

tively low incomes of the majority of the insurance beneficiaries:

Type of beneficiary	Median nonrelief income	Cost of requirements at the public assistance level when living alone in own home
Single beneficiaries:		
Nonmarried men.....	\$480	\$921
Female primary beneficiaries ¹	368	915
Aged widows.....	444	915
Couples:		
Men with entitled wife.....	1,109	1,283
Men with nonentitled wife.....	1,075	1,283

¹ A few female primary beneficiaries were married and living with their husbands. The cost of the requirements of these couples was the same as for the men and their wives, entitled and nonentitled. The married female primary beneficiaries are not included in this tabulation.

Some beneficiaries, of course, supplemented their incomes by using their savings, and some received public assistance during the year studied. The proportions receiving public assistance were as follows: 17 percent of the couples in which the wife was entitled, 18 percent of the couples in which the wife was not entitled, 18 percent of the aged widows, 24 percent of the nonmarried men, and 27 percent of the female primary beneficiaries.

From 39 to 50 percent of the different beneficiary types had below-assistance incomes and did not receive public assistance. Some of them would have been disqualified for public assistance because they had more assets than public assistance recipients could have or because they had adult children able to contribute to their support. Those who had below-assistance incomes and whose other resources probably would not have disqualified them for assistance if they had applied for it constituted from 13 to 18 percent of the beneficiaries of the different types. Altogether, 31 percent of the aged widows and the couples with the wife not entitled to benefits, 35 percent of the couples with the wife entitled to benefits, 38 percent of the nonmarried men, and 45 percent of the female primary beneficiaries either received public assistance or probably could have qualified for it on the basis of their resources.

These findings, of course, are limited to a group of retired primary

beneficiaries and aged widows in Boston and in a State whose public assistance level is one of the highest in the country. A comparison of beneficiary incomes with the standard budget for public assistance in another State might lead to far different results, particularly if the assistance standard was markedly lower.

Hearings in Public Assistance, January 1945-December 1947

Since the latter part of 1944, State assistance agencies have been reporting to the Bureau of Public Assistance, on a voluntary basis, statistical data on hearings in the programs for the three special types of public assistance. The data include the kind of agency action questioned by the claimant who requests a hearing, the method of disposing of the request (by hearing decision or otherwise), the result of the request for the claimant, the time lapse from receipt of the request by the State agency to its disposition, and the principal issue involved in the request.

Most State agencies participated in this project during all or part of the period January 1945-December 1947.¹ A total of 54 agencies in 45 jurisdictions (including Alaska and the District of Columbia) have submitted reports for one or more semiannual periods, and data are available for the entire 3 years for 44 agencies in 41 States.² As of January 1948, statistical reports on hearings will be required from all State agencies.

A very wide range exists among the States in the relative numbers of hearing requests. This range reflects differences not only in State policy and practice directly related to hearings but also in many other aspects of public assistance administration.

¹ Additional data based on State reports are published in *Hearings in Public Assistance*, semiannual release of the Bureau of Public Assistance. For a general discussion of the role of hearings in the public assistance program, see Bernard W. Scholz, "Hearings in Public Assistance," *Social Security Bulletin*, July 1948, pp. 14-18.

² Data are not available for the entire period for one or more programs in each of four of the 41 States.

The Social Security Act provides that any person whose claim for assistance is denied shall have an opportunity for a fair hearing before the State agency. The extent to which this right is recognized in practice is, of course, not indicated by statistical information alone. Many types of qualitative information are also needed for evaluating hearing procedures.

Although the right to a fair hearing is one of the most important safeguards of the individual's right to an equitable determination of his eligibility for assistance and the amount of his payment, hearings cannot substitute for sound administration. The statistical data provide no ready answer to the question of how many hearing requests may reasonably be expected in a well-administered assistance program. The receipt of relatively few requests may reflect successful efforts to meet actual and potential dissatisfaction of claimants by other methods. Yet the fact that an agency receives few hearing requests may also indicate that all claimants are not aware of their right to a hearing or that the agency does not completely accept the existence of that right or the operation of both factors. In general a relatively large number of requests presumably shows that the agency has recognized the right to a hearing by making sure that claimants are notified of the right and of the means by which they may exercise it. But the agency may sometimes be using the hearing process to meet dissatisfaction that would not arise if agency policies were more clearly defined, equitably applied, and satisfactorily explained to the claimants.

During the 3 calendar years 1945-47 the number of hearing requests filed in the 38 States for which complete reports are available for all programs³ ranged from fewer than five in three States to more than 7,000 in one State. The agencies in each of 10 States received more than 500 hearing requests within the 3 years. All the others received fewer than 300, and agencies in 18 States received fewer than 100. Substantial differ-

³ Except the Massachusetts aid to the blind program, for which data are not available for one 6-month period.

ences among these States in size of the programs by no means account for the much greater variations in number of hearing requests.

Number of hearing requests received, 1945-47	Number of States	States
Less than 5.....	3	Delaware, Nevada, South Dakota.
5-24.....	4	Alabama, Montana, South Carolina, Utah.
25-49.....	4	Arizona, Florida, Pennsylvania, Rhode Island.
50-99.....	7	Colorado, Connecticut, District of Columbia, Idaho, Iowa, Mississippi, North Dakota.
100-199.....	6	Illinois, Kansas, Maine, Michigan, Nebraska, West Virginia.
200-299.....	4	Arkansas, Kentucky, Minnesota, Virginia.
300-499.....	0	
500-999.....	5	California, Georgia, Louisiana, Ohio, Oklahoma.
1,000-1,499.....	4	Indiana, Missouri, Texas, Washington.
More than 7,000.....	1	Massachusetts.

Since hearing requests result from various types of agency action (and inaction or delay in action) in all public assistance programs, the relative numbers of hearing requests arising over certain issues and among the different programs vary not only from State to State but also within States. Rates of hearing requests, in the country as a whole and in most States, have been consistently much lower in aid to dependent children than in either old-age assistance or aid to the blind. This difference obviously raises a serious question whether claimants for aid to dependent children are as well informed as others about the right to a hearing or feel as free to exercise that right. Community and recipient attitudes toward the assistance programs are among the many factors that make for differences in rates of hearing requests.

Most requests result from dissatisfaction with the determination of the assistance payments. Such requests may specifically question the amounts allowed for requirements or the values assigned to resources, or they may make a general claim that the amount of assistance is too low or protest a specific method of determining the payment. Next in importance, numerically, are the hearing requests resulting from the rejection of applications and from the discontinuance of assistance payments. Other requests—relatively few in number—

question other types of agency action or, more commonly, delay in action on applications or on requests for changes in payment. Rates for two important issues have been computed by relating the number of requests arising from the rejection of applications to the total number of applications rejected, and the number of requests resulting from discontinuance of assistance to the total number of cases closed. Rates of requests protesting the determination of the assistance payment cannot be accurately computed, because no data are available on the number of changes in assistance payments or requests for changes that are not granted or not acted upon. A comparison of the number of hearing requests based on the determination of the assistance payment with the total number of cases receiving assistance provides a measure of the volume of requests in relation to case load. This comparison results, of course, in a considerable understatement of the actual rate of such requests in relation to the number of agency actions.

In the State with by far the greatest volume of hearing requests, claimants questioning determination of the old-age assistance payments totaled fewer than 12 for every 1,000 cases receiving assistance in the 3-year period. In all reporting States combined, the rate of such requests was less than 1 per 1,000. Rates of requests arising from rejection of applications for old-age assistance have not exceeded 14 per 1,000 applications rejected in all reporting States, and rates of requests resulting from discontinuance of old-age assistance have not exceeded 12 per 1,000 cases closed for reasons other than the death of the recipient. Among the States, rates from these two types of agency action have ranged from 0 to 99 per 1,000. The highest rates within any given reporting period have often reflected significant changes in agency policy.

Very sharp shifts in numbers and rates of hearing requests from one 6-month reporting period to another usually have been clearly related to agency policies not directly concerned with hearing procedures. For example, recent changes in one State in the number of requirements that might be considered in determining

the old-age assistance payment and in the method of applying the \$40 maximum resulted in the filing of 149 hearing requests in July-December 1947; the largest number reported in any previous 6-month period was seven. Less apparent are any trends directly related to hearing procedures as such. There is some indication, however, that improvement in methods of notifying claimants of their right to a hearing and simplification of hearing procedures have led some States to handle dissatisfaction relatively more frequently through the hearing process than through other adjustment procedures. In general, however, except when new legislation or revision of agency policy has made for widespread changes in assistance payments or the closing of many cases, the number of hearing requests handled in any given State has shown only relatively small shifts from one reporting period to another.

Disposition of Hearing Requests

Of more than 18,000 hearing requests disposed of by all agencies reporting for all or part of the period 1945-47, almost six-tenths (57 percent) were disposed of by hearing. For the others, either the State or local agency made an adjustment satisfactory to the claimant or the claimant withdrew his request for some other reason or, less frequently, the agency dismissed the request without holding a hearing.

The claimant may withdraw his request for a hearing when he is satisfied with an adjustment made in his favor or when he becomes convinced that agency policy has been correctly interpreted and applied in his case and that no purpose will be served by a hearing. He may, on the other hand, continue his request for a hearing if he remains dissatisfied, even when some adjustment has been made. He may also want a hearing in order to enter a protest against agency policy despite his agreement that it has been correctly applied.

Some agencies dismiss any hearing request not filed within a specified time after the agency has taken the action which is questioned. A request may also be dismissed because the claimant died or because he failed to

appear at the scheduled hearing or hearings. Some agencies schedule a hearing only once and dismiss the hearing request if the claimant, without good cause, fails to appear. Others reschedule the hearing. If the claimant does not appear on the second date set, the case may be reviewed and the request disposed of without a hearing on the basis of the record, or, if the claimant can show a good reason for his failure to attend, the hearing may be scheduled for a third time.

One or two agencies, on the basis of prehearing investigations, have dismissed requests they considered unjustifiable, unless the claimant specifically insisted on a hearing before the State agency. Such practice is being discontinued, however, as the agencies come to recognize that, once a hearing request has been filed, only the claimant has the right to terminate it.

Variations in the proportion of requests disposed of by hearing may reflect not only differences in emphasis on hearings as distinct from prehearing adjustments but also differences in the particular types of issues involved in the requests. Issues difficult to resolve, especially those not clearly covered by existing agency policy, are most likely to be carried through to a hearing decision. If an adjustment in the claimant's favor can readily be made because of revision or reinterpretation of agency policy, a change in the claimant's circumstances, or discovery of an error on the part of the agency, the request is likely to be disposed of without a hearing.

For example, in July-December 1947, one agency received an unusually large number of hearing requests because a revised method of prorating shelter costs resulted in cuts in payments for many recipients. This policy was rescinded and the agency disposed of about 70 percent of all requests without hearings, although it usually holds hearings on the majority of requests. Another agency during one reporting period disposed of a relatively large number of hearing requests on the same issue—a question of agency interpretation of new legislation—by holding a hearing on one request and applying that hearing decision, by prior agreement with the claimants, to the other requests.

Despite shifts in the proportion of requests disposed of by hearing that may reflect the relative ease or difficulty with which particular issues are resolved, there are some fairly consistent interstate differences in the extent to which requests are disposed of by hearing. During the period 1945-47, agencies in seven of the 21 States that disposed of 100 or more hearing requests held hearings on three-fourths or more of all requests. Agencies in 10 additional States disposed of more than half of all requests through hearings. At the other extreme, one State agency disposed of more than four-fifths of all requests without holding hearings.

State	Percent of requests disposed of by hearing	State	Percent of requests disposed of by hearing
Michigan.....	89	Georgia.....	63
Kansas.....	87	Kentucky.....	62
Texas.....	87	California.....	60
Ohio.....	85	Nebraska.....	54
Minnesota.....	82	Wisconsin.....	53
West Virginia.....	82	Massachusetts.....	52
Illinois.....	79	Maine.....	39
Arkansas.....	74	Virginia.....	38
Louisiana.....	73	Washington.....	37
Missouri.....	68	Indiana.....	17
Oklahoma.....	65		

Time Lapse in Disposing of Hearing Requests

Data on the time required for disposing of hearing requests show clearly the effects of certain policies and practices in hearing procedures. Some agencies have established time standards, either total time that may elapse from receipt of the hearing request by the State agency to final disposition or a series of time standards for various steps in the hearing process, and many of these agencies have disposed of the bulk of their hearing requests within the specified time limits. Various circumstances may, of course, prevent an agency's meeting its time standards. Hearings may be postponed at the request of the claimant. Final disposition may be delayed because the hearing is rescheduled when the claimant is unable to come at the time first set. Occasionally, State agencies have postponed decisions on hearing requests

pending reconsideration of interpretation of policy or pending court decisions that will determine agency decisions on other cases.

When the number of hearing requests is unusually large, they may be disposed of less promptly than normally. But two of the agencies that have handled relatively large numbers of requests have maintained a fairly consistent record of disposing of most requests within 2 months. One of these agencies assigned field representatives to help the regular staff of referees dispose of the unprecedentedly large number of requests received in one period.

Agencies in four of the 21 States that disposed of 100 or more hearing requests in 1945-47 disposed of more than four-fifths of all requests within 2 months. Only one of these agencies had any requests pending as long as 6 months. Agencies in eight additional States disposed of more than half of all requests within 2 months. On the other hand, three States disposed of only about a fourth or fewer of all requests within that time, and in one of these States almost two-fifths of the requests remained pending for 6 months or longer before final disposition.

State	Percent of requests disposed of—	
	Within 2 months	Within 4 months
States disposing of 1,000 or more requests, 1945-47:		
Massachusetts.....	86	99
Texas.....	84	99
Washington.....	69	88
Indiana.....	19	53
Missouri.....	7	40
States disposing of 500-999 requests:		
Ohio.....	69	93
Oklahoma.....	56	93
Louisiana.....	29	73
Georgia.....	27	61
California.....	20	73
States disposing of 200-299 requests:		
Minnesota.....	51	88
Kentucky.....	43	99
Arkansas.....	36	71
Virginia.....	27	73
States disposing of 100-199 requests:		
Maine.....	88	96
Michigan.....	87	99
Nebraska.....	72	94
Kansas.....	64	93
Wisconsin.....	59	94
West Virginia.....	55	92
Illinois.....	49	75

Promptness in taking final action on hearing requests, essential in all States, is of greatest importance in those States that make no provision for retroactive payments. Obviously the value of a hearing is limited if the claimant must wait for months to learn whether he is eligible for assistance or what the amount of his payment will be.

1947. There were 148,800 refunds during the first half of 1948 as compared with 398,300 for January-June 1947. The liquidation of wartime agencies and functional curtailments in many permanent departments and agencies account for the large number of refunds in 1945 and 1946; they were less important factors in 1947. The comparatively small number in the first

half of 1948 indicates that the postwar adjustments in Federal Government employment have been largely completed.

The average refund for January-June 1947 was \$204; the average for the comparable period of 1948 was \$258. Averages in the first 6 months of 1948 ranged from \$247 in March to \$274 in June.

Civil-Service Refunds

In the fiscal year 1947-48, the number of refunds of contributions to employees who left the Federal civil service fell 54 percent below that in the preceding fiscal year, while payments declined by 37 percent. During the first half of 1948, there were 148,800 refunds to former Federal employees—48 percent fewer than in the preceding 6 months—while the \$38 million disbursed represented a decline of 49 percent from the amount in July-December 1946.

The number of refunds to former Federal employees increased from 17,800 in 1940 to a high of 1,599,500 in 1946, then declined to 683,000 in

Number and amount of civil-service refunds, by specified period, 1940-48¹

Period	Refunds	
	Number	Amount
[In thousands]		
Calendar year:		
1940.....	17.8	\$3,277
1941.....	32.4	4,616
1942.....	67.3	6,357
1943.....	204.3	10,809
1944.....	704.2	42,156
1945 ²	853.1	80,992
1946 ³	1,599.5	238,594
1947.....	683.0	155,892
January-June.....	398.3	81,130
July-December.....	284.7	74,762
1948:		
January-June.....	148.8	38,369
January.....	29.7	7,703
February.....	20.5	5,079
March.....	21.4	5,281
April.....	25.5	6,464
May.....	25.1	6,552
June.....	26.6	7,290

¹ Refunds principally from civil-service retirement and disability fund but also from Canal Zone and Alaska Railroad retirement and disability funds administered by the Civil Service Commission.

² Excludes War Department refunds for July-December; see footnote 3.

³ Includes \$13,926,000 refunded during the fiscal year ended June 30, 1946, to 183,500 civilian employees of the War Department, calendar-year data are not available.

Source: Civil Service Commission.

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tion and size. In most States the changes in July were small. In Louisiana, however, a major change in the old-age assistance law and a greatly increased appropriation for public welfare led to program changes that raised the number of recipients by more than half and more than doubled the average payment. The present law specifies that, for any person entitled to old-age assistance, minimum need shall be considered to be not less than \$50 for one person and not less than \$45 each for two or more eligible persons in a household. A recipient's income and resources, if any, are to be taken into consideration. In carrying out the law, the State agency issued rules and regulations liberalizing the real and personal property provisions governing eligibility. Some 32,000 recipients were added to the rolls during July as a result of the changes, bringing the proportion of all aged persons in the State receiving old-age assistance to the highest in the Nation—63 percent.

The Louisiana Legislature did not change the provisions relating to need for the other types of assistance. These programs shared, however—though to a smaller extent—in the increased appropriations for public welfare. For these types of assistance, also, assistance standards were liberalized by bringing the cost figures up to date for certain consumption items. An earlier cut of \$3 a person in payments for aid to dependent children and aid to the blind as well as for old-age assistance was eliminated; payments for general assistance were made for the amount of need as established, instead of for 50 percent of such need. Louisiana had ranked forty-second among the States in the size of its average old-age assistance payment and forty-first for

aid to dependent children and aid to the blind; within the month it rose to eleventh for old-age assistance, thirtieth for aid to dependent children, and twenty-fifth for aid to the blind. From a ranking of thirty-fifth for general assistance, it rose to sixteenth.

The flat amount established in Colorado for total income was again raised (to \$83) to enable the State to distribute all earmarked funds during the calendar year. The average payment rose \$15, and the case load was increased by 200 persons, many of whom were made eligible by the change in the amount of total income assured to recipients.

In contrast, Maryland and Texas reduced by about 16 percent and 7 percent, respectively, the case loads for aid to dependent children. In Maryland this action was taken to avoid a reduction in payments; in Texas, to avoid cutting payments further. The average payment in this program rose somewhat in each of these States.

In the Nation the total number of recipients of old-age assistance rose 1.7 percent in July, and the number of persons receiving aid to the blind, 0.6 percent. The total case load for aid to dependent children dropped very slightly; the case load for general assistance decreased 2 percent. Largely because of the increases in payments in Louisiana and Colorado, total expenditures for assistance were \$4 million, or 3 percent, higher than in June 1948.

Bureau of Federal Credit Unions Established in the Social Security Administration

On June 29, 1948, President Truman signed Public Law No. 813, which transferred supervision of all Federal credit unions from the Federal

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