

**STATE FISCAL ABILITY****AND FISCAL EFFORT****FOR PUBLIC WELFARE**

That there are fifty-four varieties of public assistance systems would not be so serious if the resulting programs were adequate to meet need and equitable throughout all local jurisdictions. Almost without exception, however, public assistance recipients live in poverty even while they receive assistance.

The high degree of reliance on State-local capacity, effort, and, to some extent, willingness to finance the public welfare program has been the major factor holding back development of adequate Nationwide programs.

CURRENT FORMULAS for Federal financial participation provide an inadequate base for achieving the twin goals of adequate and comprehensive public welfare programs:

The formulas do not take sufficient account of State fiscal ability and effort to finance adequate and comprehensive programs.

The hope that there would be equitable and adequate public welfare programs in all States as a result of Federal legislative action without mandatory provisions has not been realized. Some 30 years of experience in leaving the implementation of public welfare programs largely to the fiscal ability and willingness of the State demonstrates that inequities among the States, between programs, and most important between groups of recipients, will persist if the Federal Government does not assume a stronger leadership role.

HEW Advisory Council on Public Welfare