

**GAO**

Report to the Chairman, Subcommittee  
on Department Operations, Nutrition  
and Foreign Agriculture, Committee on  
Agriculture, House of Representatives

May 1995

# WELFARE PROGRAMS

## Opportunities to Consolidate and Increase Program Efficiencies



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United States  
General Accounting Office  
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Health, Education, and  
Human Services Division

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The Honorable Bill Emerson  
Chairman, Subcommittee on Department Operations,  
Nutrition and Foreign Agriculture  
Committee on Agriculture  
House of Representatives

Dear Mr. Chairman:

Since the passage of the Social Security Act in 1935, nearly 80 programs have been enacted to help meet the needs of low-income individuals and families. Authorized by different congressional committees at different points in time, these programs were created to help meet the specific needs of various groups of low-income people. The numbers of programs in this system, and the costs involved, have raised concerns, however, that the system is too costly and complex and should be overhauled. In fiscal year 1993 alone, the federal government spent about \$223 billion to assist low-income Americans of all ages.<sup>1</sup> These federal expenditures accounted for approximately 16 percent of the fiscal year 1993 federal budget.

Rising program costs, growing caseloads, and dissatisfaction with current program designs have prompted states to initiate major reforms. Escalating costs for Medicaid—the single largest means-tested<sup>2</sup> program—have prompted some states to move most or all of their Medicaid population into managed care delivery systems<sup>3</sup> to control future cost growth. Several states are simultaneously seeking to expand Medicaid coverage to previously uninsured low-income individuals; states anticipate that savings from managed care systems will help finance this expanded coverage.

In response to caseload growth in the Aid to Families With Dependent Children (AFDC) program, states have acted to change welfare recipients' behavior and enhance family responsibility. For example, several states no longer increase the amount of a family's AFDC benefit for an additional

<sup>1</sup>Program expenditures and numbers of recipients cited in this report are for fiscal year 1993, the most recent year for which complete program expenditure and participation information was available.

<sup>2</sup>Means-tested programs are restricted to individuals or families whose incomes fall below defined levels and who meet certain other eligibility criteria established for each program.

<sup>3</sup>Managed care in Medicaid is not a single health care delivery plan, but rather a continuum of models that share a common approach. Common to all managed care models in the Medicaid program is the use of a primary care physician to control and coordinate the delivery of health services in a cost-conscious manner.

child born while the mother is receiving welfare. State Medicaid and AFDC reform efforts are taking place under specific federal waivers; the Congress is currently considering restructuring these and other means-tested programs to increase states' flexibility to design and manage these programs, increase program efficiency, and constrain spending growth.

On February 7, 1995, we provided an overview of means-tested programs in testimony before the Subcommittee;<sup>4</sup> this report expands on the issues presented in our testimony. More specifically, we (1) describe low-income families' participation in multiple welfare programs; (2) examine program inefficiencies, such as program overlap and fragmentation; and (3) identify issues to consider in deciding whether, and to what extent, to consolidate welfare programs.

To address these issues, we drew from our past work and other reports on the issues related to the programs within the welfare system. (See app. II.) In deciding which programs to include in our report, we followed the Subcommittee's request that we discuss the programs addressed in the Congressional Research Service's (CRS) September 1993 report on cash and noncash benefits for persons with limited income.<sup>5</sup> Our analysis of low-income families' participation in means-tested programs is based on data from a national household survey, the Bureau of the Census' March 1994 Current Population Survey (CPS).

## Results in Brief

About 80 welfare programs provide assistance to low-income individuals and families; federal expenditures for these programs totaled \$223 billion in 1993. Federal expenditures for the largest five programs—Medicaid, Food Stamps, AFDC, Supplemental Security Income (SSI), and Section 8 Housing Assistance—alone composed about 65 percent of total 1993 welfare expenditures, about \$145 billion. Many low-income families are eligible for and receive assistance from multiple programs. Most families receiving AFDC, for example, are also eligible for and receive Medicaid and food stamps.

These myriad welfare programs—each with its own rules and requirements—are difficult for families in need to access and cumbersome

<sup>4</sup>Means-Tested Programs: An Overview, Problems, and Issues (GAO/T-HEHS-95-76, Feb. 7, 1995).

<sup>5</sup>Cash and Noncash Benefits for Persons With Limited Income: Eligibility Rules, Recipient and Expenditure Data, FY 1990-92 (EPW-93-832), Congressional Research Service, Library of Congress, (Washington, D.C.: 1993).

for program administrators to operate. For example, the AFDC, Food Stamp, and Medicaid programs all determine need differently and set different household maximum resource limits. Moreover, interactions among programs may send mixed signals to recipients. AFDC recipients whose benefits are reduced because they failed to attend required employment training activities, for example, qualify for increased food stamps, thus undermining efforts to move AFDC recipients from welfare to work.

We have identified several program areas—including employment training, food assistance, and early childhood programs—where numerous programs target the same clients, share the same goals, and provide similar services. Such program overlaps add unnecessary administrative costs and make service delivery more complicated. For example, 163 separate employment training programs are scattered across 15 federal departments and agencies and 40 interdepartmental offices, which in turn channel funds to state and local program administrators. Given their size and complex structure, welfare programs are also inherently vulnerable to fraud, waste, and abuse. Moreover, little is known about the effectiveness of many of these programs. Most agencies that administer employment training programs, for example, do not know if their programs are helping people find jobs.

Confronted with this complex system, state governments and local providers have sought to streamline program operations and service delivery. However, such efforts are hindered by the patchwork of federal programs and funding streams. To streamline this system, the Congress and the administration are considering consolidating specific federal programs, including employment training, child care subsidy, and housing programs. Regardless of how welfare programs are ultimately restructured, ensuring that federal funds are used efficiently and that programs are focused on outcomes remains important.

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## Background

Over the years, the Congress has established about 80 separate programs to provide cash and noncash assistance to low-income individuals and families. Taken together, these programs constitute the nation's welfare system of means-tested programs. Means-tested programs are restricted to individuals or families whose income falls below defined levels and who meet certain other eligibility criteria established for each program. To qualify for assistance, applicants generally must show proof of income and other documentation, which administering agencies must then verify.

Means-tested programs target low-income individuals and families to meet two broad objectives: (1) to provide basic support and health care for those who are often unable to support themselves—the aged, blind, disabled, and children—and (2) to provide transitional assistance to able-bodied adults and their families while promoting self-sufficiency. These programs provide benefits in six areas of need: (1) cash assistance; (2) medical benefits; (3) food and nutrition; (4) housing; (5) education and training; and (6) other services, such as child care.

Federal expenditures for these welfare programs totalled about \$223 billion in fiscal year 1993. Many of these programs are also partially funded by the states; when state dollars are included, the total amount of spending reached \$311 billion. Federal spending for these programs grew from \$80 billion in fiscal year 1980; in inflation-adjusted dollars, this represents a 58-percent increase. Table 1 highlights the federal spending levels in some of the largest programs in each of the six areas of need. (See app. I for a complete listing of the 80 programs and their expenditures.)

**Table 1: Selected Means-Tested Programs, by Type of Assistance (Fiscal Year 1993)**

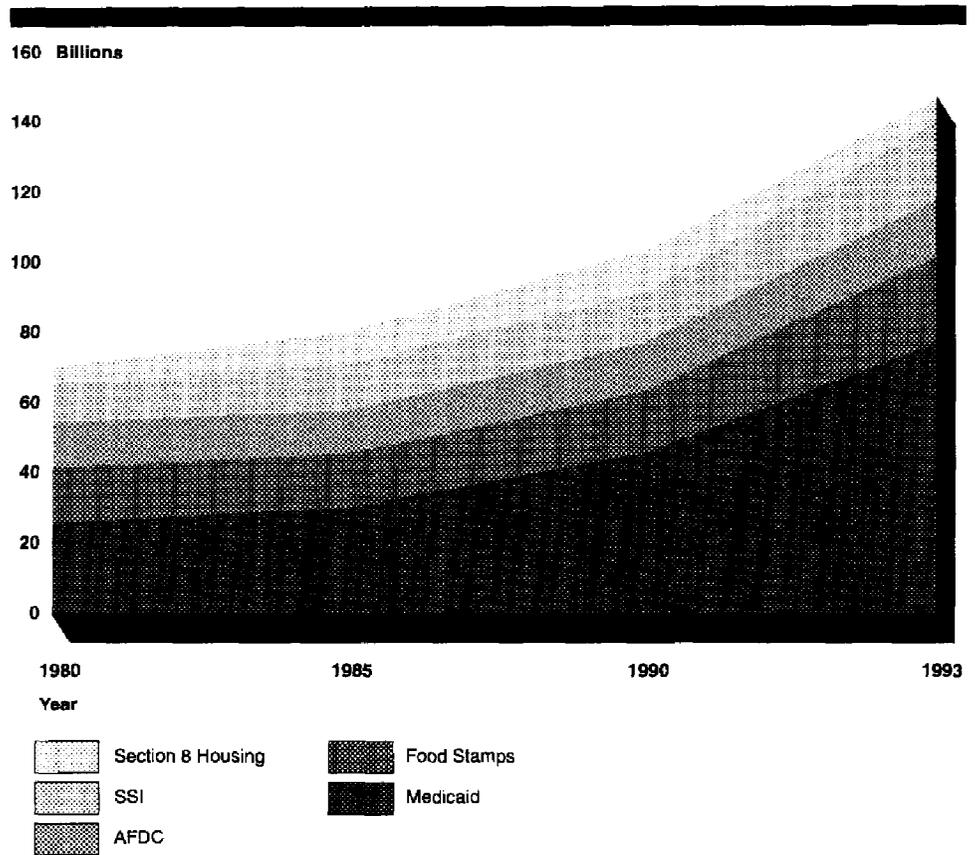
Dollars in billions	
Type of assistance/program	Estimated expenditures
<b>Income support</b>	
Aid to Families With Dependent Children	\$13.8
Supplemental Security Income	21.8
Earned Income Credit (EIC)	10.9
<b>Medical care</b>	
Medicaid	75.0
Medical Care for Certain Veterans	8.3
<b>Food and nutrition</b>	
Food Stamps	23.7
School Lunch	3.8
Special Supplemental Food Program for Women, Infants, and Children (WIC)	2.9
School Breakfast	0.9
<b>Housing</b>	
Section 8 Housing Assistance	11.2
Low-Rent Public Housing	6.2
<b>Education and training</b>	
Stafford Loans and Pell Grants	11.6
Job Training Partnership Act (JTPA)	3.5
Head Start	2.8
Job Opportunities and Basic Skills (JOBS) Training Program	0.7
<b>Other services</b>	
Social Services Block Grant (SSBG)	2.8
Child Care and Development Block Grant (CCDBG)	0.9
Child Care—AFDC, Transitional, and At-Risk	0.8
Community Services Block Grant	0.4

Source: Congressional Research Service (CRS); the Joint Tax Committee; and the Departments of Health and Human Services (HHS), Education, Agriculture, and Housing and Urban Development (HUD).

While the nation's welfare system consists of about 80 means-tested programs, a handful of programs account for most of the federal spending on these programs and have driven much of the spending growth. The five largest programs—Medicaid, Food Stamps, AFDC, SSI, and Section 8 Housing Assistance—accounted for 65 percent of federal spending for means-tested programs in fiscal year 1993, about \$145 billion. Federal

spending on these programs has more than doubled since 1980 in inflation-adjusted dollars, as shown in figure 1.

**Figure 1: Growth in Federal Spending for Five Largest Means-Tested Programs, 1980-93**



Note: Dollars are in constant 1993 dollars.

Sources: The 1980, 1985, and 1990 figures (except for housing) are from 1995 Budget Perspectives: Federal Spending for Social Welfare Programs CRS, 94-215 EPW (Washington, D.C.: 1994). The housing expenditures are from HUD. The 1993 expenditures are from CRS, and the Departments of HHS, Agriculture, HUD, and Education.

Four of these programs—Medicaid, Food Stamps, SSI, and AFDC—are entitlement programs. Entitlement programs guarantee assistance to individuals or families as long as they meet the income and eligibility tests. The Section 8 Housing Assistance program, as well as many other

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means-tested programs, is a nonentitlement program. Nonentitlement programs do not guarantee assistance to all those who qualify. Instead, they provide qualified applicants support until funds are depleted.

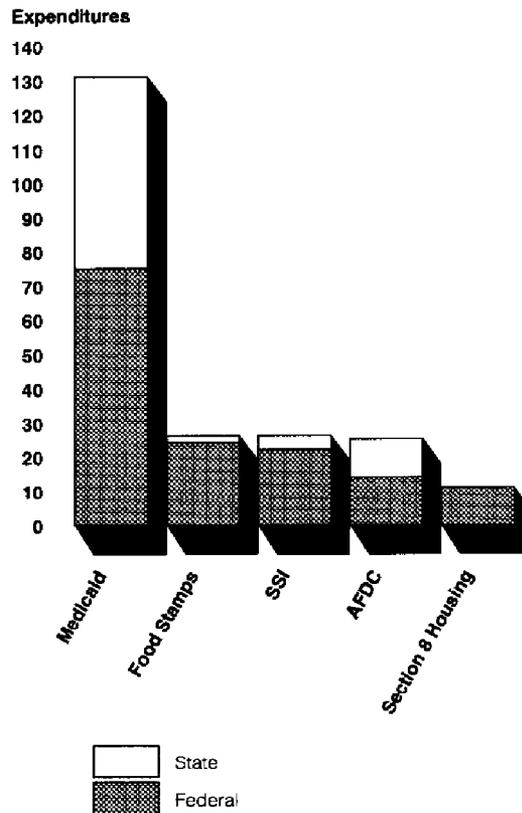
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## Medicaid Is the Largest Means-Tested Program

The Medicaid program is the single largest program and is jointly funded by federal and state governments. Federal expenditures reached nearly \$75 billion in fiscal year 1993, and the states spent an additional \$56 billion in 1993 for a total of \$131 billion in Medicaid expenditures (see fig. 2). Federal law mandates coverage of certain medical services and population groups. It also includes coverage options, allowing states to choose whether to cover additional services or low-income population groups. The program provided health coverage to 33 million low-income individuals in 1993.

The Medicaid program is also one of the fastest growing components of both federal and state budgets. In 1993, Medicaid cost almost \$100 billion more and served about 10 million more low-income recipients than it did a decade ago. About three-fourths of Medicaid beneficiaries are poor children and their parents; however, two-thirds of program expenditures are for poor elderly, blind, and disabled individuals.

**Figure 2: Federal and State Expenditures for Five Largest Welfare Programs, Fiscal Year 1993**



Source: CRS and the Departments of HHS, Agriculture, and HUD.

Medicaid programs vary considerably among the states, which independently establish eligibility standards and decide on covered services. States partly determine the extent of their Medicaid program when they set eligibility requirements for receiving cash assistance, primarily AFDC.<sup>6</sup> States also determine program scope by selecting which optional services or groups to include in their programs. With some discretion to modify eligibility and benefit provisions, the proportion of the poor (as defined by the federal poverty level) and near-poor served by Medicaid varies greatly by state. For example, for every 1,000 people with incomes under 150 percent of the federal poverty level, Rhode Island

<sup>6</sup>In 1993, the qualifying level for AFDC varied across states from 17 to 93 percent of the federal poverty level, which in 1993 income was \$1,027 per month for a family of three.

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serves 913 beneficiaries, while Nevada serves 284. Nationally, in 1994, Medicaid covered medical services for 58 percent of people under age 65 living in poverty.

Medicaid provides noncash assistance—eligible individuals receive services, rather than cash. The Food Stamp and Section 8 Housing Assistance programs also provide noncash benefits. The Food Stamp program generally provides low-income individuals and families with monthly food stamps or coupons to help them purchase a nutritionally adequate diet.<sup>7</sup> Unlike Medicaid, the Food Stamp program is almost totally funded by federal dollars and has uniform program rules in the contiguous 48 states.<sup>8</sup> Food Stamp expenditures were over \$25 billion in fiscal year 1993; the federal share was about \$24 billion. About 27 million people received food stamps each month in 1993; about 50 percent were children and about 7 percent were elderly.

The Section 8 Housing Assistance program provides rental subsidies to low-income individuals and families to help them obtain affordable housing. Unlike Medicaid, the Section 8 program is fully federally funded. The federal government provided about \$11 billion in rental housing assistance to almost 3 million low-income families in 1993.

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## AFDC and SSI Provide Billions in Cash Assistance

The nation's two largest means-tested cash assistance programs—SSI and AFDC—together provided assistance to over 20 million low-income individuals in 1993.<sup>9</sup> AFDC provided cash assistance to about 70 percent of these individuals; however, SSI total program costs nearly equalled those of AFDC. SSI is mostly federally funded, while the federal government and the states share the costs of the AFDC program.

SSI is a primary source of cash income to aged, blind, or disabled individuals with low incomes and limited resources. The program follows uniform nationwide eligibility requirements. In 1993, over 6 million people received SSI benefits, and expenditures were almost \$26 billion—nearly \$22 billion of that in federal dollars.

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<sup>7</sup>Some states are experimenting with alternative ways to provide food assistance by providing cash instead of coupons or using electronic benefit transfers.

<sup>8</sup>While Food Stamp program rules are uniform among the states, food stamp benefits are higher in Alaska and Hawaii.

<sup>9</sup>No recipient may receive both SSI and AFDC benefits; however, families receiving AFDC may have one or more family members who receive SSI.

The AFDC program provides cash benefits to economically needy families with children who lack support from one or both of their parents because of death, absence, incapacity, or unemployment. As with Medicaid, AFDC is jointly funded by the federal government and the states. The states define benefit need, set their own benefit levels, establish (within federal limitations) income and resource limits, and administer the program. As a result, AFDC monthly benefits vary widely among states—from Mississippi, where a family of three received \$120 as of January 1994, to Alaska, where the monthly benefit totalled \$923. In addition to these state variations in benefit levels, AFDC benefits vary by family size, with larger families generally receiving higher benefits.<sup>10</sup>

In fiscal year 1993, the federal government and the states spent about \$25 billion to assist over 14 million AFDC recipients in nearly 5 million families. The federal government's share was almost \$14 billion. The majority of children receiving AFDC—nearly 90 percent—live with one parent, usually their mother.

## Many Low-Income Families Receive Assistance From Multiple Programs

Low-income families are likely to be eligible for and participate in several means-tested programs, depending on the programs' specific eligibility criteria and availability. We found that families receiving AFDC, for example, were generally receiving other benefits, including Medicaid and food stamps; however, the extent to which they received such noncash assistance varied. Working poor non-AFDC families, on the other hand, were less likely to receive multiple types of noncash assistance than families receiving AFDC.

<sup>10</sup>As of July 1, 1994, eight states—Arkansas, California, Georgia, Kentucky, Oklahoma, Virginia, Washington, and West Virginia—have set benefit ceilings at a particular family size. Georgia, for example, has a maximum benefit of \$568 for families of 11 or more; Kentucky has a maximum of \$419 for families of 7 or more. In addition, six states—Arkansas, Georgia, Indiana, Nebraska, New Jersey, and Wisconsin—have received permission from the U.S. Department of Health and Human Services (HHS) to freeze family size at the number of children in the family when the family first applies for AFDC benefits. This cap on family benefits is aimed at discouraging welfare recipients from having additional children while on AFDC.

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## Benefit Receipt Varied Among Families

To illustrate what the package of cash and noncash benefits for low-income families might look like, we analyzed families' receipt of five types of benefits—AFDC, Medicaid, food stamps, housing,<sup>11</sup> and school lunches.<sup>12</sup> We compared the benefits that AFDC families—consisting of a female head of household and two children—received in 1993 with those working poor female-headed families received.<sup>13</sup>

We found that most AFDC families received at least one type of noncash benefit; however, the extent to which they receive each benefit varied. For example, AFDC families are automatically eligible for Medicaid and most also qualify for food stamps. Because both are entitlement programs, every AFDC family that qualifies and applies will receive benefits. In contrast, housing assistance is not an entitlement program, and its availability is limited. As a result, all AFDC families participate in Medicaid, while only about 37 percent of AFDC families reported receiving housing assistance in 1993, as shown in figure 3.

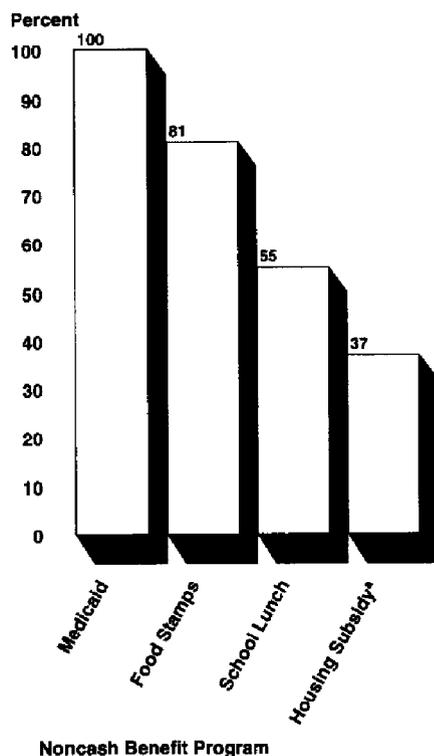
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<sup>11</sup>Our analysis includes both Low Rent Public Housing and Section 8 Housing Assistance.

<sup>12</sup>We did not include SSI in our analysis because AFDC recipients are not eligible for SSI.

<sup>13</sup>For this analysis, we defined working poor as non-AFDC female-headed families of three in which the family head worked full time for a full year and earned up to 1-1/4 times the minimum wage.

**Figure 3: Percentage of AFDC Families Receiving Noncash Assistance (1993)**



\*Includes Low Rent Public Housing and Section 8 Housing Assistance.

Note: All families are shown as participating in Medicaid because of their automatic eligibility, although not all may receive medical care in a given month.

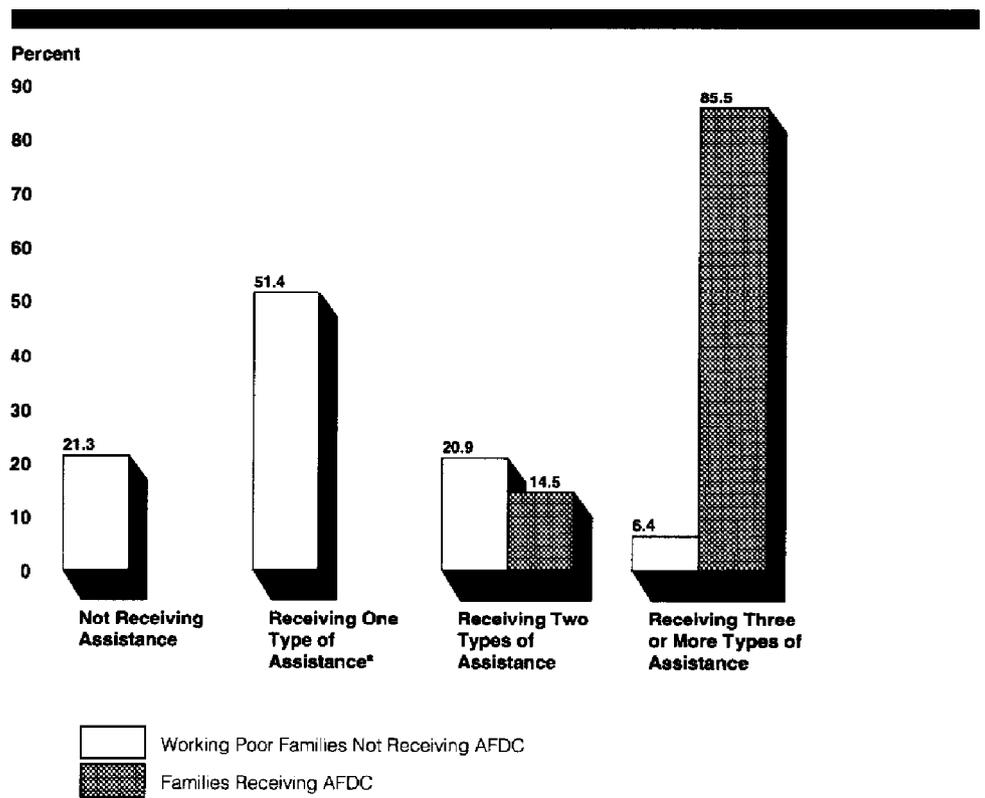
Source: CPS, March 1994.

Working poor families may also be eligible for and receive noncash assistance; however, they are less likely to receive such assistance than AFDC families. An eligible family of three could have a gross monthly income over \$1,200 and be eligible for a small food stamp benefit. The same family of three could receive as little as \$2 and as much as \$80 per month. It also could have a monthly income as high as \$3,000 and still receive housing assistance. Of the working poor families we studied, about 22 percent received food stamps, and about 12 percent received housing assistance in 1993.<sup>14</sup>

<sup>14</sup>Sampling errors at the 95-percent confidence level are about plus or minus 12 percentage points for food stamps and about plus or minus 9 percentage points for housing assistance.

AFDC families are also much more likely to be receiving more than one type of noncash assistance than are working poor families. For example, over 85 percent of the AFDC families received three or more types of assistance, as shown in figure 4.<sup>15</sup> In contrast, only about 6 percent of working poor families participated in three or more noncash programs.

**Figure 4: Comparison of AFDC and Working Poor Families' Benefit Receipt (1993)**



\*All families receiving AFDC were receiving at least one other type of assistance.

Source: CPS, March 1994.

Our analysis depicts the set of benefits that low-income families received at a particular point in time. However, these families' economic status may vary considerably over time. The families we examined—AFDC families and working poor non-AFDC families—are frequently the same families

<sup>15</sup>At the 95 percent confidence level, sampling errors for estimates shown in figure 4 range from 3 percentage points (AFDC family estimates) to 12 percentage points (percent of working poor receiving one type of assistance).

observed at particular points in time. Many low-income families go on and off AFDC because of events that affect their ability to go to work at a particular time—for example, changes in availability of a job, child care arrangements, health of children, and access to affordable transportation.<sup>16</sup>

As these families' economic circumstances change, their need for different types of assistance may also change.

## Complex System of Welfare Programs Is Inefficient

Low-income families often rely on multiple assistance programs to meet their needs; moreover, these needs may change over time. However, the sheer numbers of programs, and their complex set of rules and regulations, can make it difficult for a family to piece together the package of benefits that it needs. This complex system is also administratively burdensome and inefficient for the officials who deliver program services and benefits. Some programs overlap, while others are so narrowly focused that service gaps occur. Moreover, little is known about the effectiveness of many welfare programs.

## Multiple Programs Create Difficulties for Low-Income Families With Many Needs

The programs that make up the nation's welfare system have developed incrementally over time as the Congress addressed specific needs of low-income individuals and families. Considered individually, these programs make sense. However, no overarching goal was ever developed to unify the programs and help ensure that families' needs were being met as efficiently and effectively as possible.

Instead, each program has its own rules for eligibility and income requirements, verification standards, and processing time frames. For example, Food Stamps, AFDC, and Medicaid use different standards to determine a family's need for assistance. The Food Stamp program determines need on the basis of the relationship of a household's total income to the federal poverty level, whereas in the AFDC program, need is based on the relationship of a family's income to the state's need standard. Medicaid bases its income limits on the maximum state AFDC payment made to a family of the same size.

These three programs also treat assets differently. The AFDC program allows a family to possess assets of up to \$1,000, whereas the Food Stamp program sets its maximum resource limit at \$2,000 per household. Under

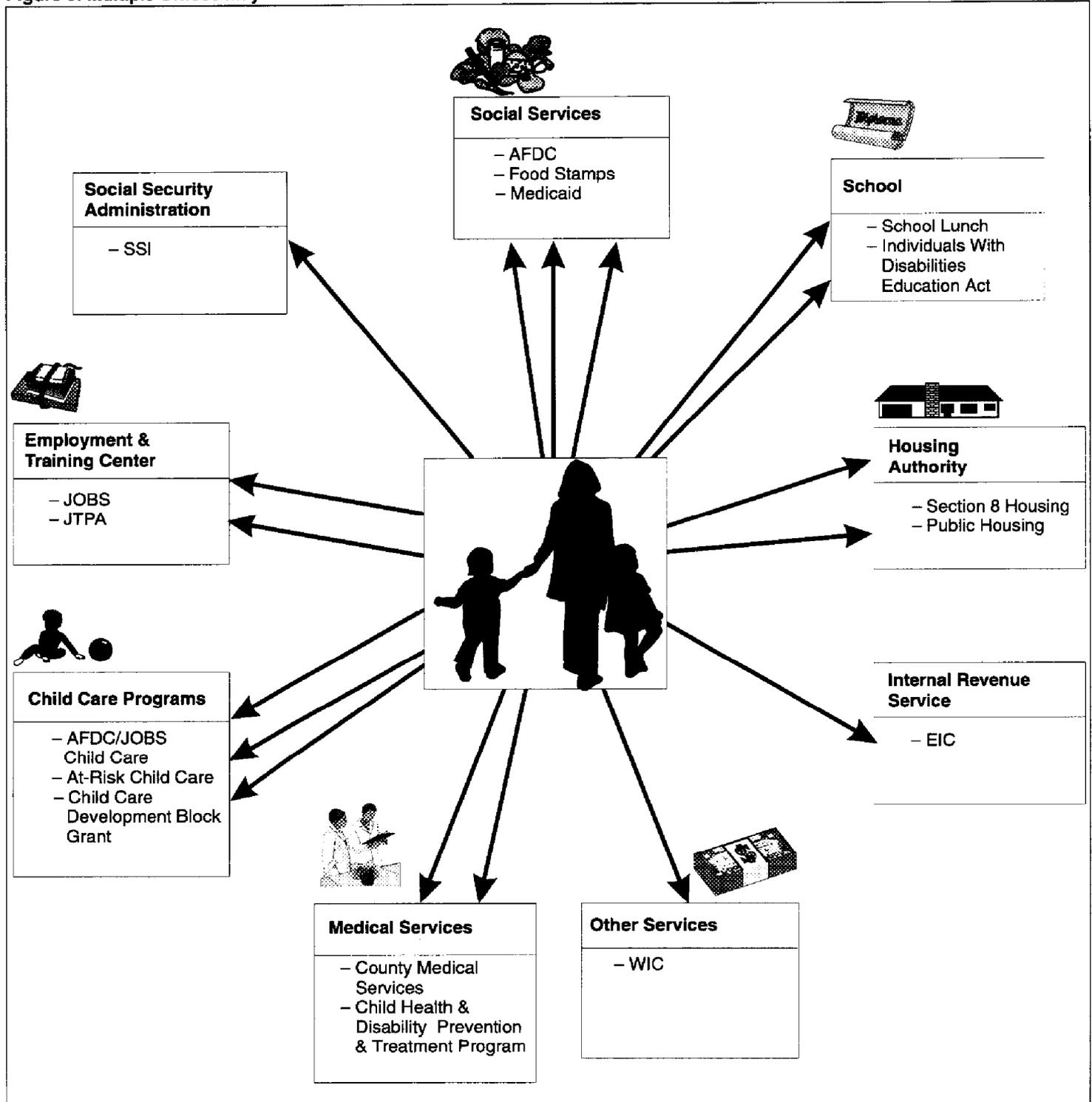
<sup>16</sup>According to a recent study, nearly 64 percent of welfare recipients leave AFDC within 2 years; however, between two-thirds and three-fourths of those who leave AFDC return within a 5-year period; see LaDonna A. Pavetti, *The Dynamics of Welfare and Work: Exploring the Process by Which Women Work Their Way Off Welfare* (Cambridge, Mass.: Harvard University, 1993).

Medicaid, the resource limit is \$2,000 for individuals and \$3,000 for couples and households with an elderly member. Income is verified in similar ways by Food Stamps, AFDC, and Medicaid programs. However, food stamp regulations also mandate verification of utility and medical expenses, identity, residency, disability, and household composition. For both AFDC and Medicaid, states may establish other additional verification requirements. Moreover, for a family that owns a car, each program has different rules governing the extent to which the car's value is excluded in valuing the family's financial resources.

Time limits on eligibility determinations also vary among the programs. Decisions on AFDC and Medicaid benefits must be reached within state-set standards, not to exceed 45 days. States must provide AFDC benefits from either the date of authorization or 30 days from application, whichever occurs earlier. Food stamp recipients must receive benefits retroactive to the date of application within 30 days of application under normal processing and within 5 days for expedited service. Under Medicaid, states may provide eligibility either from the date of application or the first day of the month of the application.

From the low-income family's perspective, navigating this complex system of programs can be confusing and time-consuming. A low-income mother with two children, for example, may need to visit several different offices to obtain benefits from 17 different programs, as shown in figure 5. To obtain benefits, a family will likely have to fill out separate applications for each type of assistance. These applications are complicated and lengthy and, in most cases, cannot be processed without documents, such as rent receipts, birth certificates, and pay stubs. Such documentation requirements may result in families' having to return to the same office more than once, and they may face the same scenario at each office they must visit to obtain benefits.

Figure 5: Multiple Offices May Provide Low-Income Assistance



The variations in eligibility rules and income requirements across programs can also make it difficult for applicants to provide the information needed for accurate eligibility and benefit determinations. Such complexities may also make it difficult for eligibility workers to correctly assess an individual's or a family's eligibility and calculate benefit amounts.

### Program Interactions Send Mixed Messages to Recipients

Interactions among the programs for which a family may be eligible may send mixed messages to program recipients and undermine program goals. The interaction between AFDC and SSI illustrates such a conflict. As of January 1994, SSI benefits per person were higher than AFDC benefits for a family of three in 36 states. SSI benefits increase a family's total income, because a family member's SSI benefits are not included in the family's income when determining eligibility and calculating benefits for AFDC. Given this, SSI may create an incentive for families to coach their children to fake mental impairments by misbehaving or doing poorly in school so that they can qualify for SSI.<sup>17</sup> This disparity between AFDC and SSI benefits thus makes the SSI program susceptible to fraud and undermines a key goal of the AFDC program—to help adult recipients reduce welfare dependency.

Interactions between the AFDC and Food Stamp programs may also undermine states' efforts to reduce welfare dependency. For example, some states sanction certain AFDC recipients for failing to attend job training activities by reducing their AFDC benefits. These job training activities are designed to help adult AFDC recipients obtain the skills they need to obtain work. However, this reduction in AFDC benefits results in recipients' qualifying for increased food stamps. Therefore, the impact of the AFDC sanction may have little real effect on recipients' total income and, thus, may not provide the intended incentive for the recipient to continue in training activities.

### Program Overlaps and Service Gaps Create Administrative Inefficiencies and Service Delivery Problems

The growth in welfare programs over time and the lack of overarching goals have also contributed to overlapping and conflicting programs. Program overlap adds unnecessary administrative costs at each level of government and makes service delivery more complicated. At the federal level, the myriad of assistance programs are administered by different agencies, each with its own goals. In response to program complexities at

<sup>17</sup>Social Security: New Functional Assessments for Children Raise Eligibility Questions (GAO/HEHS-95-66, Mar. 10, 1995).

the federal level, states have established and maintained elaborate organizational, programmatic, and financial structures for each program.

We have previously reported on several areas of program overlap, including employment training, food assistance, and early childhood programs. In each of these areas, at least some of the overlapping programs are means-tested.<sup>18</sup> The extent and nature of program overlaps in each of these areas is summarized below.

### Employment Training

We have identified 163 federal programs scattered across 15 federal agencies providing employment training assistance. The Departments of Education and Labor administer the most programs—61 and 37, respectively—while the remaining reside in departments not generally expected to provide employment training assistance, such as the Departments of Agriculture, Defense, Housing and Urban Development, and Justice. Because of the many federal agencies administering employment training programs, these programs frequently target the same clients, share the same goals, and provide similar services. For example, nine of these programs target economically disadvantaged individuals.

These agencies maintain separate administrative structures that devote staff and other resources to administer, monitor, and review program implementation. For example, within the 15 departments and agencies, 40 interdepartmental offices channel funds to state and local program administrators. Each office provides staff and incurs costs—often at both headquarters and regional locations—to plan and monitor the implementation of its programs.

### Food Assistance

The Department of Agriculture administers 14 food assistance programs for low-income individuals. These programs vary considerably in the type of benefits provided and in the manner of providing them. The current food assistance approach, which has evolved over the past 46 years, is largely focused on the goals of the individual 14 programs rather than a broader view of federal food assistance needs. For example, these programs have a mix of purposes, including (1) supporting U.S. agriculture, (2) enhancing children's learning and growth processes, (3) improving the health of Americans, and (4) improving the nutritional content of diets. No overarching federal food assistance policy exists to guide these programs or to explain how each program contributes to the federal food assistance effort.

<sup>18</sup>GAO's efforts to identify program overlap have been focused on program areas and were not limited to means-tested programs. In a number of cases, multiple programs that GAO identified as overlapping were cited as a single program in CRS' 1993 report on means-tested programs.

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**Early Childhood**

More than 90 federal programs administered by 11 separate federal agencies provide education, child care, and other services to very young children. Of these, we identified 34 key programs that provided services to children below age 5. Key programs include the Head Start program, which provides education and developmental services to young children and is administered by the Department of Health and Human Services. The Department of Education's Chapter 1 program also provides preschool education to young children. Although these programs have some similarities, they may target different populations, use different eligibility criteria, and provide a different mix of services to children and their families.

In contrast, other programs are so fragmented and narrowly focused that service gaps result. For example, between 1988 and 1990, the Congress created four child care programs for low-income families, and in fiscal year 1994 nearly \$2 billion in federal funds was made available for these programs. The categorical nature of these child care subsidy programs creates service gaps that diminish the likelihood that low-income mothers will work.

For example, the current system of child care assistance guarantees subsidies to AFDC recipients participating in employment or state-approved education and training activities as well as to employed former AFDC recipients, but not to working poor families outside the AFDC system. Yet our analysis of low-income families showed that an AFDC recipient's economic status may differ little from a low-income, working non-AFDC recipient's. In fact, working non-AFDC recipients may be economically worse off because they face work-related expenses that may include child care. Moreover, because many AFDC recipients cycle on and off welfare, the separate assistance programs may be distinguishing between the same individuals at different points in their journey from welfare to self-sufficiency.

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**Program Barriers Hinder States' Efforts to Develop Streamlined Automated Systems**

The complexity of the welfare system has also made it difficult for states to develop integrated, streamlined automated information systems. Advances in technology have made greater systems integration, data sharing, and consolidation more feasible, but program barriers have hindered states' ability to reengineer their welfare information systems. Faced with diverse and sometimes contradictory program requirements, separate funding provisions, statutory deadlines, and inadequate federal monitoring, states have developed essentially separate automated systems

for each program. For example, in a recent survey of the status of state automated welfare systems, we found that virtually all the states were operating multiple systems (ranging from 2 to 12) to provide welfare program support.<sup>19</sup>

Federal agencies are undertaking initiatives to help states develop more efficient and effective automated welfare systems. Examples include funding the consolidation of separate AFDC, Medicaid, and Food Stamp eligibility systems into integrated Family Assistance Management Information Systems and developing model systems for the Child Welfare program. And some states—including Connecticut, Minnesota, Rhode Island, and Texas—have focused on integrating their automated welfare systems. However, the difficulties in surmounting program barriers such as contradictory program requirements and separate funding provisions leave many states with little opportunity or incentive to reexamine and, if necessary, reengineer their existing automated processes.

## Programs Susceptible to Fraud, Waste, and Abuse

In addition to the challenges involved in efficiently running the programs and delivering their services, welfare programs are inherently vulnerable to fraud and abuse. Given their size and structure, these programs are subject to billions of dollars in incorrect payments and services annually as a result of fraudulent or erroneous eligibility and benefit claims. In fiscal year 1993, nearly \$1.8 billion in overpayments was estimated to have been made in the Food Stamp program alone.

For example, we reported in 1993 that prescription drug diversion and other fraudulent billings had been an ongoing problem in the Medicaid program for at least the previous decade.<sup>20</sup> We found that physicians, clinic owners, and pharmacists collude to defraud Medicaid by billing for services not rendered or needed and by prescribing and distributing drugs mainly to obtain reimbursement. Patients are often willing participants in these schemes, allowing the use of their Medicaid recipient numbers for billing purposes in exchange for cash, drugs, or other inducements.

In January 1994, California estimated that hundreds of millions of dollars were being wasted through fraud in its public assistance programs. In its AFDC program alone, about 4 percent of cases randomly selected for quality control review in 1992 and 1993 were estimated to involve fraud. In the

<sup>19</sup>Automated Welfare Systems: Historical Costs and Projections (GAO/AIMD-94-52FS, Feb. 25, 1994).

<sup>20</sup>Medicaid Drug Fraud: Federal Leadership Needed to Reduce Program Vulnerabilities (GAO/HRD-93-118, Aug. 2, 1993.)

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Food Stamp program, we found four problems that exist with the current coupon-based system. In addition to benefit overpayments that occur during the eligibility and benefit determination process, we identified the illegal use of benefits after they are issued, counterfeiting of food stamps, and theft of coupons from the mail as common problems.

To cite another example, we found that noncompliance in the Earned Income Credit (EIC) program has been a continuing concern of the Internal Revenue Service (IRS).<sup>21</sup> EIC provides assistance to low-income working taxpayers to offset the impact of Social Security taxes and to encourage them to work. EIC expenditures were about \$10.9 billion in fiscal year 1993. An IRS study of noncompliance for returns filed electronically during 2 weeks in January 1994 found that an estimated 29 percent of the returns claimed too much EIC and that for about 13 percent of these, taxpayers may have intentionally claimed too much EIC. Judging by problems spotted by IRS personnel, noncompliance on EIC paper returns is also a concern. In 1994, IRS withheld refunds of about \$500 million from about 400,000 paper return filers due to insufficient proof that they qualified.

Where benefit overpayments do occur, variations in programs' authorizing legislation may reduce the government's ability to recover overpaid amounts. For example, Food Stamp legislation authorizes states to intercept individuals' federal income tax refunds if they are delinquent in repaying overpaid amounts; AFDC legislation provides no such authority. AFDC rules generally allow administrators to reduce benefits in order to collect overpayments on all types of errors; Food Stamp law allows program administrators to reduce recipients' benefits in order to recover overpayments due to agency error only with the recipient's consent. We will be providing information on states' efforts to collect overpayments and examining options for increasing collections in an upcoming report.

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### Little Is Known About Programs' Effectiveness

With the growth in the size and numbers of welfare programs, policymakers and the public have become increasingly concerned about the effectiveness of individual programs as well as the system as a whole. However, many programs do not articulate specific and measurable policy goals that should be achieved; nor do they collect the data necessary to determine how recipients fare. Instead, program monitoring generally focuses on compliance with program requirements and procedures.

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<sup>21</sup>Earned Income Credit: Targeting to the Working Poor (GAO/T-GGD-95-136, Apr. 4, 1995).

For example, most agencies that administer employment training programs do not know if their programs are really helping people find jobs. One such program is the Job Opportunities and Basic Skills program (JOBS), the employment training program designed specifically to provide parents receiving AFDC with the help they need to find jobs and avoid long-term welfare dependence. Since 1989, nearly \$8 billion in federal and state funds has been spent on this program, yet JOBS is not well focused on its primary goal, getting recipients employed.

The U.S. Department of Health and Human Services (HHS) does not know whether JOBS is reducing welfare dependency because it does not gather enough information on critical program outcomes, such as the number of participants entering employment and leaving AFDC annually. In addition, states are held accountable for the number and type of participants enrolled in education and training but not for outcomes, such as the number of participants finding employment. While the current approach to monitoring performance provides important information on the activities of JOBS participants, state JOBS directors are concerned that the approach provides little incentive for states to focus on moving participants off AFDC and into jobs.

Moreover, despite the JOBS program goal of helping move AFDC adult recipients from welfare to work, most adult recipients do not participate in the JOBS program due to allowable exemptions and minimum participation rates established in the legislation that created the JOBS program.<sup>22</sup> While JOBS has grown at the gradual rate provided for by the Family Support Act, the program still reached only about 13 percent of single female-headed households receiving AFDC each month in 1992, with about 60 percent exempt from participation. Most of the 1.95 million exempt adults were excused from participation because they were caring for a child less than 3 years old.<sup>23</sup>

Recognizing the need to better focus on program results, the Congress enacted the Government Performance and Results Act of 1993 (GPRA). GPRA seeks to shift the focus of federal management and accountability away from a preoccupation with inputs, such as budget and staffing levels and adherence to rigid processes, to a greater focus on outcomes and results. GPRA requires every agency to establish indicators of performance, set annual performance goals, and report on actual performance in

<sup>22</sup>The 1988 Family Support Act established the JOBS program.

<sup>23</sup>Welfare to Work: Participants' Characteristics and Services Provided in JOBS (GAO/HEHS-95-93, May 2, 1995).

comparison with these goals each March beginning in the year 2000. However, given the current lack of data on program outcomes, much of the work needed to comply with GPRA lies ahead.

## Consolidation Could Improve Program Efficiency and Effectiveness

Program consolidation is one possible approach to reducing program overlaps and service gaps and improving the efficiency and effectiveness of service delivery. The Congress and the administration have proposed consolidating some of these programs to streamline service delivery, reduce administrative costs, and enhance the states' ability to deliver services. However, deciding how and whether to consolidate specific programs is a complex task because of differences in existing program structures. Moreover, consolidation can be accomplished in a number of different ways, such as using block grants. Regardless of how programs are restructured, the Congress and the federal agencies will continue to maintain an interest in the efficient and effective use of federal funds.

## State and Local Efforts to Consolidate Services

As we have noted, states are moving to reform specific programs such as Medicaid and AFDC. In addition, state governments and local providers have reform efforts underway that are designed to coordinate service delivery and streamline operations across several programs. Connecticut, for example, has a project to provide an integrated set of services in one location, in conjunction with efforts to integrate its automated processes. Under this initiative, the state's Departments of Labor and Social Services are jointly establishing one-stop shopping career centers located throughout the state. These centers will provide individuals with employment training and unemployment compensation benefits and services.

Oregon has developed a multiyear demonstration to encourage cooperation among federal, state, and local agencies. Known as the Oregon Option, this demonstration is focused on redesigning and testing an outcomes-oriented approach to intergovernmental service delivery. As part of this effort, a Federal Interagency Action Team was organized to work with state and local officials. This team includes officials from the Domestic Policy Council, the Office of Management and Budget (OMB), and seven federal departments—Agriculture, Commerce, Education, HHS, Housing and Urban Development (HUD), Justice, and Labor. Together with state and local agencies, this interagency team developed cross-cutting initiatives for children and families and is using measurable outcomes to determine how well the state is meeting long-range goals.

In another example, local providers in Baltimore are working collaboratively to make needed services more accessible to families in low-income neighborhoods. The city's Lafayette Square Community Center provides training, employment, and scholarship programs for unemployed young adults seeking jobs and educational opportunities. As a long-term community-based effort, the center currently works collaboratively with the Sandtown-Winchester neighborhood to offer a broad array of services for the local community.

State and local officials who seek innovative approaches for delivering services and benefits are faced with the challenge of funding and managing multiple programs. For example, the different funding sources needed to support multiple programs create a strain on the financial systems of community-based organizations because each program has a different set of accounting standards and reporting requirements and, therefore, has to be tracked separately. Other efforts, such as those in Baltimore, have been hindered by the lack of coordination among the many federal departments and agencies that have responsibility for administering the programs that can be used to assist distressed communities.

Past efforts to better coordinate at the federal level have generally been unsuccessful, leaving community organizations to try to piece together programs to serve their communities. For example, we found that the federal government had set up a patchwork of parallel administrative structures to deliver an estimated \$25 billion annually in employment and training services. Many of these programs target the same population, yet despite decades of attempts to improve coordination, conflicting program requirements continue to hamper administrators' efforts to coordinate activities and share resources.<sup>24</sup>

## Federal Proposals to Consolidate Programs

To provide states with greater flexibility and reduce administrative costs, the Congress and the administration are considering proposals to consolidate certain welfare programs. For example, the welfare reform bill recently passed by the House—H.R. 4—would consolidate eight child care programs into one Child Care Block Grant. Included in this proposal are the four subsidy programs—Child Care and Development Block Grant, AFDC-Child Care, Transitional Child Care, and At-Risk Child Care—where we found service gaps. Congressional committees are also considering

<sup>24</sup>Community Development: Comprehensive Approaches Address Multiple Needs but Are Challenging to Implement (GAO/RCED/HEHS-95-69, Feb. 8, 1995).

proposals to consolidate a number of the employment training programs that we identified as overlapping. These committees also have proposed consolidating three federal departments and agencies—the Departments of Education and Labor and the Equal Employment Opportunities Commission—to improve the quality of services provided.<sup>25</sup> In the housing area, HUD has proposed consolidating 60 programs into 3.

Consolidating overlapping programs or groups of programs that create service gaps could improve program efficiency and effectiveness. Consolidating the child care subsidies, for example, could be a remedy for the service gaps that trouble mothers, child care providers, and program administrators alike. Consolidation could also offer states the flexibility to tailor their child care assistance programs to their particular mix of low-income families. Consolidating overlapping employment training programs could reduce administrative costs by eliminating duplicative bureaucracies.

## Issues to Consider in Consolidating Programs

Although consolidating overlapping programs or programs that create service gaps can improve program effectiveness and efficiency, decisions on program consolidation are complex. Officials from OMB and public policy researchers believe that program consolidation has historically been difficult to achieve because of the congressional subcommittee structure, the protectiveness of agencies toward their programs, and the strong program support of constituent groups. In addition, overlapping programs may have different managerial and financial requirements that may make it difficult to combine program resources.

For example, the nine employment training programs that target the economically disadvantaged are administered by five different federal departments and have three different operating cycles—starting either October 1, July 1, or September 1. Moreover, these programs use separate, parallel structures to administer the delivery of services. The Job Training Partnership Act program (JTPA), for example, funds about 630 service delivery areas to administer local services. In contrast, the JOBS and Food Stamp Education and Training programs frequently use the network of over 3,000 state- or county-run welfare offices to administer the delivery of program services. These differences could serve as barriers to program consolidation and should be considered in deciding which programs to consolidate.

<sup>25</sup>In an upcoming report, we address issues related to this proposed consolidation.

In addition to determining which programs to consolidate, decisions as to what the federal government's role will be in overseeing and managing a consolidated set of programs are critical. A major goal of current program consolidation proposals—especially those that would provide block grants to the states—is to provide the states with more flexibility to set priorities and manage programs and funds.

In previous reports, we have recommended a shift in program focus from *federal management and accountability toward program results and outcomes*, with less emphasis on rigid adherence to rules. This focus on outcomes—lacking in many of the individual welfare programs—will be especially important if states are provided greater flexibility in determining specific problems to address and strategies for addressing them. Decisions will need to be reached as to the kinds and nature of information needed to assess program results. Given its focus on program outcomes and results, GPRA may provide a useful accountability framework.

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## Conclusions

The federal government provides billions of dollars annually in public assistance through an inefficient welfare system that is increasingly cumbersome for program administrators to manage and difficult for eligible clients to access. Program consolidation may be one strategy to reduce the inefficiency of the current system of overlapping and fragmented programs. Regardless of how the welfare system is restructured, ensuring that federal funds are used efficiently and that programs are focused on outcomes remains important. Without a focus on outcomes, concerns about the effectiveness of welfare programs will not be adequately addressed.

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Because this report is based on information contained in published GAO reports and testimonies, we did not obtain official agency comments. We are sending copies of this report to the appropriate congressional committees and federal agencies. Copies also will be available to others on request.

If you or your staff have any questions concerning this report, please call me on (202) 512-7215. Other GAO contacts and staff acknowledgments are listed in appendix I.

Sincerely yours,

A handwritten signature in cursive script that reads "Jane L. Ross".

Jane L. Ross  
Director, Income Security Issues

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**Abbreviations**

AFDC	Aid to Families With Dependent Children
CCDBG	Child Care and Development Block Grant
CPS	Current Population Survey
CRS	Congressional Research Service
EIC	Earned Income Credit
GPRA	Government Performance and Results Act of 1993
HHS	Health and Human Services
HUD	Housing and Urban Development
IRS	Internal Revenue Service
JOBS	Job Opportunities and Basic Skills
JTPA	Job Training Partnership Act
OMB	Office of Management and Budget
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
WIC	Special Supplemental Food Program for Women, Infants and Children

# Estimated Expenditures for Means-Tested Assistance Programs (Fiscal Year 1993)

**Table I.1: Summary of Welfare Programs (Fiscal Year 1993)**

<b>Benefit category</b>	<b>Estimated expenditures (in millions)</b>		
	<b>Federal</b>	<b>State</b>	<b>Total</b>
Income support	\$53,325	\$20,356	\$73,681
Medical care	86,293	61,493	147,786
Food and nutrition	33,185	1,544	34,729
Housing	22,757	64	22,821
Education	16,690	632	17,322
Training	4,733	562	5,295
Services	5,536	3,866	9,402
<b>Total</b>	<b>\$222,519</b>	<b>\$88,517</b>	<b>\$311,036</b>

**Appendix I  
Estimated Expenditures for Means-Tested  
Assistance Programs (Fiscal Year 1993)**

**Table I.2: Income Support Programs (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Average monthly recipients (in thousands)
	Federal	State	Total	
Aid to Families With Dependent Children <sup>a</sup>	\$13,757	\$11,302	\$25,059	14,144 <sup>b</sup>
Supplemental Security Income <sup>a</sup>	21,801	3,908	25,709	6,021 <sup>c</sup>
Earned Income Credit <sup>a,d</sup>	10,883	<sup>e</sup>	10,883	14,004
Pensions for Needy Veterans, their Dependents, and Survivors <sup>a</sup>	3,477	0	3,477	896
Foster Care <sup>a</sup>	2,524	1,171	3,695	233
General Assistance (nonmedical care component) <sup>a</sup>	0	3,350	3,350	1,168
Adoption Assistance <sup>f</sup>	272	231	503	78
Assistance to Refugees and Cuban/Haitian Entrants (cash components) <sup>f</sup>	74	0	74	26
Emergency Assistance <sup>a</sup>	394	394	788	165 <sup>g</sup>
Dependency and Indemnity Compensation and Death Compensation for Parents of Veterans <sup>a</sup>	60	0	60	30
General Assistance to Indians <sup>a</sup>	83	0	83	56
<b>Total</b>	<b>\$53,325</b>	<b>\$20,356</b>	<b>\$73,681</b>	<sup>h</sup>

<sup>a</sup>Congressional Research Service.

<sup>b</sup>Children and/or parents.

<sup>c</sup>Annual number.

<sup>d</sup>Data are from the Joint Tax Committee and refer to the calendar year in which the credit was received. Benefits exclude tax expenditures (reductions in taxes owed), which totalled \$2.3 billion in 1993.

<sup>e</sup>Not available.

<sup>f</sup>Department of Health and Human Services.

<sup>g</sup>Families or households.

<sup>h</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Appendix I  
Estimated Expenditures for Means-Tested  
Assistance Programs (Fiscal Year 1993)**

**Table I.3: Medical Care Programs (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Average monthly recipients (in thousands)
	Federal	State	Total	
Medicaid <sup>a</sup>	\$74,953	\$55,886	\$130,839	33,432 <sup>b</sup>
Medical Care for Veterans Without Service-Connected Disability <sup>c</sup>	8,349	0	8,349	601 <sup>d</sup>
General Assistance (medical care component) <sup>e</sup>	0	5,189	5,189	<sup>e</sup>
Indian Health Services <sup>c</sup>	1,525	0	1,525	1,300 <sup>b</sup>
Maternal and Child Health Services Block Grant <sup>c</sup>	558	418	976	11,600
Community Health Centers <sup>c</sup>	559	<sup>e</sup>	559	6,200 <sup>b</sup>
Title X Family Planning Services <sup>c</sup>	173	0	173	4,000 <sup>b</sup>
Migrant Health Centers <sup>c</sup>	57	<sup>e</sup>	57	550 <sup>b</sup>
Medical Assistance to Refugees and Cuban/Haitian Entrants <sup>a</sup>	119	0	119	37
<b>Total</b>	<b>\$86,293</b>	<b>\$61,493</b>	<b>\$147,786</b>	<sup>f</sup>

<sup>a</sup>Department of Health and Human Services.

<sup>b</sup>Annual number.

<sup>c</sup>Congressional Research Service.

<sup>d</sup>Annual number of episodes.

<sup>e</sup>Not available.

<sup>f</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Appendix I  
Estimated Expenditures for Means-Tested  
Assistance Programs (Fiscal Year 1993)**

**Table I.4: Food and Nutrition Programs (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Average monthly recipients (in thousands)
	Federal	State	Total	
Food Stamps <sup>a</sup>	\$23,698	\$1,544	\$25,242	26,983
School Lunch Program (free and reduced-price segments) <sup>a</sup>	3,791	<sup>b</sup>	3,791	4,800
Special Supplemental Food Program for Women, Infants, and Children <sup>a</sup>	2,928	<sup>b</sup>	2,928	5,921
School Breakfast Program (free and reduced-price segments) <sup>a</sup>	877	<sup>b</sup>	877	4,844
Child and Adult Care Food Program <sup>a</sup>	697	<sup>b</sup>	697	2,119
Nutrition Program for the Elderly (no income test, but preferences for those with greatest economic or social needs) <sup>c</sup>	607	<sup>b</sup>	607	3,200 <sup>d</sup>
The Emergency Food Assistance Program <sup>a</sup>	207	<sup>b</sup>	207	7,759 <sup>e</sup>
Summer Food Service Program for Children <sup>a</sup>	228	<sup>b</sup>	228	2,057
Commodity Supplemental Food Program <sup>a</sup>	82	<sup>b</sup>	82	371
Food Distribution Program on Indian Reservations <sup>a</sup>	68	<sup>b</sup>	68	116
Special Milk Program (free segment) <sup>a</sup>	2	<sup>b</sup>	2	61
<b>Total</b>	<b>\$33,185</b>	<b>\$1,544</b>	<b>\$34,729</b>	<b>f</b>

<sup>a</sup>Department of Agriculture.

<sup>b</sup>Not available.

<sup>c</sup>Congressional Research Service.

<sup>d</sup>Annual number.

<sup>e</sup>Families or households.

<sup>f</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Appendix I**  
**Estimated Expenditures for Means-Tested**  
**Assistance Programs (Fiscal Year 1993)**

**Table I.5: Housing Programs**

Program	Estimated expenditures (in millions)			Families or units during the year (in thousands)
	Federal	State	Total	
Section 8 Low-Income Housing Assistance <sup>a</sup>	\$11,158	\$0	\$11,158	2,812 <sup>b</sup>
Low-Rent Public Housing <sup>a</sup>	6,180	0	6,180	1,408 <sup>b</sup>
Low-Income Home Energy Assistance <sup>c</sup>	1,346	64	1,410	5,600
Rural Housing Loans <sup>d</sup>	1,831	0	1,831	31
Section 236 Interest Reduction Payments <sup>a</sup>	635	0	635	510 <sup>b</sup>
Rural Rental Housing Loans <sup>d</sup>	574	0	574	15
Rural Rental Assistance <sup>d</sup>	404	0	404	34 <sup>b</sup>
Weatherization Assistance <sup>c</sup>	186	0	186	107
Section 101 Rent Supplements <sup>a</sup>	55	0	55	19 <sup>b</sup>
Section 235 Homeownership Assistance <sup>a</sup>	62	0	62	95 <sup>b</sup>
Farm Labor Housing Loans and Grants <sup>d</sup>	32	0	32	1
Rural Housing Repair Loans and Grants <sup>d</sup>	26	0	26	6 <sup>e</sup>
Rural Housing Preservation Grants <sup>d</sup>	23	0	23	6
Indian Housing Improvement Grants <sup>c</sup>	20	0	20	1 <sup>b</sup>
Rural Self-Help Technical Assistance Grants and Site Loans <sup>d</sup>	19	0	19	f
Home Investment Partnerships <sup>a</sup>	206	f	206	f
<b>Total</b>	<b>\$22,757</b>	<b>\$64</b>	<b>\$22,821</b>	<b>9</b>

<sup>a</sup>Department of Housing and Urban Development.

<sup>b</sup>Units.

<sup>c</sup>Congressional Research Service.

<sup>d</sup>Department of Agriculture.

<sup>e</sup>Loans or grants.

<sup>f</sup>Not available.

<sup>g</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Appendix I  
Estimated Expenditures for Means-Tested  
Assistance Programs (Fiscal Year 1993)**

**Table I.6: Education Programs (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Annual number of recipients (in thousands)
	Federal	State	Total	
Stafford Loans <sup>a</sup>	\$5,825	\$0	\$5,825	5,300
Pell Grants <sup>a</sup>	5,788	0	5,788	3,808
Head Start <sup>b</sup>	2,800	560	3,360	714
College Work-Study Program <sup>a</sup>	617	0	617	713
Supplemental Educational Opportunity Grants <sup>a</sup>	583	0	583	991
Federal TRIO Programs <sup>b</sup>	385	0	385	648
Chapter 1 Migrant Education Program <sup>b</sup>	303	0	303	402
Perkins Loans <sup>a</sup>	181	0	181	697
State Student Incentive Grant Programs <sup>a</sup>	72	72	144	241
Fellowships for Graduate and Professional Study <sup>b</sup>	63	0	63	6
Health Professions Student Loans and Scholarships <sup>a</sup>	49	0	49	36
Follow Through <sup>b</sup>	9	0	9	<sup>c</sup>
Migrant High School Equivalency Program <sup>b</sup>	8	0	8	3
Ellender Fellowships <sup>b</sup>	4	0	4	6
College Assistance Migrant Program <sup>b</sup>	2	0	2	0
Child Development Associate Scholarships <sup>b</sup>	1	0	1	<sup>c</sup>
<b>Total</b>	<b>\$16,690</b>	<b>\$632</b>	<b>\$17,322</b>	<sup>d</sup>

<sup>a</sup>Department of Education.

<sup>b</sup>Congressional Research Service.

<sup>c</sup>Not available.

<sup>d</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Appendix I  
Estimated Expenditures for Means-Tested  
Assistance Programs (Fiscal Year 1993)**

**Table I.7: Training Programs (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Average monthly recipients (in thousands)
	Federal	State	Total	
JTPA (Training Services for Disadvantaged Adults) <sup>a</sup>	\$1,015	\$0	\$1,015	358
JTPA (Training Services for Disadvantaged Youth) <sup>a</sup>	677	0	677	281
JTPA (Summer Youth Employment and Training Program) <sup>a</sup>	849	0	849	569
JTPA (Job Corps) <sup>a</sup>	966	0	966	102
Job Opportunities and Basic Skills Training Program <sup>a</sup>	735	471	1,206	542
Senior Community Service Employment Program <sup>a</sup>	396	44	440	65
Foster Grandparents <sup>a</sup>	65	30	95	22
Senior Companions <sup>a</sup>	30	17	47	13
<b>Total</b>	<b>\$4,733</b>	<b>\$562</b>	<b>\$5,295</b>	<sup>b</sup>

<sup>a</sup>Congressional Research Service.

<sup>b</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

**Table I.8: Services (Fiscal Year 1993)**

Program	Estimated expenditures (in millions)			Annual number of recipients (in thousands)
	Federal	State	Total	
Social Services Block Grant (Title XX) <sup>a</sup>	\$2,800	\$3,332	\$6,132	<sup>b</sup>
Child Care and Development Block Grant <sup>a</sup>	893	<sup>b</sup>	893	<sup>b</sup>
AFDC and Transitional Child Care <sup>a</sup>	583	420	1,003	474 <sup>c</sup>
At Risk Child Care <sup>a</sup>	264	114	378	219 <sup>c</sup>
Community Services Block Grant <sup>a</sup>	441	0	441	<sup>b</sup>
Legal Services <sup>a</sup>	357	0	357	<sup>b</sup>
Emergency Food and Shelter program <sup>a</sup>	129	0	129	<sup>b</sup>
Social Services for Refugees and Cuban/Haitian Entrants <sup>d</sup>	69	0	69	114
<b>Total</b>	<b>\$5,536</b>	<b>\$3,866</b>	<b>\$9,402</b>	<sup>e</sup>

<sup>a</sup>Congressional Research Service.

<sup>b</sup>Not available.

<sup>c</sup>Children and/or parents.

<sup>d</sup>Department of Health and Human Services.

<sup>e</sup>Because of overlap, and in some cases because of mixture of monthly and annual numbers and mixture of dwelling units, loans, grants, children, families, and households, recipient totals are not shown.

# GAO Reports and Testimonies on Welfare Programs and Issues

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## Income Support

Earned Income Credit: Targeting to the Working Poor (GAO/T-GGD-95-136, Apr. 4, 1995).

Social Security: New Functional Assessments for Children Raise Eligibility Questions (GAO/HEHS-95-66, Mar. 10, 1995).

Means-Tested Programs: An Overview, Problems, and Issues (GAO/T-HEHS-95-76, Feb. 7, 1995).

Low-Income Families: Comparison of Incomes of AFDC and Working Poor Families (GAO/T-HEHS-95-63, Jan. 25, 1995).

Welfare to Work: Current AFDC Program Not Sufficiently Focused on Employment (GAO/HEHS-95-28, Dec. 19, 1994).

Child Welfare: HHS Begins to Assume Leadership to Implement National and State Systems (GAO/AIMD-94-37, June 8, 1994).

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# GAO Contact and Acknowledgments

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## Contact

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