monitor the payee.

According to an official of the alcohol and drug treatment program in question, appropriate procedures are followed, using the general relief grant first for room and board and then as income for the client. Clients are given checks for the remainder or accounts are established for them. Since 37 clients are involved, the local welfare agency might consider conducting a vendor audit to document these reported procedures. The agency could also make direct payments to the vendor for specific services and provide the rest directly to the client or a designated payee other than the agency.

SDW should make certain that local agencies understand and implement required procedures for protective payees. The department should also consider advising local agencies to use appropriate monitoring techniques to protect the interests of clients.

*SSI Recoupment.* Local agencies may recover general relief payments made to applicants for the federal SSI program. During the first six months of FY 1980, local agencies recouped \$222,500 from the Social Security Administration, representing five percent of general relief expenditures for maintenance. Recouped funds can be spent by the local agencies for other general relief payments.

To recoup payments made to SSI applicants, local agencies must be aware that the client has applied for the program and secure an authorization from the client for the first SSI payment to be made directly to the agency. The agency deducts the amount of general relief payments made and sends the balance to the client. Payments cannot be recouped without prior authorization.

Although localities report few problems with the recoupment process, agencies are not always aware that the client has applied for SSI. JLARC found two instances where agencies missed recoupment of \$1,600 because they were unaware that the clients had applied for SSI.

Local agencies should routinely secure signed authorizations from clients with chronic disabilities who are potentially eligible for SSI.

## CONCLUSION AND RECOMMENDATIONS

As a local option program, general relief is used in various ways by communities in Virginia. Although some service gaps are likely to continue, planning, budgeting, allocation, and payment mechanisms could be improved to make the most effective and efficient use of State and local funds. Additionally, management of service delivery could be improved to establish better coordination of benefits for general relief clients.

*Recommendation (8).* SDW should give greater attention to budgeting and allotment procedures to better project expenditures and manage appropriations. As a first step, the reliability and accuracy of statistical and financial data should be improved and local welfare agencies should be encouraged to accurately project expenditures for general relief.

*Recommendation (9).* SDW should establish procedures for analyzing local requests for general relief reimbursement. The department should compare warrant registers and expenditure reports with local plans, and reimbursement should not be made except for expenditures which conform with the plans.

*Recommendation (10).* To assess the impact of the general relief program and identify service gaps, SDW should develop a statewide inventory of the types of assistance offered and client groups covered by general relief. Technical assistance should be provided by regional welfare specialists to localities for assessing needs and preparing planning documents.

Moreover, the General Assembly may wish to consider developing financial incentives to localities to broaden the types of assistance offered. Possible incentives include variable reimbursement ratios for program components, a matching ratio based on a measure of local need, or direct grants to targeted localities.

*Recommendation (11).* SDW should develop an explicit procedure for making medical assistance payments under general relief. Consideration should be given to prohibiting direct cash grants to clients for medical needs.

*Recommendation (12).* SDW should monitor local agencies to ensure that required procedures for protective payees are appropriately implemented. Local agencies should be required to monitor the payees to protect the interests of the clients.

*Recommendation (13).* Local agencies should routinely secure signed authorizations for the release of SSI payments from general relief clients who have chronic disabilities and are potentially eligible for SSI.



*Recommendation (14).* To improve the management of client cases, local workers should be aware of the overall needs of clients and services being received from other programs and agencies such as food stamps, social services, and health care. SDW should consider requiring local agencies to establish more comprehensive client records which would contain a checklist of client needs and services received.

The General Assembly may also wish to use such information to assess the adequacy of the standards of assistance.



# Appendix

	<b>Page</b>
<b>TECHNICAL APPENDIX SUMMARY .....</b>	<b>52</b>

## **AGENCY RESPONSES**

As part of an extensive data validation process, each State agency involved in JLARC's review and evaluation efforts is given the opportunity to comment on an exposure draft of the report.

Appropriate corrections resulting from the written comments have been made in the final report. Page references in the agency responses relate to the exposure draft and may not correspond to page numbers in the final report.

State Department of Welfare.....	53
Richmond Department of Public Welfare.....	62
Fairfax Department of Social Services.....	63
Southampton Department of Social Services.....	64

## TECHNICAL APPENDIX SUMMARY

JLARC policy and sound research practice require a technical explanation of research methodology. The technical appendix for this report was included in the exposure draft and is available on request from JLARC, Suite 1100, 910 Capitol Street, Richmond, Virginia 23219.

The technical appendix includes a detailed explanation of the methods and research employed in developing this study and covers the following areas:

1. Case Study Approach. Research was based in six case study agencies which were representative of the way local welfare agencies use general relief. The six agencies--in Richmond, Norfolk, Fairfax, Smyth, Southampton, and Washington--accounted for approximately 59 percent of statewide expenditures for the program. Research activities included interviews, a survey of local workers, and case file reviews.

2. Worker Survey. To examine worker understanding and application of general relief policy, JLARC surveyed 115 local eligibility workers and supervisors. The survey consisted of a series of typical case situations for which workers were asked to make eligibility and grant determinations. Workers were also given a series of questions about specific aspects of general relief policies.

3. Case Record Review. JLARC examined a random sample of 383 case records in the case study localities to provide a desk review of eligibility and payment determinations and to collect descriptive information on clients and utilization. The State Department of Welfare Quality Control Unit also examined a subsample of 60 cases and conducted a field investigation to independently verify eligibility for the cases.

4. Estimating Statewide Error and Cost. The statewide error rate and annual cost of errors were estimated from the findings of the case file reviews. Using statistical estimating techniques, the case error rate was estimated to be 24 percent, plus or minus four percent, and the cost of the errors was estimated to be between \$1.3 million and \$2.2 million during FY 1980.

BLAIR BUILDING  
8007 DISCOVERY DRIVE  
RICHMOND, VIRGINIA 23288



WILLIAM L. LUKHARO  
COMMISSIONER

## COMMONWEALTH of VIRGINIA

### DEPARTMENT OF WELFARE

Telephone (804) 281-9204

September 2, 1980

Mr. Ray D. Pethtel  
Joint Legislative Audit and Review Commission  
910 Capitol Street  
Suite 1100  
Richmond, VA 23219

Dear Mr. Pethtel:

Thank you for the opportunity to review the exposure draft of the study of General Relief in Virginia. Before I address your specific recommendations, I would like to provide the following general information regarding the General Relief Program.

The General Relief Program is one of several public assistance programs administered by the Department of Welfare. The other programs include the Aid to Dependent Children Program (ADC), the Food Stamp Program, Medicaid, Auxiliary Grants, and the Indo-Chinese Programs. During fiscal year 1978-79 these programs, including General Relief, had expenditures totaling approximately \$567,000,000. General Relief accounted for less than 2% of this total amount.

In order to deal effectively and efficiently with these programs, various priorities have been set. Due to our limited resources, in-depth quality control monitoring occurs in the three largest programs, specifically ADC, Food Stamps, and Medicaid.

For the other programs, including General Relief, monitoring is done by the Regional Offices through the Administrative Review process and other case readings as well as the monitoring of client complaints and appeals. Although this process does not necessarily yield statistically valid information, it does provide for the discovery of problem areas and corrective action is taken based on this information.

It should also be noted that the General Relief Program, as it presently exists, started on July 1, 1977. During these three years the Department's emphasis has been on correcting any basic problems or flaws in the Program and ensuring that the Program meets the needs of both clients and local agencies. I feel, given the limited time the Program has been in existence and the limited resources available to the Department, that this emphasis is correct.



Mr. Ray D. Pethtel

Page 2

September 2, 1980

I have attached our comments on your specific recommendations. Additionally, I would like to make the following comments on the body of the report:

On page 3 you state that court challenges preempted the study of the GR Program. It should be noted that these studies were underway prior to the court challenges.

On Page 5 you list the various GR components offered by localities. This listing should be footnoted to show when this data was obtained since locality plans change a great deal.

Additionally, you give a projected expenditure of \$10,621,000 for fiscal year 1980. The actual figure is \$10,732,821. We will, at your request, provide you with a breakout of these expenditures.

On page 7 you state that the GR caseload peaked in FY 1974 and has decreased since that time. One of the probable reasons for this is that the Supplemental Security Income Program (SSI) began on January 1, 1974. During the early stages of the SSI Program many people were assessed through GR who would normally be helped through the SSI Program. Since that time, since the SSI Program has become more effective, more of these people are being found eligible for SSI and the GR caseload has decreased.

On page 13 you state that about one-fourth of all cases contained errors. This should be broken down as to what percentage were overpayments, underpayments, and payments to ineligible. It should be clearly noted that procedural errors, which may be included in the one-fourth, do not cause an incorrect payment.

On page 19 you give an example of a case where the man was found eligible for Social Security benefits. You do not indicate whether the man actually began receiving these benefits. GR eligibility would continue until these benefits were actually received.

On page 21 you state that there appears to be an assumption that local option program require little monitoring. As stated earlier, the lack of formal monitoring in GR is due to the limited resources of the Department and other priorities that have been set.

On page 28 and 29 you give four cases which were used as examples. These cases contain variables that are not sufficiently explained which could effect whether the client was eligible and the amount of payment. For example:

In case 2, how severe was the disability and what was the nature of the light housework?

In case 3, was this an ongoing situation or did it vary from month to month?

In case 4, what type of assistance did she request?

On page 31 you state that resources must be deducted from the grant. Resources are not deducted from the grant, income is deducted.

On page 36 you list the number of questions regarding GR that have been received and imply that this establishes that the policy is unclear. It should be noted that 89 questions in three years is not a large number of questions. On an average less than 30 questions are received per year or less than 1 question per year for every four agencies. These figures, would seem to indicate that the policy is clear.

Mr. Ray D. Pethtel

Page 3

September 2, 1980

On Page 44 there is the statement "surplus appropriations resulting from overprojection of expenditures by SDW have occurred during the last three fiscal years." While surpluses have occurred, I believe it has been due to a reduced caseload brought about by an upturn in the economy rather than an overprojection of need for budgetary purposes.

On Page 49 of the report you list expenditures that were not in compliance with the localities GR Plan. It is my understanding, based on conversations between our staffs, that this information was obtained by comparing statistic and financial reports to the summary of the locality's GR Plan.

Since the reporting and coding procedures were in a state of change during this study, we believe that these results are more likely due to coding errors than payment errors. As an example, you state that Waynesboro expended approximately \$63,000 for ongoing maintenance when this was not offered in their Plan. However, Waynesboro does offer assistance for domiciliary care which could be reported as maintenance.

I am requesting that the Department review your findings in this area to ensure that the problem is not caused by improper reporting.

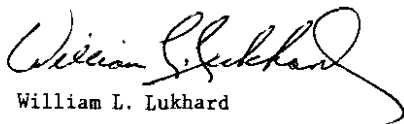
On page 55 you state that the State should develop a statewide inventory of the types of assistance offered. The Department does have this information. In fact, several of the tables in the reports, such as Table 2 on page 5, were developed from this information.

On Page A-10-12, you provide an estimate of a state error rate and over payments. Since, due to the small size of the sample, and the method of agency selection, statewide projections should not be made.

Additionally, our review of the cases included on your sample resulted in a different error rate than reported in the exposure draft. I have attached a listing showing the number and percentage of cases that contained no errors, procedural error, and payment errors. The payment errors are broken down into ineligible, overpayments and underpayments. Your final report should include these findings.

Thank you for the opportunity to comment on the draft report and the cooperation of your staff.

Very truly yours,



William L. Lukhard

WLL:MG/nmb

## GENERAL RELIEF CASE REVIEW

Agency	Results						
	No Errors	Procedural Errors	Payment Errors			Not Reviewed	Error Not Determined
			Ineligible	Over	Under		
Fairfax	44	32	13	7	0	3	1
Norfolk	28	52	14	7	1	1	1
Richmond City	31	59	2	3	0	1	0
Southampton	5	6	0	0	0	0	0
Smyth	6	39	5	4	0	0	0
Washington	13	7	0	0	0	0	0
Total	127	195	34	21	1	5	2
Percent of Cases Reviewed	33.42	51.31	8.94	5.52	.26		.52



## COMMENTS ON RECOMMENDATIONS

Recommendation 1: SDW should develop mechanisms for monitoring casework in the General Relief Program.

During the last three years the Department has not placed emphasis on statewide quality control reviews of individual GR cases. However, General Relief cases are normally read during the Administrative Review process. These reviews are a total review of an agency by Regional Office staff and are scheduled to occur every three years.

Regional Specialists also generally review samples of cases from localities on a regular basis. You state in your report that a regional specialist had never read any General Relief cases in a large urban agency. If you will provide specific information on this situation it will be evaluated. Your lack of specificity does not allow action to be taken, if necessary.

Additionally, copies of a localities approved GR Plans are sent to the appropriate Regional Office. These are used by both Regional Office and Central Office staff to monitor appeals and client complaints to help ensure localities are correct in their use of GR.

Recommendation 2: SDW needs to clarify policies about which workers are unsure and take steps to improve the GR Manual.

The Department is constantly working to improve all manuals. Since the present GR Manual became effective on July 1, 1977, 15 manual transmittals have been issued. These transmittals have contained both changes to policy and numerous clarifications to policy.

As stated before, we are committed to developing an effective and workable General Relief Program and most of these revisions and clarifications were the result of input and suggestions from local agencies.

In the development of manual material, the Department makes use of sounding boards. The sounding boards are made up of users of the manual and their main function is to review the material to ensure it is clearly written. For the GR Program, the sounding board is made up of six eligibility workers and supervisors from local agencies and one Regional Specialist. The members are picked from various agencies across the State to ensure that a good cross sample, by both size of the agency and area of the State, are represented.

Additionally, the Division of Financial Services uses a system which encourages suggestions from local and Regional Offices on areas of policy that need to be revised or clarified. This system involves a memo written by a local or Regional Office to the Division stating which area needs to be clarified or revised and the reason for this request. The request is evaluated by staff and a response is given stating the action that will be taken and the reason.

Because of these type activities, it is our belief that we have made great progress in ensuring that all manuals are clearly written. The Department is in the process of reformatting all of its manuals. During this process, the entire manual will be reviewed again with sounding boards in an effort to ensure clarity.

In regard to establishing tighter eligibility requirements for emergency assistance, I do not feel that this area of the GR Program should be subject to the same type of specific criteria, such as a specific resource or income level, as the maintenance program. The General Relief Program is intended to assist individuals and families who do not qualify for other programs. This is especially true of the emergency assistance components which provide assistance on a short-term basis to individuals who may not normally receive public assistance.

The present eligibility criteria allows the agency to determine, based on the clients' individual circumstances, if assistance is needed and how much assistance is necessary to avert the emergency. Specific eligibility guidelines would take away this local flexibility and needy clients, whose situation does not fit into some set of specific circumstances, would not be served.

In regard to sharing all policy clarifications with all localities, it is our experience that a system of this type is not beneficial. Policy clarifications usually apply to a specific case which is normally in an unusual situation. If these are shared with all localities, the answers, which are based on the specifics of the case, tend to be incorrectly applied.

During quarterly staff meetings clarifications dealing with general areas of policy are reviewed with Regional staff to ensure consistent application of policy across the State. Additionally, in revising manual material, policy questions that have been received are reviewed by staff to ensure that the manual addresses general areas of concern.

**Recommendation 3:** Regional financial service specialists need to develop appropriate training programs for General Relief.

The Department has recognized the need for improved training for all programs. To meet this need, training modules have been developed or planned for most programs.

A training module consists of a videotape presentation, recorded by the Department's Office of Communications; a Trainer's Guide, providing explicit instructions for those conducting the training; a trainee package, containing various handouts, tests, charts and pamphlets for use and retention by the trainees; and flipcharts or chalkboard, for the trainers to develop and explain the material as necessary. At least one television monitor and a videotape playback unit is used. The Trainer's Guide contains a copy of the tape narrative and instructions on when to stop and start the tape in order to further explain taped information, administer tests or handouts,

and answer questions. These instructions are minimum requirements as the trainer is advised to use their own judgement and respond to the needs of trainees, providing repetition and expansion of the material where necessary.

Although a training module is not planned for GR at this time, additional assistance will be provided to the Regional Specialists in the area of GR training.

Recommendation 4: SDW should develop guidelines for local workers on how to verify client eligibility, especially in the areas of income, resources, and disability.

The GR Manual, as presently written, does not provide detailed verification procedures. This aspect was not included in the GR Manual since it exists in the ADC Manual. This area of the manual will be reviewed and verification procedures will be added to appropriate sections.

Recommendation 5: SDW should consider developing procedures to provide greater control and consistency over disability determinations for General Relief.

We agree that the determination of a disability can be a very difficult area and we will continue to review this area in an effort to clarify the policy. However, we are not able, and it would not be appropriate, to disregard medical information provided by a licensed physician.

Recommendation 6: SDW should ensure that local agencies effectively implement required procedures for timely redetermination of client eligibility.

I agree that the timely redetermination of eligibility is necessary for the proper management of cases. As stated earlier the Department has placed priority on corrective action for the ADC, Medicaid, and Food Stamp Programs. Monitoring does occur in these programs to ensure eligibility is redetermined on a timely basis.

We are presently in the process of developing a caseload management training module which should be completed in the fall of 1980. It is anticipated that this training will provide local agencies with mechanisms to reduce overdue reviews.

Recommendation 7: Local agencies should thoroughly investigate cases of potential fraud.

The Department has been emphasizing the area of fraud for all programs. In this effort a manual, giving the procedures that should be followed in dealing with possible fraud, has been developed and released to localities in July of 1979. Additionally, the position of a fraud investigation supervisor was created at the State level in May of 1977.

The Department is also developing a training module on fraud. This module will be completed in the fall of this year and should increase workers ability to deal effectively with fraud.

It is anticipated that these actions will increase recoveries in the area of fraud.

Recommendation 8: SDW should give greater attention to budgeting and allotment procedures to better project expenditures and manage appropriations. As a first step, the reliability and accuracy of statistical and financial data should be improved and local welfare agencies should be encouraged to accurately project expenditures for general relief.

The Department makes projections based on historical data as well as certain assumptions from data received from Tayloe Murphy Institute and the Department of Planning and Budget. Regarding the encouragement of localities to accurately project expenditures, this is done. There may be some who inflate projected caseloads but I do not believe there are many. Local agencies have constraints on local funds.

Recommendation 9: SDW should establish procedures for analyzing local requests for general relief reimbursement. The Department should compare warrant registers and expenditure reports with local plans and reimbursement should not be made except for expenditures which conform with the plans.

The Department is in the process of developing a procedure to monitor expenditures against the local plan. I agree that reimbursement should not be made for expenditures not covered by a local plan.

Recommendation 10. To assess the impact of the General Relief Program and identify service gaps, SDW should develop a statewide inventory of the types of assistance offered and client groups covered by general relief. Technical assistance should be provided by Regional Welfare Specialists to localities for assessing needs and preparing planning documents.

General Relief is a local option program in which the local agency carries primary responsibility for assessing local needs. The Department has and will continue to offer any assistance requested by a locality.

The Department does maintain copies of each locality's GR Plan in both the Regional and Central Offices. Additionally, the Department maintains statewide summaries of the various services offered through the GR Program.

Recommendation 11. SDW should develop an explicit procedure for making medical assistance payments under General Relief. Consideration should be given to prohibiting direct cash grants to clients for medical needs.

The GR Manual does not mandate how payments are to be made. Although maintenance payments are normally made directly to the client and vendor payments are used to purchase specific items for the client, the actual procedure is not mandated by policy.

The local agency should be allowed to continue making all payments in the most administrative feasible manner. This could include direct payments to the client for medical needs.

Recommendation 12. SDW should monitor local agencies to ensure that required procedures for protective payees are appropriately implemented. Local agencies should be required to monitor the payees to protect the interests of the clients.

Regional Specialists will be instructed to ensure that local agencies are aware of the need for protective payees in case of alcoholism and drug addiction.

I agree that agencies should monitor payees to protect the interests of clients. We will begin revising policy in this area with a planned effective date of January 1, 1981.

Recommendation 13. Local agencies should routinely secure signed authorizations for the release of SSI payments from General Relief clients who have chronic disabilities and are potentially eligible for SSI.

The requirement of referring all potential SSI recipients to Social Security is presently in the GR Manual. Since your review only found two instances where the agency did not recoup SSI payments, this area does not appear to be a problem.

Recommendation 14. Local workers should be aware of the overall needs of the client.

I agree that the agency should attempt to meet all of the clients needs. In this effort, in April of 1979, we instructed agencies to prescreen clients and refer them to all the services for which they appear to be eligible.

Additionally the Department has developed the multi purpose application to assist clients in applying for the various programs for which they may be eligible. This application went into effect in March of 1978, and allows the client to apply for several programs at the same time and with a minimum of additional paperwork.

City of Richmond  
Department of Public Welfare  
Office of the Director



704 East Franklin Street  
Richmond, Virginia 23219  
804 • 780-4311

July 3, 1980

Mr. Roy D. Pethtel, Director  
Joint Legislative Audit and Review Commission  
Suite 1100, 910 Capitol Street  
Richmond, VA 23219

Dear Mr. Pethtel:

The Acting Chief of the Bureau of Financial Assistance, the Staff Developer and I have reviewed the exposure draft of your General Relief study. While we would have liked more time to conduct our review, this was not possible as two of us are scheduled for management training the week of July 6. We do have several observations, however.

While we are quite disappointed that the study reveals a 32% error rate in the payment on the cases reviewed, we can do little to argue with the finding. The study correctly points out that we do not have at either the State or local level a systematic process to identify errors and develop plans to correct error patterns. For the past several years, our efforts have been more related to the reduction of errors in the ADC program and the implementation of quality control in Medicaid and Food Stamps than in General Relief. Quality Control and corrective action programs have resulted in lower case error rates in these programs. Given your findings of errors and the success of corrective action in other programs, we would support your recommendation that a monitoring system similar to ADC Quality Control be implemented.

The only editorial comment I would make is in relation to the statement on page 38 that no agency routinely uses computer SSI listings, VEC clearances or records of the local real estate records. Considering that our Real Estate Atlas contains information on property ownership and the evaluation as determined by the Assessor's Office, Richmond City uses all of these resources on a routine basis.

Sincerely yours,

  
Thomas W. Hogan  
Director

TWH:W



COMMONWEALTH OF VIRGINIA  
COUNTY OF FAIRFAX  
DEPARTMENT OF SOCIAL SERVICES  
Fairfax, Virginia 22030



4041 University Drive

June 30, 1980

Mr. Ray D. Pethtel, Director  
Joint Legislative Audit and Review Commission  
Suite 1100, 910 Capitol Street  
Richmond, Virginia 23219

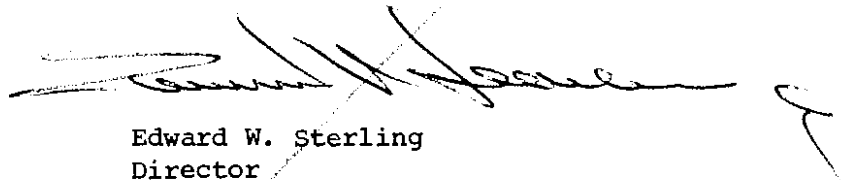
Dear Mr. Pethtel:

We have no problem supporting the recommendations found at the end of Chapters II and III. It is evident General Relief has been neglected with the national spotlight on ADC, Food Stamps, and Medicaid.

There is one statement on page 23 that we would ask you to review. General Relief is monitored in Fairfax through the Supervisory Case Action Review System (SCARS). We recommend it for consideration in other agencies.\*

It is evident that a corrective action plan must be developed. We would like to initiate action as soon as possible. It would help us to do so as we could have a listing of cases and errors found so that correction action may be implemented.

Sincerely,

  
Edward W. Sterling  
Director

EWS/s

cc: C. Edward Amundson, Assistant Director for Eligibility

\*Case Review Form (attached)

# Department of Social Services

## *Southampton County*

P. O. Box 405

Courtland, Virginia 23837

GWEN G. VICK, DIRECTOR

June 30, 1980

Mr. Mark Willis  
Joint Legislative Audit & Review  
Committee  
Suite 1100  
910 Capital Street  
Richmond, Virginia 23219

Dear Mr. Willis:

Thank you for the opportunity to review the JLARC Draft on General Relief.

Please review the enclosed information relevant to the two Southampton cases found in error and advise me if the information clarifies questions you had about the cases.

1. , Case # - found in error for medical payments in excess of \$50.00 for month of January 1980.

Attachments:

- (A.) Case Actions forms with action dates of 1/4/80, 12/18/79 and 1/15/80.

The effective dates for those actions are noted in item 6 of the case action forms. We take General Relief actions twice a month, the 5th of the month and the third Tuesday of each month. Actions dated the 5th of the month have an effective date for the same month as the month of action. Actions taken on the third Tuesday are not effective until the first of the following month. Medical payments for were made as follows: December 1979, \$0.00; January 1980, \$40.20; February 1980, \$45.00; and March 1980, \$18.00.

- (B.) Warrant Register

The warrant register for January 1980 reflects two vendor medical payments totaling \$40.20 for the month of January 1980 paid on behalf of .

2. , Case # - found ineligible because record indicated he lives with his mother and should have been granted assistance on modified standard of assistance.

Mr. lives with his mother, , and other relatives in the household; however, Mrs. indicated to us her intentions to charge Mr. rent upon his receipt of funds.

This is not an uncommon situation. When Mr. and his wife separated he had no source of income and no place to go except to his mother's



Mr. Mark Willis  
Page 2  
June 30, 1980

home. Out of necessity, she was willing to provide shelter for him when he had no income with the expectation that he would pay rent once he received income.

Attachments:

(A.) Statement from Mrs. \_\_\_\_\_, dated 12/18/79, indicating she was going to charge \_\_\_\_\_ rent when he began receiving his money.

(B.) Also attached is a copy of a report submitted to our Board on Mr. \_\_\_\_\_ indicating his mother charges him rent.

We would appreciate your reviewing this material to determine if your finding of error can be changed to a finding of no error in each case. We will be glad to forward you any other information you need.

Again, thank you for the opportunity to review the Draft and to provide clarifications to your findings.

I generally concur with your recommendations, particularly the suggestion that state financial incentives might broaden the types of assistance. Unfortunately, sometimes the localities with the greatest need based on poverty population are the same localities with the least available local funding.

Sincerely,



(Mrs.) Gwen G. Vick  
Director

GGV/djd

cc: Mr. Larry B. Mason  
Welfare Field Operations Director

*JLARC Note: All identifying references to clients have been removed from this response.*

**REPORTS ISSUED BY THE  
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*Certain Financial and General Management Concerns, Virginia Institute of Marine Science*, July 1976  
*Water Resource Management in Virginia*, September 1976  
*Vocational Rehabilitation in Virginia*, November 1976  
*Management of State-Owned Land in Virginia*, April 1977  
*Marine Resource Management Programs in Virginia*, June 1977  
*Sunset, Zero-Base Budgeting, Evaluation*, September 1977  
*Use of State-Owned Aircraft*, October 1977  
*The Sunset Phenomenon*, December 1977  
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*Outpatient Care in Virginia*, March 1979  
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*Report to the General Assembly*, September 1979  
*Virginia Polytechnic Institute and State University Extension Division*, September 1979  
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