Old Age Assistance In Montana Prior To And Under The Social Security Act

Ferson Tuttle
Carroll College

Follow this and additional works at: https://scholars.carroll.edu/sociology_theses
Part of the Public Affairs, Public Policy and Public Administration Commons, and the Sociology Commons

Recommended Citation
Tuttle, Ferson, "Old Age Assistance In Montana Prior To And Under The Social Security Act" (1937). Sociology and Anthropology Undergraduate Theses. 55.
https://scholars.carroll.edu/sociology_theses/55

This Thesis is brought to you for free and open access by the Sociology and Anthropology at Carroll Scholars. It has been accepted for inclusion in Sociology and Anthropology Undergraduate Theses by an authorized administrator of Carroll Scholars. For more information, please contact tkratz@carroll.edu.
"OLD AGE ASSISTANCE IN MONTANA PRIOR TO AND UNDER THE SOCIAL SECURITY ACT"

THESIS PRESENTED TO THE SOCIAL SCIENCE DEPARTMENT OF CARROLL COLLEGE AT HELENA, MONTANA. MAY 1, 1937

BY

FERSON TUTTLE
"OLD AGE ASSISTANCE IN MONTANA PRIOR TO AND UNDER THE SOCIAL SECURITY ACT"

The purpose of this thesis is to give such information as is available and as is deemed necessary concerning the provisions made for old age assistance in the "Public Welfare Act" of Montana under the federal "Social Security Act." However before this is done it seems to be a decided help, in the way of explanation, to give a brief review of the introduction of as well as the provisions of the first old age assistance law passed in Montana. Statistics will also be given to show the development of this first plan, and certain good points and inadequate features will be pointed out.

Next a review will be given of the second old age assistance law passed in this state in 1935, in anticipation of the federal Act." In this part some of the outstanding provisions will be given in order to show the change from the first law.

Then in the following part, there will be given a review of Title I, of the "Social Security Act" and of Montana's new "Public Welfare Act" and what has been done to date in putting the new plan into operation.

Finally a brief summary will be given concerning the progress of the caring for the needy aged in Montana.

I think that it might be well to make a few minor distinctions at this point, before starting the thesis proper, to try to make clear some of the terms used. First of all old age assistance and old age pensions mean one and the same thing, that is; "Money payments to aged needy individuals." Under the first law it was more common to call these payments "Old age pensions," but under the recent laws the term "Old age assistance" is given preference.
A recipient or pensioner is an individual who has received actual assistance, while an applicant is a person who has applied for assistance, but has not yet received any actual payments.

The first old age pension or old age assistance law in Montana was adopted in 1923, after having been introduced into the legislature by Lester Lobel, a prominent Helena attorney, and a member of "The Fraternal Order of the Eagles." It is a coincidence that both the Montana and Nevada laws went into effect on the same day March 5, 1923, since these laws were the first of this type to be adopted within the United States.

(1)

The Montana law was drawn largely from the so-called "Standard Bill" drafted in 1922 by the "American Association for Labor Organization in cooperation with "The Fraternal Order of the Eagles."

(2)

The law as adopted in Montana provided for the establishment in each county of an old age pension commission or board, which was to be the county commissioners, but they were not to receive any additional compensation for their services other than the regular salary allowed by law for county commissioners. It was the duty of this board to grant or reject assistance to applicants and to perform all duties imposed upon it by the act. Pensions were to be granted to persons who were at least seventy (70) years of age and were citizens of the United States and residents of Montana for at least fifteen (15) years immediately preceding the date of application.

(1) "Survey"---------May 15, 1923-------------P. 239
(2) "Relief to Needy Aged and a Summary of Assistance Laws in the United States and Abroad." F. Cahn-----Dec. 1, 1934-----P. 3
(3) "Laws of Montana of 1923"---------P. 192-198
Imprisonment in the state penitentiary within ten (10) years immediately preceding the date of application was a disqualification for anyone seeking an old age pension. Likewise, a husband could be disqualified for deserting his wife for any period of six (6) months or over within the immediately preceding fifteen (15) years, for his failure to support his wife and any children under fifteen (15) years of age. The same rule applied to a wife who deserts her husband or children without just cause. "Being a professional tramp or beggar within a year preceding the date of application was also a bar." (1)

The income of the applicant from all sources cannot exceed three hundred dollars (§300) and the annual income of any property was computed at five per centum (5%) of its determined value. The claimant could not receive the benefits of the law if he deprived himself of property for the purpose of qualifying for a pension, or if there was a child or other person legally responsible for his support and "fully able to support him." (2)

The amount of the pension per individual per month was determined by the county commissioners, but the maximum amount allowed was twenty-five dollars (§25). While a person was receiving assistance all other relief was forbidden except for medical and surgical care. These pensions were paid by warrants issued on the "County Treasurer" and drawn from the county "Poor Fund." It was also required that each pensioner have his pension renewed each year and a pension would be cancelled entirely if the recipient came into possession of more property than was allowed by law. (3)

(1) Monthly Labor Review—Nov. 1923—P. 183
(2) "Montana Laws of 1923"—P. 194
(3) "Montana Laws of 1923"—P. 195
Upon the death of a person to whom the pension was being granted or of the last survivor of a married couple, the total amount of the pension since the first grant, plus five per centum (5%) of interest would be deducted and allowed by the proper courts out of the proceeds of his or her property as a preferred claim against the estate of the person so assisted. This refund would be made to the "County Treasurer" and to the credit of the "Poor Fund," leaving the balance for distribution among the lawful heirs in accordance with laws; provided that the old age pension commission had not demanded the assignment or transfer of such property upon the first grant of a pension. (1)

Furthermore the funeral expenses of a pensioner, up to one hundred dollars (100), were to be paid as directed by the commissioners and provisions were made for the protection of the "Poor Fund" in case of the discovery of resources which would have barred the application. (2)

No vested rights were granted by this act, or other claim which could not be modified or voided by amendment or repeal." (3)

It was the duty of the county commissioners to make an annual report to the "State Auditor" within ninety (90) days after the close of the calendar year. This report was to contain statements of the number of recipients, number of applications, number granted, denied and cancelled and the amount of money paid in cash. Also each eligible applicant was to receive from the county commissioners an "Old Age Pension Certificate" containing the claimant's age, name, residence, date of

(1) "Montana Laws" of 1923----P. 194
(2) "Montana Laws of 1923----P. 194
(3) "Monthly Labor Review"----Nov. 1923----P. 183
issuance of the pension and the amount of monthly pension. (1)

What has been given thus far constitutes what is perhaps the main provisions of the 1923 law. One might say that this first Montana law was an initial step in changing the method of distributing public charities to the needy aged and it did give them some choice in using the money spent on them; thus, probably endowing the individual with more self respect and making the proverbial dignity of old age a little more of a reality than did the county poor farms. The law seems to have had many good points and it probably was a step in the right direction in caring for the needy aged; besides it is of some historical value because it was one of the first laws to take effect in the United States.

However, the law may be criticized since it was merely an "enabling act and not a mandatory law" and the county commissioners were given too much power in administering the system. The residence requirements were also rather hard on aged persons who had lived in the state for 12 or 14 years. Under the law a person could possibly be a beggar up to his sixty-ninth (69) birthday, live on his savings for a year and then receive a pension if eligible under other requirements. In regards to the amount of property allowed a recipient, the Montana "Senate" struck out a provision of a three-thousand-dollar ($3000) property allowance because a person owning this much could not be considered as needy; but they inserted a provision as in the law, allowing an income of not more than three hundred dollars ($300) a year and property owned was to be computed at five per centum (5%) of its determined value which automatically places the property value at six-thousand-dollars ($6000). The allowance of a maximum of twenty five dollars ($25) to an individual per month does not seem to be enough

(1) "Montana Laws of 1923"—P. 195-198
because "the per capita cost of operating poor farms was sixty dollars ($60) per month." (1)

Furthermore, statistics to be given later seem to give evidence that on the average individuals failed by far to receive the maximum pension allowed. In some instances persons would have received more help from relief since the average in 1934 for relief per individual per month was $7.62, while pensions received an average of $5.32. (2)

The following table gives a summary of the operation of the pension system from 1923 to 1936 inclusive:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Counties in State</th>
<th>Number of Counties Reported with Plans</th>
<th>Total Amount spent per year</th>
<th>Average Annual Amount per Person</th>
<th>Number of Pensioners at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>56</td>
<td>29</td>
<td>$22,870</td>
<td>$66.53</td>
<td>439</td>
</tr>
<tr>
<td>1924</td>
<td>56</td>
<td>37</td>
<td>$76,158</td>
<td>$150.02</td>
<td>521</td>
</tr>
<tr>
<td>1925</td>
<td>56</td>
<td>39</td>
<td>$100,369</td>
<td>$172.16</td>
<td>534</td>
</tr>
<tr>
<td>1926</td>
<td>56</td>
<td>39</td>
<td>$104,563</td>
<td>$179.56</td>
<td>534</td>
</tr>
<tr>
<td>1927</td>
<td>56</td>
<td>42</td>
<td>$115,400</td>
<td>$166.52</td>
<td>693</td>
</tr>
<tr>
<td>1928</td>
<td>56</td>
<td>42</td>
<td>$146,510</td>
<td>$165.74</td>
<td>884</td>
</tr>
<tr>
<td>1929</td>
<td>56</td>
<td>44</td>
<td>$146,746</td>
<td>$167.60</td>
<td>875</td>
</tr>
<tr>
<td>1930</td>
<td>56</td>
<td>44</td>
<td>$149,100</td>
<td>$169.06</td>
<td>889</td>
</tr>
<tr>
<td>1931</td>
<td>56</td>
<td>43</td>
<td>$176,334</td>
<td>$168.40</td>
<td>1,130</td>
</tr>
<tr>
<td>1932</td>
<td>56</td>
<td>44</td>
<td>$183,303</td>
<td>$166.16</td>
<td>1,284</td>
</tr>
<tr>
<td>1933</td>
<td>56</td>
<td>45</td>
<td>$165,525</td>
<td>$87.36</td>
<td>1,731</td>
</tr>
<tr>
<td>1934</td>
<td>56</td>
<td>44</td>
<td>$177,426</td>
<td>$63.84</td>
<td>2,780</td>
</tr>
<tr>
<td>1935</td>
<td>56</td>
<td>41</td>
<td>$136,901</td>
<td>$77.76</td>
<td>2,557</td>
</tr>
</tbody>
</table>

These statistics seem to indicate conclusively that this old age pension system as operated was really of little practical value as very little aid per month or per year was given to individuals and the plan was not in effect in all parts of the state so an equal opportunity for assistance was not given to all needy aged.

(1) "Survey"---May 15, 1923----P. 239-240

(2) "Monthly Labor Review"--Aug. 1935--Table 10--P. 324

(3) "Monthly Labor Review"--Oct. 1936--P. 836
The next step made in Montana to care for the needy aged was when the original "Act of 1923" was repealed by the "Old Age Assistance Law" which was approved by Governor Cooney "March 13, 1935" (1)

This more recent law was passed "in anticipation of the enactment of a Federal social security law" and in hope of securing federal assistance in caring for Montana's needy aged. (2)

This new state law was mandatory and was administered in each county by the "County Old Age Pension Commission". This county Commission was to consist of the county commissioners and the "County Relief Committee" and the latter was to be designated by the "State Commission". This State Commission's full title was the "State Old Age Pension Commission" and was established to supervise the administration by the counties. The "State Old Age Pension Commission was the Montana Relief Commission." (3)

In carrying out its supervisory power the "Montana Old Age Pension Commission" was required "to perescribe the standard form of, and print and supply to the County Old Age Pension Commission" blanks of application, reports, affidavits, and other such forms as were necessary. (4)

The "State Commission" was authorized to make "rules and regulations" to carry out the "Act" and these were binding upon all counties for the purpose of administering old age assistance uniformly throughout the state. This commission also had such powers as the approval and denial of claims, investigation of applicants, direction of payments to lawfully appointed guardians, revoking of aid, requiring reports from the counties, regulating the amount of assistance, requiring the review

(1) Montana Laws of 1935
(2) Monthly Labor Review Aug. 1935—P. 33
(3) "Montana Laws of 1935" -- Chapter 170 Sec. 1 & 2
(4) Montana Laws of 1935—Chapter 170 Sec. 6
of assistance grants, paying the expenses incurred in the counties in
carrying out the provisions of the "Act" and to do what was necessary
to carry out other duties required by the law. The State Commission
was also obliged to make reports to the governor and to the United St-
ates government if federal funds were involved.

In other words the "State Old Age Pension Board" had full power and
full authority to enforce this "Act" and do all things necessary and
requisite towards the fulfillment of the purposes of this 'Act'.

It was the duty of the "County Commission" or "Board" to comply
with all rules and regulations and standards laid down by the "State
Commission." The "County Board" "was to provide a reasonable subsis-
tance compatible with decency and health" for the needy aged. This
board was to determine who was eligible for assistance and the amount of
aid to be given to each individual. Provisions in the law required the
'County Boards to keep records and accounts to promptly and thoroughly
investigate applicants, grant assistance, revoke assistance to individu-
als for cause, and to make a review of grants. The "board" could in
certain cases recover assistance payments, require the assignment of
property by the recipient, and it must perform such other duties as were
required by law or deemed necessary by the "State Board."

In regard to the eligibility requirements for those individuals
seeking old age assistance, the 1935 law seems to have been a great im-
provement over the 1923 law. Under the more recent law the age require-
ment was reduced to sixty-five (65) years and there was no property

(1) "Montana Laws of 1935"--Chapter 170--Sects 5, 6, 9, 10, 11, 12, 13, 14, 16,
  17, 19, 22, 24

(2) "Montana Laws of 1935"--Chapter 170--Sec.1

(3) "Montana Laws of 1935"--Chapter 170--Sec.4, 5, 11, 12, 17, 19, 22, 23.
requirement. An applicant to be eligible must have been a citizen of the United States and a resident of the state for at least five (5) years of the ten (10) years immediately preceding the date of application for assistance. Likewise a person must have been a resident of the county, in which the application was made, for one year before the date of application; but if a person was qualified under all other regulations except the county residence he could receive assistance entirely from state funds until such required residence was established. An individual receiving assistance could not be an inmate of any public or private institution except for temporary medical or physical care in a hospital nor could he be in need of continued care in a public institution because of a mental or physical condition. Neither must he make "a voluntary assignment or transfer of property for the purpose of qualifying for such assistance" except in those specific cases designated by the Act.

This 1935 Montana "Old Age Assistance Act" was to have gone into effect when passed on March 13th of that year, but the economic situation prevented. "By July the plan was operating in a few counties." However, "approximately 2,557 needy aged were aided in 1935" with a sum of $198,901, according to "The Monthly Labor Review" of October 1936, which made an average of $77 per individual per year. The figures seem to show that the law in Montana was really very inadequate without federal help.

It is my purpose at this point to set forth the provisions of the federal "Social Security Act" in an attempt to show what must be contained in a State Plan." A "State Plan" must be approved by the Social Security board and so the state may receive financial aid from the federal government for old age assistance.

1) "Montana Laws of 1935" Chapter 170 Sec. 3
2) "Monthly Labor Review" Nov. 1936 P. 1144.
Now the federal "Social Security Act" was not passed until August 14, 1935, approximately five (5) months after Montana had passed its law.

Title I; of the "Social Security Act" provides for grants to the states for old age assistance. First of all this title provides for an appropriation by Congress, for the fiscal year ending June 30, 1936, of a sum of $49,750,000 as the federal share for grants to states which had approved plans and an additional $250,000 was appropriated for administrative purposes during this same fiscal period. "Since Montana's plan had not been approved until June 22, 1936 it did not share in this appropriation."

Further provision for financial purposes in the Federal Act were that "for each fiscal year thereafter (June 30, 1936) a sum sufficient to carry out the purposes of this title shall be appropriated."

It is a provision of this federal law that grants under this title are to be made only to states which have a state plan for old age assistance which the "Social Security Board" finds conforms with standards set forth in the federal act. "These standards relate both to the substantive provisions of the state old age assistance laws and to their administration."

In speaking of the former we might say that the most important condition seems to be that the state law must be "in effect in all political subdivisions of the State, and, if administered by them be mandatory upon them."

(1) "Social Security Act" & "Montana Public Welfare Act."

(2) Social Security Act. Title I

(3) Interview March 6, 1927 at "Montana Public Welfare Commission"

(4) "Social Security Act" Title I Section I

(5) "Journal of Political Economy Feb. 1937 P. 223"

(6) "Social Security Act" Title I Sec. 2
Further, the State government must provide for financial participation. "Finally, states are forbidden to establish as qualifications for eli-
gibility for old age assistance more drastic restrictions as to age, residence, and citizenship than is specified in the federal act." (1)

These are that "the minimum age limit may not be set higher than seventy (70) years prior to January 1, 1940 or higher than sixty-five (65) years thereafter;" a residence requirement may not be enacted by a state requiring a person to be a resident" more than five (5) years during the last nine (9) years preceding the application, the last year of which may be required to have been one of continuous residence in the state." (2)

Assistance may be limited to citizens of the United States but may not require that the recipient shall have been a citizen for any definite period. (3)

On the side of the administration of old age assistance provision is made that the state government must either administer the assistance directly or some state department must be designated to supervise the administration by the counties or other local units. Another provision is that the state plan must provide such methods of administrations as are found by the "Social Security Board" shall have no authority in relation to "the selection, tenure of office and compensation of per-
sonal." (4)

1) "Journal of Political Economy"—Feb. 1937—P. 3
3) "Social Security Act"—Title I—Section 2b
4) "Social Security Act"—Title I—Section 2a
The state agency is also required "to make reports in such form and containing such information as the "Board" may from time to time require" and if the state agency or any of the county agencies should collect any money from the estate of any recipient of old age assistance when federal funds are involved than one-half \( \frac{1}{2} \) of the net amount collected shall be paid to the United States government. (1)

The "Social Security Board" which has already been mentioned is the federal authoritative body that handles old age assistance. Title VII of the "Social Security Act" provides for the establishment of the "Board" and the setting forth of its duties. This "Board" is made up of three members appointed by the "President" and such members are to receive a salary of $10,000 a year with a term of office of six (6) years, except when a member is appointed to fill a vacancy to finish out an unexpired term, and the first members appointed "after the date of enactment of the 'Act'" shall serve for terms of two, four and six years respectively. (2)

The present "Board" is composed of Chairman John C. Winant, Arthur J. Altmeher, and Vincent M. Mibs. (3)

The "Social Security Board" is given the authority to approve or disapprove state plans for old age assistance. Once a plan has been approved the "Board" may discontinue federal aid only if it finds, "after reasonable notice and opportunity supervising the plan," that this plan is being violated in regard to eligibility requirements for assistance prescribed in the federal act; or in actual administration, it is being violated in a substantial number of cases. (4)

(1) "Social Security Act"—Title I—Sec.(2a)
(2) "Social Security Act"—Title VII—Sec.70
(3) Social Security What and Why?"—Aug. 1936
(4) "Social Security Act"—Title I—Sec. 4
The "Act" expressly provides that the methods of administration must be satisfactory to the "Board" and, while it is expressly deprived of any voice in the selection of personnel, this provision affords ample authority for the policy which the "Board" has actually pursued of requiring the states to outline in detail their methods of administration in their state plans and of insisting that they live up to their plan once it had been approved.

When a plan has been approved by the "Social Security Board" then that state is entitled to receive federal money to help care for the needy aged who are "sixty-five (65) years of age or older and are not inmates of a public institution." (1) "Aid to any state for this purpose is limited to 50% of the total amount spent by the state and its counties for old age assistance," but the federal government will not contribute more than $15 per month for any individual. (2)

In addition the Federal Government pays for administrative expenses which is to be an amount equal to 5% of the sum granted to the State." (3)

The federal aid for old age assistance is payable quarterly in advance on the basis of expenditures anticipated by the state in its report; but if the amount spent is "larger or smaller than was estimated;" then adjustment is made in the next quarterly payment. If a state so desires it may grant assistance to persons under sixty-five (65) years of age or to inmates of public institutions, but they cannot recover any part of their costs in such cases from the federal government.

(1) "Social Security Act--TitleI--Sec.3
(2) "Journal of Political Economy"--Feb. 1937--P.2
(3) "A Brief Explanation of Social Security Act"--Nov. 1936--P.4
Likewise a state may give assistance of more than $30 a month to some individuals, but the federal government will give aid to the states of only $15 per month in each case. The states may, if they wish, establish their own standards for determining who are needy individuals, "but it is at least implied that old-age assistance must be limited to aged dependents and must bear some relation to their need." (1)

Prior to the passage of the "Social Security Act" neither Montana nor any other state received federal aid towards the costs of old-age assistance. Although Montana had passed an old-age assistance law before the federal "Act" was approved, "this state was obliged to carry out its plan as best it could from such state & county funds as were available until June 22, 1936 when the "Social Security Board" approved the Montana law. However, the state old-age assistance law was approved only on a temporary basis pending proper state welfare legislation." (2)

Montana received federal aid from the time that her law was approved by the "Social Security Board" until January 1, 1937. At this time federal reimbursements were revoked, since under the Montana law pensions were to be "paid out of county poor funds, and the county was to be reimbursed for 75% of the amount from any funds the state may have available and from federal funds," and "because many counties, having depleted poor funds, were issuing registered warrants," which were not "recognized by the federal government as cash payments." (3)

As a result of this federal aid being revoked and since the legislature, which was in session during the months of January and February had not passed any bills for old-age assistance until the last few days of the legislative session it was necessary for the state to pay the entire amount of old-age assistance for the months of January and February of

(1) "Journal of Political Economy"—Feb. 1937—P. 4
(2) Interview March 6, 1937
(3) "Montana Record Herald" P.
1937. "However, the new law passed on March 4, 1937 is not yet approved by the federal "Board" so federal funds are not yet available." The total amount of money received from the federal government for both old age assistance and for administrative purposes was $788,336.42. Five per cent of that amount was for administrative purposes, the remainder was the 50% of the federal government share for actual payments of old age assistance. Under the 1935 law the state government paid 25%, and the county governments the remaining 25% of old age assistance to individuals." (1)

Since Montana's 1935 law was not all that it should have been and had been given only temporary approval of the "Social Security Board" it was found necessary and advisable by authorities and investigators to group all welfare services of the Social Security Act" under one administrative or supervisory body in the Montana "Public Welfare Act" which was approved by Governor Roy E. Ayres on March 4, 1937. Part III of this new "Act" provides for old age assistance and as a review of the substantial provisions are given it should be seen that there are only minor changes made from the provisions of the 1935 law in this regard. The major change from the repealed 1935 law seems to be in the provision for the supervision and administering of old age assistance in Montana which is provided for in "Part I of the state "Act." (2)

While the next few pages will be mainly concerned with the creation of and the duties of the administering and supervising of old age assistance in Montana, it is well to keep in mind that these authoritative bodies have similar charge of several other welfare services in the state such as general relief, aid to dependent children, aid to the needy blind, aid to crippled children and child welfare services.

(1) "Interview"—March 6, 1937 at Dept. of Public Welfare.
(2) "Interview"—at "State Dept. of Public Welfare"—March 6, 1937
Part I of the state "Act" provides first of all for the creation and establishment of a "state department of public welfare which shall consist of a state board of public welfare, a state administrator of public welfare and such other officers and employees as may be hereinafter authorized." (1)

This state department of public welfare is given the authority to supervise and administer all federal and state funds for old age assistance. It also has the authority and duty to do all things necessary and in conformity with both federal and state laws. Also such records must be kept and such reports must be made by the state department as "may be required by the federal board and such additional records and reports as shall be found necessary for state purposes or required by the state examiner." (2)

To date, the "Montana State Department of Public Welfare" has not yet received federal requirements in regard to records and reports to be made to the federal government under the new state law. However it is believed by department officials that such reports to the federal government will probably contain such information prior to each calendar quarter as follows: The amount of money spent during the last quarter by the state, by the counties, the amount spent from federal funds for both administrative costs, and old age assistance payments; the number of persons receiving old age assistance; and an estimate of the amount of money to be used in the coming quarter and the number of persons to be assisted. (3)

The state department also has the right to supervise private institutions for the needy aged; provide services to the county government in respect to organization and supervision of county departments of welfare." (4)

1) "Montana Public Welfare Act" Part I Sec. I
2) "Montana Public Welfare Act" Part I Sec. III, XX
3) "Interview" April 6, 1937 at State Dept. of Public Welfare
4) "Montana Public Welfare Act" Part I Sec. VII
It also establishes rules and regulations to maintain such standards, and furnishes to the county welfare boards a list of qualified personnel who are available for appointment. (1)

In other words, the state department shall "act as the agent of the federal government in public welfare matters of mutual concern in conformity with both the state and federal acts and in the administration of federal funds granted to the state for aid in the purposes and functions of the state department." (2)

If the state department is receiving federal funds, it is authorized to pay assistance to those Indians who fulfill the qualifications for old age assistance or "have not received their patent in fee to any tribal allotment." But the county is not required to reimburse the state for any amount paid to the Indians. (3)

The state department, in supervising either state or federal funds, has the authority to compel the county to bear its share of the old age assistance and every county in the state must grant assistance according to the standards laid down by the state law. If necessary legal steps may be taken to enforce minimum standards set up by the state department providing such standards are in accord with the law and not exceed in cost the amount derived from levies established by law." (4)

Furthermore, copies of the "State Public Welfare Act" as well as application blanks, report blanks, and other necessary forms all to be supplied to the county departments by the state department.

In cases where applicants are denied a part of or the whole of their assistance or if the application is not given consideration within a

(1) "Montana Public Welfare Act" Part I Sec. VII f.
(2) " " Part I Sec. VII H.
(3) " " Part I Sec. VII H.
(4) " " Part I Sec. VIII
reasonable length of time the recipient or applicant is given the right to appeal to and of a hearing before the state department in the manner yet to be prescribed by the state department. Also any decision made by the county department concerning old age assistance may be reviewed by the state department on its own motion and if necessary further investigation may be made. If a case is reviewed those applicants or recipients affected are entitled to reasonable notice and a fair hearing by the state department. Finally, all decisions of the state department are "binding upon the county involved" and must be complied with by the county department.

In this "Act" the governor is endowed with the power to fill vacancies in the "State Board of Public Welfare to appoint, and to remove any or all of its members. He also shall designate the chairman from those members appointed. These members of the state board shall be appointed for overlapping terms of three (3) years and without regard to political affiliation; "at the expiration of the first year all appointments shall be for a term of three years." Also each member of this Board" is required to be a citizen of the United States and a resident of Montana for a period of five (5) years immediately preceding the date of appointment. Members are also required, to subscribe to a constitutional oath of office, and to furnish bond to the amount of $5000. These bonds are to be made payable to the State of Montana and the State is required to pay the premium in accordance with the provisions of the "Act." In way of payment for their services members of the "Board" are to receive their actual traveling expenses incurred in their official capacity; and (10) ten dollars a day when actually present at meetings, but they may not receive over $500 a year. All of these expenses are "paid from funds appropriate to the state department of public welfare." No member of the

1) "Montana Public Welfare Act" Part I Sec. XII
state board is allowed to have any "direct financial interest in or profi by any of the operations of the state department of public welfare of any of its agencies."

(1) Governor Ayres appointed eligible members of this "State Board" on the same day that he approved the "Act", March 4, 1937. Dr. E. M. Larson of Great Falls was named chairman and was appointed for a term of three (3) years. W. L. Cain of Miles City and vice-chairman Dr. Peter Potter of Butte were appointed for terms of one year each. These members are allowed traveling expenses of ($0.07) seven cents a mile.

(2) The "State Board" is obliged to establish minimum standards of service and personnel and to formulate salary schedules for the classified personnel by August 4, 1937. Also by March 4, 1938 and when practical by March 4, 1939, a merit system "shall be established and maintained pertaining to qualifications for appointments, tenure of office, annual merit ratings, releases, promotions and salary schedules. The state board shall cause examinations to be held from time to time throughout the state for the purpose of establishing an available qualified list in order of merit of persons eligible for appointment."

(3) One of the first duties of the "State Board" as set forth in the "Act" was to take over "all records, books, maps, papers, money, property and funds" of the "Montana Old Age Pension Commission." The new board was also obliged to assume all lawful outstanding contracts agreements and obligations of the old Commission.

(4) "Montana Public Welfare Act" Part I SecII
(2) "Interview" April 6, 1937 at "Montana Public Welfare Dept."
(3) "Montana Public Welfare Act" Part I Sec. III (b)
(4) " " " " Part I Sec. II (f)
The main function of the "State Board" is probably that it is charged with the authority and duty to exercise general supervision and control over all old age assistance activities and other agencies of public welfare in the state. This "Board" is limited in function to the establishment of General Policy and of formulating rules and regulations that are necessary for the government of the state department, the county department or any of its agencies. All of the policies, rules, and regulations must conform to the Federal "Social Security Act," to the rules and regulations of the Federal "Social Security Board" and also to the "State Welfare Act." All policies, rules, and regulations so adopted by the "State Board" shall be binding upon the several county department and county boards of public welfare.

Another duty of the Board, in cooperation with the governor, is to appoint a state administrator of public welfare whose salary is not to exceed $5000. At the first meeting of the Board on March 6, 1937, Mr. I M. Branford was appointed to the position of administrator at the maximum salary allowed for an indefinite period. He is also allowed such traveling expenses as are necessary. Mr. Joseph E. Watson, former state relief and old age pension administrator, was appointed as assistant administrator under Mr. Branford for a period of office expiring May 1, 1937. His salary was to be the same as he received in his former capacity under the "Montana Relief Commission."

It is the office of the state administrator to be executive and administrative officer of the state department and to act as secretary to the "Board." He must prepare and submit to the "State Board" for its approval an annual budget of all funds necessary to be appropriated by the

(1) "Montana Public Welfare Act" Summary of Part I, Sec III (c)
(2) "Interview" April 29, 1937 "State Dept. Public Welfare."
legislature and an estimate of federal funds which may be allocated to
the state for the purposes of the state department." (1)

Mr. Branjord, with the aid of personnel of the state department, has
prepared such an estimated budget for the fiscal year of March 1, 1937 to
February 28, 1938. For old age assistance it is estimated that a total
of $2,400,000 will be spent, which is two-thirds % or $1,200,000 by the
federal government. In addition the federal government should also pay
5% of $1,200,000 or $60,000 for administrative purposes as the "Social
Security Act" allows 5% of the total amount spent by the federal govern-
ment in the state for old age assistance for the purpose of administering the
"Act" in the state. Other estimates are that there will be approximately
9,750 persons granted old age assistance and that they will receive an
average of about $20.50 per person per month which will make a total of
about $199,875 spent per month. (2)

The administrator is also given the power to appoint such state
department and supervisory field personnel as may be needed, but all
appointments are subject to the approval of the state board, and as far
as possible all state and county department personnel must be residents
of Montana. (3)

It will take a large staff to carry on this work in Montana, that is in-
cluding old age assistance and the other welfare services. According to
officials of the "State Department" there are more than seventy (70)
persons employed by the department including field service workers. The
legislative assembly appropriated for salaries of both county and state
workers, for traveling expenses, records equipment and operating expense:

(1) "Montana Public Welfare Act" Part I Sec. VI
(2) "Estimates of State Dept. of Public Welfare" for March 1, 1937 to
Feb. 28, 1938
(3) "Montana Public Welfare Act" Part I Sec VI (b)
of all kinds; a sum of $242,000. This amount is "just about 6% of the
total amount estimated to be expended directly for relief and for ser-
vices rendered to crippled children and for child welfare services."

The "Public Welfare Act" also provides for the establishment of a
county welfare department which is to consist of a county board and such
staff personnel as is needed. However, if conditions warrant and if two
or more county boards enter into an agreement, they may combine into
one administrative unit and raise the same staff personnel. By reason
of their office and in accordance with the law the board of county commis-
sioners are designated as the county welfare board. Likewise the
county attorney and the county clerk and recorder are respectively the
"ex-officio" legal adviser, and secretary and clerk of the county wel-
fare board.

It is the duty of the county board to act as a policy and rule and
regulation forming group, to govern in the county department and take ca:
of local administration of old age assistance and other services. All r
laid down by the county board must be in accord with those established b;
the state board and the one qualified staff worker from those approved b;
the state department and with the approval of the state department the
county board may appoint one staff worker to act in a supervisory capaci
in the county. The staff personnel is directly responsible to the county
board but the state department has the authority to supervise the work of
these county employees."

At present it is estimated by the state administrator Mr. Branjord that
there will be considerably over one-hundred staff workers employed by the
fifty-six (56) counties of Montana.

(1) "Estimates of Dept. Of Public Welfare" for March 1, 1937 to Feb. 28,
(2) "Montana Public Welfare Act" Part I Sec. IX
(3) " " " " " " " " X
The county departments are under the supervision of field auditors or supervisors that are appointed by the state department. These supervisors are to act as agents to maintain "contact, supervision, and advisory services between the county and state departments." (1)

The "Act" also requires the counties to keep records and make reports in regard to old age assistance and to transmit applications and reports when the state department deems it necessary. (2)

To date no forms, orders or directions of any kind have been sent to the counties under the new "Act," but the "State Department of Public Welfare hopes to have completed part of this task by May 15, 1937 at the latest date. (3)

It has already been explained that the federal government pays 50% of old age assistance costs plus 5% of that amount for administering the assistance in the state and that the state and its political subdivision pay the remaining 50%. Now the state "Act" has made provision that the state is to pay this remaining 50% but the counties are to reimburse the state for 16 and two-thirds per cent of the total amount spent in that county for old age assistance grants. After the state department has made direct payment by checks to the individuals who are eligible for old age assistance in the various counties then the state department shall present a claim for reimbursement, "on or before the twentieth day of each month, to each county department for its proportional share" of the old age assistance costs during the month. The county department is then obliged to reimburse the state department if possible within twenty days after the claim is presented. (4)

(1) "Montana Public Welfare Act" Part I. Sec. X
(2) " " " " " " " " XX
(3) "Interview" at "State Department of Public Welfare
(4) "Montana Public Welfare Act" Part I. Sec. XIX
As the counties are obliged to bear a portion of the financial burden for all old age assistance and other welfare services; they are also required by the law to levy a tax of six (6) mills. If this levy is inadequate then the county shall issue a warrant to the state department and the amount necessary shall be paid from state funds.

Eligibility requirements for those seeking old age assistance under this law are substantially the same as those set forth in the 1935 law. There is a change in residence requirements in order to conform with the "Social Security Act." That is, a person must be a resident of the State of Montana for at least five (5) of the nine (9) years instead of ten (10) years immediately preceding the date of application for old age assistance. The other state and county resident requirements are the same as in the 1935 law. Under the 1937 law the applicant need not be a citizen to receive old age assistance and no specification is made that he may be an inmate of a private institution, although a recipient may not be an inmate of a public institution except in care of temporary medical or surgical care. Neither must a person be in need of the care of the public institution because of a physical or mental condition nor is he allowed to transfer or assign property within two years prior to application for assistance in order to become eligible for such assistance. The age requirement is sixty-five (65) years and there is not property requirement. The only requirement, relative to property is that the county department under the supervision of the state department shall determine those who are needy and a needy person is regarded as one whose income is "inadequate to provide a reasonable subsistence compatible with decency and health."

(1) "Montana Public Welfare Act" Part I Sec XI
(2) " " " " " III Sec II
When an individual can qualify under the eligibility requirements shall make application to the county office of the county department of public welfare of the particular county of which he is a resident. The application must be in writing or in a form reduced to writing and must contain such information as is required by the state department. Upon receiving an application the county department shall promptly investigate and make a record of the circumstances of the applicant in order to verify the facts supporting the claim for assistance and to secure such information as the public welfare department of the state requires. If necessary the county and state departments also have the power to subpoena witnesses and compel their attendance as well as require the production of papers and writing to secure and verify information concerning the applicant and his circumstances. An application is to contain the statement of the amount of both real and personal property belonging to the applicant, amount of income from all sources, age, name and other personal descriptive data, length of residence in the county and state and such other information as is needed according to the rules of the state department and in accordance with the law. Applications may also be received from inmates of public institutions "of a correctional, custodial, or curative character but assistance if granted will not be paid until the inmate is released from the institution.

(1) After the county welfare board has completed its investigation and has secured the required information it decides whether or not the applicant is eligible to receive assistance. If the county board decides to grant assistance it designates the amount in accordance with other income and resources of the individual to provide him with a reasonably healthy and decent living and the county board designates the date when the applicant is to begin receiving assistance. Payments are made by checks for the

(1) Summary of Interview and Part III Sec. LV of "Mont. Public Welfare
full amount equal to cash from the state department to the individual. Also as has already been explained, if an applicant is denied the whole or any part of assistance he is entitled to make an appeal to and have a fair hearing before the "State Board of Public Welfare." All applications whether approved or denied "must be signed by the chairman and one other member of the county board." (1)

If a recipient is incapable of taking proper care of himself or his money then a guardian may be appointed by the "County Welfare Board" and assistance payments will be made to the guardian for the benefit of the irresponsible recipient. Otherwise, according to the law "old age assistance granted is not transferable or assignable, at law or in equity, and none of the money paid or payable is subject to execution, levy, attachment, garnishment or any other legal process or to the operation of any bankruptcy or insolvency law." (2)

Furthermore protection of old age assistance funds are made if the recipient or the husband or wife of a recipient, if living together, should acquire an increase of income at any time after being granted assistance they must notify the county department which will either cancel or vary the amount of assistance in accordance with the circumstances. Likewise if an eligible individual should receive more assistance than he is entitled to receive, then the excess amount must be returned to the state and county in the proper proportion. If any recovery case where federal funds are involved, 50% of the redeemed amount goes to the United States government. (3)

(1) "Montana Public Welfare Act" P. I Sec XVI
(2) " " " " Part I Sec. VI & XVIII
(3) " " " " Part III Sec. IX
After grants have been made to individuals the "Act" requires that these grants be reviewed and reconsidered at least four (4) times per calendar year. Then following a complete review and investigation of the grants either the state or county boards may revoke, suspend, or change the amount and manner of assistance for just cause.

Finally upon the death of a recipient the funeral expenses, not exceeding one hundred dollars ($100), shall be paid by the county commissioners from the county poor fund if the estate of the deceased is not large enough to pay this expense. There is no provision in the federal or state "Acts" allowing for funeral expenses to be paid from old age assistance funds, but if the amount of the estate exceeds the cost of administering plus the funeral costs then the state can make a claim against the estate for the total amount of the assistance given. There is one exception however, that no claim may be made against the real estate of the deceased recipient while it is occupied by a living husband, wife, or dependent.

(2)
To date one important decision has been given by the legal staff of the "State Department of Public Welfare" regarding recovery cases. The case was in Phillips county where the chairman of the old age pension board, S. A. Simonson, reported that old age pensioners of that county listed or sold their land to the resettlement administration. The state administrator, Mr. Branford, then sought legal advice as to whether or not the "State Department" should recover the amounts paid in assistance to these individuals prior to the sale of land. It was pointed out in the opinion "that the procession of the land did not make the pensioners ineligible for the assistance grants, providing the income, if any, from the lands did not meet the needs of these individuals to live a reasonable

(1) "Montana Public Welfare Act." Part III Sec IX
(2) " " " " " " VII & XI
healthy and decent life. As a result the state department did not proc to recover these assistance grants. However, if assistance had been pa since the receipt of the outside income any amount of assistance in exc of the individuals needs might be recovered. (1)

In conclusion we might say that the more recent old age assistance pension laws of Montana are a great improvement over the first law pass in 1923 both in regard to the substantial provisions and administration and supervision. Also from the present set up of the state department public welfare it seems that the 1937 law will be an improvement over the 1935 law in regard to administration although the substantial pro visions are practically the same. The fact that the federal government given aid in this matter is a major step towards bettering conditions for those needy aged in Montana and other states because of the fact that the state and its counties, as in other states, would not be able to carry the necessary financial burden by themselves. Because the financial burden is so great, is probably the reason why Montana's former laws were really very inadequate. As conditions are at present the needy aged in Montana are not receiving the maximum amount allowed for which the federal government will give aid. At present these individuals are receiving an average of about $20.50 each and the federal government would provide $10.25 of $2 of this amount, but the federal government would supply up to $15 of that amount if Montana would increase the total average assistance to $30 or more per individual per month. So it seems, that though much has been done in improving the care of the needy aged in Montana there is probably much more to be done by increasing the amount of assistance and improving on eligibility requirements. The present administrative set up cannot be criticized because it has not been in operat (1) "Interview at State Dept. of Public Welfare April 6, 1937
long enough to show just how efficiently it will function, but from all indications from its preliminary operations it seems that it will operate very satisfactorily.

According to the officials of the "State Department of Public Welfare," Montana has not received any federal aid for old age assistance since January 1, 1937, but they feel rather certain that after the "Public Welfare Act of Montana" has been approved by the "Social Security Board" that federal payments to the state for old age assistance will be made retroactive to cover the period from January 1, 1939 up to the date of federal approval.

(1) "interview" April 29, 1937 at "State Department of Public Welfare"

FINIS
Published by: State Publishing Company of Helena, Montana.

"Social Security Act" Titles I & VII
(Public No. 271 Seventy-fourth Congress,) H. R. (7260) An Act

State of Montana, Department of Public Welfare
"Approximate Total Aid That May Be Granted for Public Assistance Through the Department of Public Welfare." (For the Year) March 1, 1937 - February 28, 1938
Published by State Department of Public Welfare, April, 1937.

Chapter 170 "Sessions & Laws of Montana 1935" "Relative to Old Age Assistance."


"Social Security What & Why"
Informational Discussion by Jane M. Hoey, Director of the Bureau of Public Assistance August, 1936. Informational Circular No. 7

"The Survey" - midmonthly - May 15, 1923 - Volume I - No. 4 - P. 239-40. "If you Grow Old in Montana" by Belle Fligelman.
Published by - Survey Associates, Incorporated, 112 East 19th. Street, New York City, New York. Robert De Forest - President Paul W. Kelly - Editor

Vol. XVII, No. 5 "Monthly Labor Review" -- Nov. 1923 -- P. 183
Vol. 43 : No. 4 " " " -- Oct. 1936 -- P. 836
Vol. 41 : No. 2 " " " -- Aug. 1935, P. 684-686;
Vol. 43 : No. 5 " " " -- Nov. 1936 -- P. 1144
