An Economic Survey of Public Welfare Programs In Kansas, 1938-1941

Betty Kempton
Fort Hays Kansas State College

Follow this and additional works at: https://scholars.fhsu.edu/theses

Part of the Sociology Commons

Recommended Citation
DOI: 10.58809/ZEXL7956
Available at: https://scholars.fhsu.edu/theses/361

This Thesis is brought to you for free and open access by the Graduate School at FHSU Scholars Repository. It has been accepted for inclusion in Master's Theses by an authorized administrator of FHSU Scholars Repository. For more information, please contact ScholarsRepository@fhsu.edu.
AN ECONOMIC SURVEY OF PUBLIC WELFARE PROGRAMS IN KANSAS, 1938 - 1941

being

A thesis presented to the Graduate Faculty of the Fort Hays Kansas State College in partial fulfillment of the requirements for the Degree of Master of Science

by

Betty Kempton, A. B.
Baker University, Baldwin, Kansas

Date July 24, 1942

Approved: W. T. Clover
Major Professor

Chm. Grad. Council
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>ACKNOWLEDGEMENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>II.</td>
<td>SUMMARY AND CONCLUSIONS</td>
<td>1</td>
</tr>
<tr>
<td>III.</td>
<td>TOTAL AMOUNT OF EXPENDITURES FOR PUBLIC WELFARE AND NUMBER OF RECIPIENTS</td>
<td>18</td>
</tr>
<tr>
<td>IV.</td>
<td>SOURCES OF FUNDS</td>
<td>44</td>
</tr>
<tr>
<td>V.</td>
<td>BACKGROUND OF PUBLIC ASSISTANCE PRIOR TO THE SOCIAL SECURITY ACT</td>
<td>59</td>
</tr>
<tr>
<td>VI.</td>
<td>DIRECT GRANT PROGRAMS</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>General requirements for Federal aid</td>
<td>64</td>
</tr>
<tr>
<td>B.</td>
<td>Specific requirements for Federal aid</td>
<td>65</td>
</tr>
<tr>
<td>C.</td>
<td>Definitions of categories</td>
<td>66</td>
</tr>
<tr>
<td>D.</td>
<td>General Assistance</td>
<td>69</td>
</tr>
<tr>
<td>E.</td>
<td>Commodity distribution and the stamp plan</td>
<td>71</td>
</tr>
<tr>
<td>F.</td>
<td>Farm Security Administration grants</td>
<td>74</td>
</tr>
<tr>
<td>VII.</td>
<td>PROVISION FOR FINANCING DIRECT GRANTS</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Disbursement of Federal funds</td>
<td>77</td>
</tr>
<tr>
<td>B.</td>
<td>State welfare fund</td>
<td>78</td>
</tr>
<tr>
<td>C.</td>
<td>Sales tax fund</td>
<td>79</td>
</tr>
<tr>
<td>D.</td>
<td>State agents compensation</td>
<td>79</td>
</tr>
<tr>
<td>E.</td>
<td>Emergency fund</td>
<td>80</td>
</tr>
<tr>
<td>F.</td>
<td>Equalization fund</td>
<td>81</td>
</tr>
<tr>
<td>G.</td>
<td>County fund</td>
<td>82</td>
</tr>
<tr>
<td>H.</td>
<td>Bonds</td>
<td>83</td>
</tr>
<tr>
<td>VIII.</td>
<td>WELFARE SERVICES OF THE STATE DEPARTMENT</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Child welfare</td>
<td>85</td>
</tr>
<tr>
<td>B.</td>
<td>Services for blind and visually handicapped</td>
<td>87</td>
</tr>
<tr>
<td>C.</td>
<td>Vocational rehabilitation</td>
<td>88</td>
</tr>
<tr>
<td>D.</td>
<td>Services for veterans</td>
<td>89</td>
</tr>
<tr>
<td>E.</td>
<td>Licensing of private agencies</td>
<td>90</td>
</tr>
<tr>
<td>IX.</td>
<td>SPECIAL WELFARE ACTIVITIES OF COUNTY BOARDS</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Commodity distribution</td>
<td>92</td>
</tr>
<tr>
<td>B.</td>
<td>Certification to NYA, WPA, and FSA</td>
<td>93</td>
</tr>
<tr>
<td>C.</td>
<td>Selection for CCC</td>
<td>94</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS (Continued)

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>OTHER PROGRAMS DIRECTLY RELATED TO PUBLIC WELFARE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>X.</td>
<td>OTHER PROGRAMS DIRECTLY RELATED TO PUBLIC WELFARE</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Work Projects Administration</td>
<td>95</td>
</tr>
<tr>
<td>B.</td>
<td>Civilian Conservation Corps</td>
<td>100</td>
</tr>
<tr>
<td>C.</td>
<td>National Youth Administration</td>
<td>103</td>
</tr>
<tr>
<td>D.</td>
<td>Public Works Administration</td>
<td>106</td>
</tr>
<tr>
<td>E.</td>
<td>Public Roads Administration</td>
<td>110</td>
</tr>
<tr>
<td>F.</td>
<td>Public Buildings Administration</td>
<td>112</td>
</tr>
<tr>
<td>XI.</td>
<td>PROGRAMS INDIRECTLY RELATED TO PUBLIC WELFARE</td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>Veterans bonuses</td>
<td>116</td>
</tr>
<tr>
<td>B.</td>
<td>Old age insurance</td>
<td>119</td>
</tr>
<tr>
<td>C.</td>
<td>Unemployment compensation</td>
<td>122</td>
</tr>
<tr>
<td>D.</td>
<td>Workmen's compensation</td>
<td>127</td>
</tr>
<tr>
<td>E.</td>
<td>Agricultural Adjustment Administration</td>
<td>130</td>
</tr>
<tr>
<td>F.</td>
<td>Farm Security Administration</td>
<td>133</td>
</tr>
<tr>
<td>G.</td>
<td>Farm Credit Administration</td>
<td>135</td>
</tr>
<tr>
<td>H.</td>
<td>Rural Electrification Administration</td>
<td>141</td>
</tr>
<tr>
<td>I.</td>
<td>Federal Home Loan Bank Board</td>
<td>143</td>
</tr>
<tr>
<td>J.</td>
<td>Reconstruction Finance Corporation</td>
<td>151</td>
</tr>
<tr>
<td>K.</td>
<td>Additional agencies</td>
<td>152</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>

CHART—Administrative Organization of Public Welfare
ACKNOWLEDGMENTS

Much credit for the results attained in this survey is due to the supervision and suggestions of Dr. V. T. Clover. Also Mr. Chester Fisher and Kenneth Ekdahl of the State Department of Social Welfare were instrumental in promoting the study of social welfare programs and provided many valuable statistics. Officials in various state and Federal government offices were very cooperative in furnishing necessary data.
Activities of vital concern to young and old are affecting the public welfare. The importance of safeguarding the public welfare was recognized in the Constitution and it has not been overlooked since the time the Constitution became the "Law of the Land". Public welfare activities consist of programs which touch every individual in one way or another and thus become at least the indirect concern of all. It is indeed a broad field. As interpreted in this study, programs which affect the public welfare financially are not only those which advance direct grants or benefits to persons in need, but also the whole gamut of activities which enhance the standard of living of the 1,801,028 people in Kansas. Included in this paper is the functioning of the various agencies, but the primary concern is their financial set-up and how the funds are administered. Therefore, as interpreted here, programs of public welfare consist of Grants for Assistance, Expenditures for Public Work Program, Rights Established by Service or Payments, Regulation Grants, Education and Health Grants, Federal Agencies Granting Loans, and Direct Aid Through Institutions. An attempt was made to make it an all-inclusive study of funds going to Kansas for these purposes in the fiscal years 1938-1941.

Various studies have been made in the past on particular phases of the problem, but no attempt has been made to ascertain the total
cost of the "public welfare" in Kansas. Since public welfare has not been a direct obligation, financially, of the entire population until late years, many of the activities are of recent origin. The Social Security Act was not passed in Kansas until 1937 and took effect in August of that year. Unemployment Compensation benefits were first payable in 1938, while Old Age Insurance monthly benefits became due in January, 1940. Thus, it is readily seen that many of the programs have not had time in which to show any definite trends over more than the period covered in the study. Because social welfare is a comparatively new field for the government, research is not as extensive as in fields which have been in operation for a longer time. However, much use has been made of research facilities in the several branches of the field. In order to obtain an integrated picture of the relative importance of each program, how it is related to the others, where the funds are made available and to obtain an understanding of the activities of the various component parts, this study has been attempted.

It is confusing to interpret figures on small sections of a program as large as the welfare program. Therefore, this study was undertaken with the view of combining information relating to welfare in Kansas into an integrated whole.

The problem is divided into three main sections: (1) total amount of funds expended for public welfare in Kansas and number of recipients in each category; (2) source of the funds expended; (3) a general description of the activities of the various phases of the entire program. The main facts are set forth in the first two divisions and the sources
of information for statements given there are the two large charts appearing at the end of each chapter. The description of the activities is essential in understanding the data presented. This third section on description of activities includes the functioning of the various programs and a more thorough interpretation of their sources of funds.

Many limitations exist in a statistical study because of the great variance between different figures seemingly covering the same data. Since data were not published in a comparable form for many of the programs on a state basis, it was necessary to write numerous letters to state and Federal administrators requesting information. Because of their preoccupation with the war effort, Federal agencies were particularly slow in replying. Individual contact was made through letters or personal interview with each of the agencies except those involved with Education and Health Grants and Direct Aid Through Institutions. Because not all data were available, the charts are not complete, but they are as inclusive as possible at the time of writing. Also, since the attempt was made to include total costs rather than only the amount of benefits or grants paid, the published data were often incomplete. Although figures used in the charts are used as total expenditures unless stated otherwise, it is possible that some do not include all costs, as some agencies do not keep available records covering all costs of a whole program.

An additional problem met frequently in studies involving a large group of agencies was the period used as a basis for computing expenses. Some run on a calendar year basis, although most are on a fiscal year set-up. This causes some inconsistency in the data used and also made
it necessary to transform others to a fiscal year amount. The agencies granting loans give, in many cases, a figure representing amount of loans outstanding rather than the amount lent during the year.

With these limitations in mind, it should then be understood that the figures given are not final figures even though a serious attempt was made to make them so. Adjustments are continually being made to change data that formerly were up-to-date.

Different individuals may disagree as to the advisability of including certain activities in public welfare, but an attempt has been made to make it an all-inclusive study of the programs directly as well as indirectly related.
CHAPTER II

SUMMARY AND CONCLUSIONS

The following conclusions resulted from this survey of Public Welfare in Kansas, 1938-1941:

1. Under the President's Reorganization plan Number 1 of 1939, many agencies formerly dealing individually with public welfare were consolidated into larger groupings which centralized administration and facilitated the work.

2. Total expenditures in Kansas for the various programs classified in this study as public welfare, exclusive of the grant program, increased from $73,562,943 in 1938 to $105,630,235 in 1939 and to $112,937,635 in 1940; then fell to $99,449,821 in 1941.

3. Total number of persons or cases aided under the same program rose from 233,293 in 1938 to 311,336 in 1939, and to 369,956 in 1940; and then fell to 333,414 in 1941.

4. Taking the total expenditures and total number benefitting, the statistical average grant for the entire program each year is $311 in 1938 and $339 in 1939. The average dropped to $305 in 1940 and reached a new low of $299 in 1941.

5. Percentages of the welfare load borne by the Federal government have increased, beginning with 1939. The national government bore 75.1% in 1938 and the proportion dropped to 73.5% in 1939. However, in 1940, the share rose to 75.9% and in 1941 it was 76%. Thus,
the Federal government has borne approximately three-fourths of the entire burden of public welfare during the period covered, 1938-1941.

6. The state's share of the financial load has been small. The proportion increased from 5.4% in 1938 to 8.4% in 1939, but dropped to 7.4% in 1940. However, in 1941 the state's share rose 1.3% to 8.7%.

7. Local governments contributed 15.7% in 1938 and jumped to 18.1% in 1939. However, with the increased proportional aid of the Federal government in the direct assistance cases, the local share fell to 16.7% in 1940 and 15.3% in 1941.

8. Using the 1938 figure as 100%, the total funds expended were 143% of 1938 in 1939, 153% in 1940, and dropped to 135% in 1941.

Programs included in the study have been grouped under six headings. These main groups and their sub-headings, together with the total expenditures and number of persons or cases for 1941 follow.

They are based on Table I.

<table>
<thead>
<tr>
<th>Programs</th>
<th>Expenditure</th>
<th>Persons or Cases Benefitted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRANTS FOR ASSISTANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Age Assistance</td>
<td>$1,655,000</td>
<td>43,536</td>
</tr>
<tr>
<td>Aid to the Blind</td>
<td>340,000</td>
<td>2,483</td>
</tr>
<tr>
<td>Aid to Dependent Children</td>
<td>2,287,000</td>
<td>28,451</td>
</tr>
<tr>
<td>General Assistance</td>
<td>5,531,359</td>
<td>63,204</td>
</tr>
<tr>
<td>Commodities</td>
<td>3,445,000</td>
<td></td>
</tr>
<tr>
<td>Administration and Special Activities of Above Programs</td>
<td>2,089,629</td>
<td>497</td>
</tr>
<tr>
<td>Farm Security Administration Grants</td>
<td>778,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>20,596,113</td>
<td>135,171</td>
</tr>
<tr>
<td>Programs</td>
<td>Expenditure</td>
<td>Persons or Cases</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td>EXPENDITURES FOR FEDERAL WORK PROGRAMS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Projects Administration</td>
<td>$22,527,833</td>
<td>20,280</td>
</tr>
<tr>
<td>Civilian Conservation Corps</td>
<td>2,604,000</td>
<td>1,978</td>
</tr>
<tr>
<td>National Youth Administration</td>
<td>2,415,249</td>
<td>10,949</td>
</tr>
<tr>
<td>Public Works Administration</td>
<td>2,016,445</td>
<td>38</td>
</tr>
<tr>
<td>Public Roads Administration</td>
<td>1,111,264</td>
<td>6,083</td>
</tr>
<tr>
<td>Public Buildings Administration</td>
<td>513,027</td>
<td>2,052</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>31,167,818</td>
<td>41,360</td>
</tr>
<tr>
<td>RIGHTS ESTABLISHED BY SERVICE OR PAYMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans Bonuses</td>
<td>8,441,987</td>
<td>12,935</td>
</tr>
<tr>
<td>Old Age Insurance</td>
<td>742,593</td>
<td>3,608</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>2,293,631</td>
<td>3,796</td>
</tr>
<tr>
<td>Workmen's Compensation</td>
<td>5,000</td>
<td>*</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>11,483,211</td>
<td>20,339</td>
</tr>
<tr>
<td>DIRECT AID THROUGH INSTITUTIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutions Under the Board of Adm.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School for Blind</td>
<td>64,950</td>
<td>*</td>
</tr>
<tr>
<td>School for Deaf</td>
<td>107,501</td>
<td>188</td>
</tr>
<tr>
<td>Kansas Vocational School</td>
<td>43,750</td>
<td>*</td>
</tr>
<tr>
<td>Patriotic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother Bickerdyke Home</td>
<td>35,600</td>
<td>60</td>
</tr>
<tr>
<td>Soldiers Home</td>
<td>139,500</td>
<td>308</td>
</tr>
<tr>
<td>Penal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penitentiary</td>
<td>475,850</td>
<td></td>
</tr>
<tr>
<td>Industrial Farm for Women</td>
<td>52,000</td>
<td>81</td>
</tr>
<tr>
<td>Industrial Reformatory</td>
<td>200,000</td>
<td>623</td>
</tr>
<tr>
<td>Institutions Under State Department of Social Welfare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topeka State Hospital</td>
<td>300,000</td>
<td>2,254</td>
</tr>
<tr>
<td>Osawatomie State Hospital</td>
<td>315,000</td>
<td>1,958</td>
</tr>
<tr>
<td>Larned State Hospital</td>
<td>215,000</td>
<td>408</td>
</tr>
<tr>
<td>State Hospital for Epileptics</td>
<td>200,000</td>
<td>993</td>
</tr>
<tr>
<td>State Training School</td>
<td>195,000</td>
<td>1,266</td>
</tr>
<tr>
<td>State Sanitorium for Tuberculosis</td>
<td>190,000</td>
<td>956</td>
</tr>
<tr>
<td>State Orphans Home</td>
<td>95,500</td>
<td>180</td>
</tr>
<tr>
<td>Boys Industrial School</td>
<td>130,000</td>
<td>173</td>
</tr>
<tr>
<td>Girls Industrial School</td>
<td>77,000</td>
<td>116</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>2,836,650</td>
<td>9,544</td>
</tr>
</tbody>
</table>

* Unavailable
<table>
<thead>
<tr>
<th>Programs</th>
<th>Expenditure</th>
<th>Persons or Cases Benefitted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATION AND HEALTH GRANTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative Vocational Education and</td>
<td>380,362</td>
<td>*</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>82,734</td>
<td>*</td>
</tr>
<tr>
<td>Office of Education</td>
<td>637,947</td>
<td>*</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>1,101,043</td>
<td></td>
</tr>
<tr>
<td><strong>REGULATION GRANTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Adjustment Administration</td>
<td>32,264,986</td>
<td>127,000</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>32,264,986</td>
<td>127,000</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>99,449,621</td>
<td>333,414</td>
</tr>
<tr>
<td><strong>FEDERAL AGENCIES GRANTING LOANS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm Security Administration</td>
<td>5,499,000</td>
<td>20,682</td>
</tr>
<tr>
<td>Farm Credit Administration</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Rural Electrification Administration</td>
<td>1,941,861</td>
<td>*</td>
</tr>
<tr>
<td>Federal Home Loan Bank Board</td>
<td>3,070,400</td>
<td>*</td>
</tr>
<tr>
<td>Reconstruction Finance Corporation</td>
<td>4,128,343</td>
<td></td>
</tr>
<tr>
<td>* Unavailable</td>
<td>Total</td>
<td>$22,604,160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20,682</td>
</tr>
</tbody>
</table>

It was under the President's Reorganization Plan Number 1, of 1939, that the Federal Security Agency and the Federal Works Agency were created. Agencies placed in them were previously in existence, but their work was not centralized and much duplication occurred. The CCC, NYA, Social Security Board, all agencies making outright grants to persons in need, were therefore placed in the Federal Security Agency, while the programs (WPA, PWA, Public Roads Administration, and Public Buildings Administration) were placed in the Federal Works Agency. This left only the Farm Security Administration in an outside agency, as all other programs in "Grants for Assistance" and "Federal Work Programs" were either in the Federal Security Agency or Federal Works Agency. The classification "Rights Established by Service or Payments" includes the Veterans Administration, Old Age
Insurance, Unemployment Compensation, and Workmen's Compensation. The first two are Federally administered and the last two are state programs. The Veterans Administration exists in a separate division of the Federal government, while Old Age Insurance is in the Social Security Board. Unemployment Compensation and Workmen's Compensation are centralized in that they are both separate divisions of the State Commission of Labor.

The Agricultural Adjustment Administration is in the Department of Agriculture along with the Farm Security Administration and, for purposes of administration, is included with the agencies dealing with the farmer.

The agencies providing education and health grants are in the Federal Security Agency along with those giving direct assistance and the youth work programs.

The agencies granting loans to farmers are also centralized under the Department of Agriculture, while those lending to private individuals and business are in a separate group, the Federal Loan Agency.

State institutions are grouped for administrative purposes with the patriotic, penal, and educational groups under the Board of Administration and the remainder under the State Department of Social Welfare.¹

This administrative set-up is the basis on which the entire study was made. The purpose was to incorporate all agencies dealing

¹. See page 3 for institutions in these groups.
with public welfare, both directly and indirectly, into one complete unit. A chart showing this in a graphic presentation will be found in the envelope at the back of this survey.

The study was divided into three main problems: (1) Determination of total expenditures of all the social welfare programs in Kansas from 1938-1941, and the number receiving such benefits. Total expenditures therefore include administrative expenditures as well as cost of materials. (2) Sources of all funds expended. (3) Activities and organization of the various agencies dealing with public welfare.

The conclusions forthcoming, therefore, arise from the first two problems. The last, number 3, was a study of existing conditions, primarily from a standpoint of organization, activities, and additional information as to source of funds.

One of the most important conclusions gained from this study is the continual growth in amounts granted for the Social Security categories of Old Age Assistance, Aid to Dependent Children, and Aid to the Blind, with a corresponding increase in General Assistance despite the transfer of cases to the categories. In 1938, $3,738,204 was spent for Social Security categories and by 1941 this figure had risen to $9,192,000. The amount has tripled, but the number aided was half again as large in 1941, being 55,776 in 1939 and 71,470 in 1941.

The tendency to shift General Assistance recipients to one of the categories (OAA, AB, ADC) is reflected in the decline in General Assistance recipients. Persons approved because of the mental or physical incapacity of the father for Aid to Dependent Children were
formerly General Assistance recipients. The transfer of part of the load from state and local governments to the Federal government through the categories lessened the burden on the state and local governments.

"Grants for Assistance" programs may be compared with the Federal Work Programs, since most of them require that the applicant formally establish the fact that he is not able to provide a minimum of subsistence. Although this is not true of PWA, Public Roads Administration, and Public Buildings Administration, the funds used in the study are emergency totals. This justifies their inclusion in comparison with direct grants. It is noted that the work programs rose sharply in 1939, but in 1940 began a steady decline that left 1941 expenditures at almost the same total as the 1938 figure. Expenditures were $29,000,000 in 1938, rose to $44,000,000 in 1939, primarily because of the expansion of WPA, and declined to $31,000,000 in 1941. The reduction in 1941 occurred in the Public Works Program.

Recipients of aid under the work programs, on the contrary, have shown a steady decline even in the WPA for the peak year of expenditures, 1939. Other programs have remained comparatively stable with the exception of the PWA, which has dropped markedly. It is interesting to note that in 1941, more were aided through the NYA programs than ever before. The NYA was the only Federal Agency to show an increase over the period. Student work recipients rose in 1941 over 1940 from 3,855 to 5,179 and out-of-school workers rose slightly from 5,425 to 5,770. Mention in connection with student work should be made of the fact that the student work program expended
only $10,000 more in 1941 ($523,867 in 1940 and $833,958 in 1941),
but reached 1300 additional school youth as shown in Table I.

The Public Roads Administration has been comparatively stable in
ts its emergency relief expenditures. Funds provided by the Public
Roads Administration and Public Buildings Administration have been
relatively important although not major programs.

In considering the group "Rights Established by Service or Pay-
ments", the most important result obtained in the study is the finan-
cial importance of bonuses to veterans as compared with the relatively
new Unemployment Compensation and Old Age Insurance.

Veterans Bonuses have ranged between eight and nine million dol-
lars annually as compared with Unemployment Compensation benefits
payment of two million dollars annually and are responsible for the
larger share of expenditures in this classification. The fact that
many who formerly applied for Old Age Assistance and General Assistance
are now receiving instead Veterans Bonuses has reduced the load of
the local and state levels of government.

The increase in Old Age Insurance payments through monthly,
rather than lump, sums is reflected in 1941 when expenditures rose
from $192,400 to $742,593.

Unemployment Compensation jumped $500,000 in 1940 from the 1939
figure, but fell again in 1941 from $2,478,000 to $2,293,000. Al-
though expenditures increased, the total number benefitting decreased
2,476 from 6,718 to 4,242 in this one-year period as a result of
better employment conditions. Individual benefits are larger than
in earlier years, as evidenced by the increase of expenditures and decrease in recipients.

Lack of complete information on the Workmen's Compensation Program is one of the greatest drawbacks of this aspect of public welfare. Figures are available only for 1938 when $827,861 was spent for 7,602 workers.

The decreasing importance of amounts spent on institutions is reflected in the totals. Along with this decline was a decrease in number incarcerated. The penitentiary was by far the most expensive institution, although the number of inmates was not as high as in the state hospitals. However, part of this cost of those in the state hospitals is borne by the local government, by relatives and friends, while those in the penitentiary are maintained entirely by the state appropriations.

Totals for "Education and Health Grants" reflect the lack of stress by Federal or state governments upon vocational rehabilitation and health. Office of Education funds were negligible until 1941, when the defense activity called for $637,947. Total amounts for the three programs reached only $1,000,000 in 1941 and this is about equal to the emergency amount of $1,111,264 spent by the Public Roads Administration in 1941.

The Agricultural Adjustment Administration program is included in this study of public welfare because the whole set-up is directed toward relief of the farmer. It follows the same general principle as outright grants, but AAA payments are made when farmers cooperate
by reducing acreage of surplus products. Two objectives are reached through this procedure: it helps farmers improve their farming methods and at the same time they receive income through benefit payments. AAA payments assume an important place in the entire program when compared with totals for the work program and especially with "Rights Established By Service or Payments". In 1941, expenditures for AAA were $32,000,000 as compared with $31,000,000 for the work program and $11,000,000 for "Rights Established by Service or Payments". Estimated number of recipients were 127,000 and this number is exceeded only by the recipients of grants for assistance, which totalled 135,000. On the other hand, funds spent for "Grants for Assistance" were slightly under half the amount spent for AAA, being only $19,000,000.

A large amount of lending is necessary to maintain the standard of living of Kansas citizens as indicated by the funds lent by the Federal lending agencies. Since data represent amounts either outstanding or amount lent or amounts appropriated by the Federal government, data are not directly comparable. Of major importance, however, is the increase of funds of other agencies besides the Farm Credit Administration in 1941. Amounts ranged around $10,000,000 and $11,000,000 and FCA loans were excluded, but in 1940 they were $22,000,000. Amounts of the FCA vary greatly. In 1938, $283,000,000 was outstanding; $229,000,000 in 1939 and a rise to $254,000,000 occurred in 1940.
That lending is important to farmers is emphasized when it is noted that three of these agencies (FSA, FCA, and REA) are farmers programs. Even though farmers received large amounts of payments through the Agricultural Adjustment Administration, they still were not able to finance their own needs and found it necessary to borrow in large amounts.

Taking the programs in their entirety, with the exception of the lending agencies which by reason of the nature of their aid are not directly comparable, it was found that sums expended rose along with the number of persons or cases receiving such aid until 1941, when both amounts and total number benefitting fell. Expenditures fell $15,000,000 in 1941, from $113,000,000 for 1940 to $99,000,000 in 1941. Number benefitting fell 38,000 from 370,000 to 332,000, so the decrease in persons assisted was not as great as the decline in expenditures. Those retaining aid obviously received smaller benefits when compared with the average in 1940. When averages were computed, it was found that the average total payment during the year per recipient for all programs in 1938 was $311. This rose to $339 in 1939, but with the improvement in conditions and the slack in drought needs, it fell to $305 in 1940 and $299 in 1941.
Below is a table of total expenditures, number of recipients, and average payments per recipient. This table shows the programs classified in this study as public welfare in Kansas.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Expenditures</th>
<th>Number of Recipients</th>
<th>Average Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>$73,562,943</td>
<td>233,293</td>
<td>$311</td>
</tr>
<tr>
<td>1939</td>
<td>105,630,235</td>
<td>211,336</td>
<td>339</td>
</tr>
<tr>
<td>1940</td>
<td>112,937,636</td>
<td>369,956</td>
<td>305</td>
</tr>
<tr>
<td>1941</td>
<td>99,449,821</td>
<td>331,780</td>
<td>299</td>
</tr>
</tbody>
</table>

Aside from these findings, the other results obtained from the study were in regard to the sources of funds. As would be expected, the Federal government assumed a large share of the burden.

Local governments are hindered particularly by the methods of property assessment. Because property is assessed at different percents of true value, those receiving a lower valuation pay less than their full share to the government. This deficiency must be made up by higher tax rates in order to obtain the revenue needed. Thus, those over-valued would pay part of the share of those under-valued. In the matter of matching grants, it is a serious problem. When assessed valuation is the basis for state grants, such as is the case of the balance remaining in the sales tax fund, some counties receive

1. See Table I, Chapter III.
less than their share.

In the Social Security categories, Old Age Assistance, Aid to the Blind, and Aid to Dependent Children, the counties assume the larger share. They bore 55.1% in 1938 and were still responsible for 46% in 1941. Since the Federal government does not contribute to General Assistance and the trend has been toward an increase in the Federal categories, the Federal share would be expected to increase. The Federal government bore 20.2% in 1938 and 30% in 1941.

Commodities and Farm Security Administration contributions are entirely Federal, so the addition of these sources would increase the national share for the grouping "Grants for Assistance".

Federal participation in the work programs is great, but WPA, NYA, and FWA also receive local contributions. The WPA has shown a steady decline in Federal proportional shares. Local proportions increased from 20.1% in 1938 to 30.7% in 1941. The cost of CCC is entirely Federal, so the only changes noted in this program are those from a total of $3,012,936 in 1938 to a low of $2,604,000 in 1941 as shown in Table II. Federal contributions to NYA fell from 92.8% or $1,125,434 in 1938 to 88.5% or $1,624,750 in 1940 and then rose to $2,238,859, equal to 92.2% in 1941. Sponsors (local) percentage shares did not decrease markedly in 1941, but Federal expenditures rose to increase the proportionate share of the national government as indicated in Table II.

Sponsors contributions in FWA were assumed to be 55%, but since only Federal grant amounts were available, no comparisons can be made.
The emergency relief funds of the Public Roads Administration are entirely Federal and are not matched by the state or local governments, so this source is only Federal. The same is true of the Public Buildings Administration funds.

In this group, "Rights Established by Service or Payments", two categories (Veterans Administration and Old Age Insurance) are entirely Federal in source. The money to support Old Age Insurance is provided by a tax on employers and employees.¹

Unemployment Compensation is financed through collections from employers only. Since it is administered through the state and the state is responsible for the plan, benefits are credited to the state as the source of disbursement. The part the Federal government plays in administration is credited to it as being a Federal source of funds. With the beginning of the payment of benefits, the costs of administration were increased by the additional expense of setting up the records and the Federal government's share fell in 1940 from 22.2% in 1939 to 18.3%.

Data are not available on Workmen's Compensation in Kansas except for 1938, but it is a state program and the source of funds is the state since employers must pay if self-insurers and the insurance companies assume the risk for the remainder of the employers operating within the state. Amount paid in 1938 was $827,861 for 7,602 employees.

¹ See Chapter X, Section C for a further explanation of the tax.
Source of funds for state institutions is state appropriations. Inmates are residents of Kansas and thus wards of the state. Counties share in the expenses of assistance recipients, but the amounts are included in "Special Activities of State and County Boards" occurring under the first group, "Grants for Assistance" as listed on page 2 and the totals are not available.

In the category "Education and Health Grants" the Federal government is also important. State funds for vocational education have increased proportionately until 1941. The state's share was 21.6% in 1939, 26.9% in 1940, and 26.1% in 1941. Because a small part of the public health program is carried on by the State Department of Social Welfare, no percentage comparison can be made of it. Even so, the Federal proportion is large and more significant because it is directed toward prevention.

Another fruitful source of Federal funds is the Agricultural Adjustment Administration program. By making the entire contributions Federal in scope, county and state funds are released for direct and other grants.

In the loan agencies, large sums were made available to those desiring funds. Since the loan is made in one single amount and later repaid in installments, the lending agency must have more funds available. Because state or local governments do not have sufficient funds or the means to obtain them, all the loan agencies are classed as Federal in regard to source of funds.
In considering totals of the share borne by Federal state, and
local governments, results show that actual percentages borne by the
Federal government were 75.1% in 1938, 73.5% in 1939, 75.9% in 1940, and
76% in 1941. Thus, since 1939 there has been a steady increase in the
proportional share of the Federal government.

The state's share fell slightly in 1939 and an additional 1% in
1940, but has remained practically stable. Local governments con-
tributed 15.7% in 1938 and jumped to 18.1% in 1939. However, with
the increased aid by the Federal government in direct assistance cases,
the local share fell to 16.7% in 1940 and 15.3% in 1941. Probably
the most important trend indicated is the stability of the proportional
share of each. The table below gives the total expenditure by source
and proportional share for public welfare in Kansas, 1938-1941, as
classified in this study.

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal</th>
<th>%</th>
<th>State</th>
<th>%</th>
<th>Local</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>$55,291,258</td>
<td>75.1</td>
<td>$6,754,543</td>
<td>5.4</td>
<td>$11,517,142</td>
<td>15.7</td>
<td>$73,562,943</td>
</tr>
<tr>
<td>1939</td>
<td>75,498,994</td>
<td>73.5</td>
<td>8,657,128</td>
<td>8.4</td>
<td>18,525,558</td>
<td>18.1</td>
<td>102,641,680</td>
</tr>
<tr>
<td>1940</td>
<td>84,164,763</td>
<td>75.9</td>
<td>8,283,118</td>
<td>7.4</td>
<td>18,496,695</td>
<td>16.7</td>
<td>110,944,676</td>
</tr>
<tr>
<td>1941</td>
<td>73,887,385</td>
<td>76.0</td>
<td>8,417,444</td>
<td>8.7</td>
<td>14,944,036</td>
<td>15.3</td>
<td>98,137,865</td>
</tr>
</tbody>
</table>

1. Based on Table II, Chapter IV.

2. It will be noted that the totals are slightly less than the tot-
als given in Table I. The reason for this is that WPA funds for projects
not operated by the WPA are included in the totals of Table I, but since
the proportional share is used in Table II, only actual expenditures by
the WPA are applicable.
Using the preceding table as a source, the following shows what per cent each year is of the 1938 total:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Per Cent of 1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>$73,562,943</td>
<td>100</td>
</tr>
<tr>
<td>1939</td>
<td>105,630,235</td>
<td>143</td>
</tr>
<tr>
<td>1940</td>
<td>112,937,635</td>
<td>153</td>
</tr>
<tr>
<td>1941</td>
<td>99,449,821</td>
<td>135</td>
</tr>
</tbody>
</table>
CHAPTER III

TOTAL AMOUNT OF EXPENDITURES AND NUMBER RECEIVING SUCH FUNDS

When viewed as a whole, the public welfare program is extremely wide and complex. Many studies of a few phases within this broad field have been made, but this is an attempt to integrate the whole set-up into one complete picture. It therefore must be limited in the treatment of each phase and cannot delve fully into any of the programs covered.

Programs directed toward the public welfare are comparatively new. In the past, Kansans, with their American tradition of individualism, have been self-reliant and the troubles of the employee who lost his job because of the new technology were not the concern of the average citizen. But with the increasing burden of debts and the inability of those with foresight, initiative, and sound judgment to succeed, came recognition of a need for more social planning. Although this was slow to develop into any integrated program, there has been a steady movement toward some kind of centralization.

Taking the entire picture from the viewpoint of an arbitrary classification based on type of need the expenditure was intended to fill, a grouping under seven main headings results as found in Table I, Chapter III.
A. Grants for Assistance
   1. Old Age Assistance
   2. Aid to the Blind
   3. Aid to Dependent Children
   4. General Assistance
   5. Commodities
   6. Administration and Special Activities of Above
   7. Farm Security Administration Grants

B. Expenditures for Federal Work Programs
   1. Work Projects Administration
   2. Civilian Conservation Corps
   3. National Youth Administration
   4. Public Works Administration
   5. Public Roads Administration
   6. Public Buildings Administration

C. Rights Established by Service or Payments:
   1. Veterans Bonuses
   2. Old Age Insurance
   3. Unemployment Compensation
   4. Workmen’s Compensation

D. Direct Aid Through Institutions
   1. Institutions Under the Board of Administration
      a. Educational
         (1) School for Blind
         (2) School for Deaf
         (3) Kansas Vocational School
      b. Patriotic
         (1) Mother Bickerdyke Home
         (2) Soldiers Home
      c. Penal
         (1) Penitentiary
         (2) Industrial Farm for Women
         (3) Industrial Reformatory
   2. Institutions under the State Department of Social Welfare
      a. Topeka State Hospital
      b. Osawatomie State Hospital
      c. Larned State Hospital
      d. State Hospital for Epileptics
      e. State Training School
f. State Sanitorium for Tuberculosis

g. State Orphans Home

h. Boys Industrial School

i. Girls Industrial School

E. Education and Health Grants

1. Cooperative Vocational Education and Rehabilitation
2. Public Health
3. Office of Education

F. Regulation Grants

1. Agricultural Adjustment Administration

G. Federal Agencies Granting Loans

1. Farm Security Administration
2. Farm Credit Administration
3. Rural Electrification Administration
4. Federal Home Loan Bank Board
5. Reconstruction Finance Corporation

A. Grants for Assistance

One of the most important groups is Grants for Assistance, even though it exhibits the least possibility of giving permanent benefit. These are outright expenditures made on the basis of need and no obligation is incurred on the part of the recipients other than that they spend the money so received. A description of activities and sources of funds is given in Chapter VI. Programs under this classification of Grants for Assistance were listed on page 19. They include Old Age Assistance, Aid to the Blind, Aid to Dependent Children, Commodity Distribution, General Assistance, as well as Farm Security Administration grants. Federal funds are made on a matching basis (up to a certain amount) for the first three of these.
With the stipulation in the law that no cases eligible for Old Age Assistance be carried on the General Assistance rolls, there was an immediate increase in Old Age Assistance cases and a resulting increase in amount granted. The fact that the names of recipients can no longer be published was also probably an impetus to this category. When the grant program is taken by itself, it is seen that more persons each year are dependent on it. The Social Security categories (Old Age Assistance, Aid to Blind, and Aid to Dependent Children) are aiding more persons than ever before and their currently high levels stand in sharp contrast to the recent trends of most of the other work and assistance programs. In 1938, $8,330,130 was spent for Social Security categories and administration and in 1941 this figure had risen to $16,802,988. The number aided rose from 55,778 in 1939 to 71,470 in 1941. Kansas has an excellent record of the number and proportion of cases closed in Aid to Blind cases because the vision of the recipient was shelly or partially restored in the years 1939-1941. In the fiscal year 1938-1939, no state reported as large a proportion of cases closed through restoration of sight than did Kansas and in 1939-1940, only Colorado exceed the record.1

Therefore, although there was an increase in the number aided, many of these cases were new ones rather than those which had been on the record for some time.

Aid to Dependent Children is the least publicized and least understood of the Federal categorical assistance programs. Children who have been deprived of the support of care of one or both of their parents are eligible for assistance. A larger proportion of persons were approved during the fiscal year 1939-1940 because of the physical or mental incapacity of the father than in the previous two years. Conversely, a smaller proportion was approved because of the death of the father.¹

Social workers believe this shift is caused because an attempt is made to transfer from General Assistance to Aid to Dependent Children those where the father is physically or mentally incapacitated. Thus, some of the reduction of General Assistance recipients is undoubtedly absorbed by the Aid to Dependent Children category, as well as the other Federal categories. Not all their increase is due to an actual number of new category recipients, but rather a transfer from General Assistance.

Federal aid was increased from 1/3 to 1/2 in the 1939 amendments and this, of course, accounted for an increase in the amount expended.

When the actual number aided is shown, it is noted that the General Assistance program did not fall off until the fiscal year 1941, although Farm Security Administration grants fell markedly

in 1939 and were relatively small in 1941. General Assistance aided 79,632 persons in 1940 and fell sharply to 63,204 in 1941. Farm Security Administration recipients fell from 2,469 in 1940 to 497 in 1941. This would indicate that farmers had improved their condition, while city residents still needed help even though they could not qualify for Old Age Assistance, Aid to Blind, or Aid to Dependent Children. FSA grants were largely a result of the drought, and with an improvement in farming conditions, the grants were curtailed. As part of its rehabilitation activities, the Farm Security Administration makes these grants to destitute and low income farmers to provide them with food, clothing, and other family needs.

A sizeable deduction was reported in 1941 in the number of public assistance unduplicated "cases," but according to the actual number involved, the entire reduction was in General Assistance. Old Age Assistance and Aid to Dependent Children showed sizeable increases. Old Age Assistance rose from 35,002 in 1939 to 43,536 in 1941. Aid to Dependent Children rose from 18,962 in 1939 to 25,451 in 1941 as seen in Table I. Since Federal aid is provided in all these categories, the cost to the State and local governments is proportionately decreased. Payments made to Old Age Assistance cases increased over $650,000 in 1941 to a new high of $6,555,000. Aid to the Blind rose only $57,000, but the increase in those receiving such aid was merely
The figure for Aid to the Blind was $340,000 and 2,483 were aided. Aid to Dependent Children rose $200,000 from $2,095,000 in 1940 to $2,297,000 in 1941 for the additional 1,900 cared for. Total recipients in 1940 numbered 23,564 and in 1941 the total was 25,451, as stated above. On the other hand, General Assistance payments rose from $4,267,057 in 1940 to $5,531,359 in 1941 while the drop in the number aided fell 16,000. Therefore, those remaining on the General Assistance rolls are receiving more despite the loss in total number.

The figure for commodities is misleading since the amount placed through the Food-Stamp plan is not shown for 1940 and 1941. It amounted to only $564,000 in the calendar year 1940, the first year of operation, so it is not so serious an omission as it may seem.

Administration costs have remained relatively stable, even though more activities of the State Board have been added in recent years. Most important is the vocational rehabilitation program which was begun in July, 1940.

The most significant trend in "Grants for Assistance" is the steady increase in expenditures for all except FSA grants accompanied by a decline in persons aided for 1941. Total expenditures

---

increased from $18,686,769 in 1940 to $20,596,115 in 1941, while persons aided fell from 148,544 in 1940 to 135,171 in 1941.

In some instances, a recipient will receive more than one type of aid. General Assistance has been given to a number of WPA and FSA families to supplement wages and subsistence grants. In October of 1938, county welfare offices reported the extent of this duplication.\(^1\) For the state as a whole, approximately 4% of the total persons were counted twice. However, it is believed that the percentage of duplication has increased.

General Assistance is often used to supplement categorical assistance grants of Old Age Assistance, Aid to the Blind, Aid to Dependent Children. It is also used to pay for the county's share of the cost of care of county patient's in the state institutions for the feeble-minded, epileptic, and tuberculosis. Starting with April, 1940, the State Department revised the statistical report form in order that cases receiving General Assistance as a supplement to Federal categorical assistance grants could be separated from those receiving General Assistance only. As far as the actual number is concerned, they would also be counted twice and inflate the real number of recipients. If this duplication can be eliminated, some of the difficulty will be taken care of but it will not tell the number receiving assistance grants and also FSA grants or WPA earnings.

B. Expenditures for Federal Work Programs

The work of each agency is further described in Chapter X. Contrary to national trends, the total expenditures for the Federal Work Programs in Kansas show that there was no reduction except in the PWA. There has been a decided drop, however, in the WPA recipients and in the CCC enrollment in the past year. Numbers aided through NYA have either increased or remained the same. The WPA expenditures amounted to $22,530,000 in 1941, while they were $22,950,000 in 1940, so there was little actual reduction. The WPA has operated a program of useful public projects on which jobs have been provided for unemployed workers who have been certified by local public welfare offices as being in need. The reduction in Kansas came in 1940 when the expenditures decreased from $27,500,000 in 1939 to just under $23,000,000. (See Table I.) There was a drop of 1,750 in number receiving employment from 30,176 in 1939 to 20,374 in 1940. This was undoubtedly due to placement in private industry. During 1941, as well as in other years, expenditures for the WPA were greater than the other work programs combined.

Although substantial increases occurred in total payments made under the NYA and special assistance programs in which the Social Security Board participates, they were not great enough to offset reductions in the PWA and in General Assistance and the FSA grants.
During the fiscal year 1941 more were aided through the NYA program than ever before. Since activities have been greatly reduced beginning July 1, 1942, 1941 is one of the last years for which comparable data will be available. Part-time employment for young men and young women is provided in the student work and out-of-school work programs of the NYA. The student work program offers work opportunities for high-school and college students who would be unable to continue in school without this assistance. On the out-of-school work program, young persons no longer in full-time attendance at school were given part-time employment on public projects.

Although the student work program expended only $10,000 more in 1941 than in 1940 (an increase from $523,867 to $533,958), 1300 additional school youth were aided. The number aided in 1940 was 3,855 and in 1941 it was 5,179. On the other hand, the out-of-school work program cost $600,000 more and reached only 350 more than in 1940. Expenditures rose from $1,100,883 in 1940 to $1,704,901 in 1941; the number aided increased from 5,425 to 5,770. Payments by sponsors are made only for the out-of-school program and they include payments in kind rather than cash payments. Since the administration of the student work is carried on within the schools by regular school officials, little expense is incurred within the state for administration.

No appropriation has been made for the PWA since 1938 and the program is being liquidated. Only two projects remain in Kansas. The FWA has undertaken public construction projects that have been
financed from emergency appropriations. Because the grants were interpreted to be only 45% of the total, some of the total expenditures, given in Table I, are probably higher than is actually the case. After 1940, the program has been relatively unimportant although $2,000,000 was spent in 1941. This was to complete projects already approved. The number of workers was never large, being only 2,900 in the peak year of this period, 1939. In 1941, an average of only 38 were employed on this once important work program.

Since its initiation, the CCC has provided employment for unemployed young men on projects for the conservation and development of natural resources. The enrollees are maintained in camps and are given opportunities for education and vocational training. Expenditures for the CCC have been the most stabilized of any of the work programs. It is interesting to note that they were practically the same until 1941 when enrollment dropped almost 1500 due to a decrease in volume of applications and an increase in the number leaving camp prior to expiration of their enrollment terms. The program was liquidated at the end of the fiscal year 1942 as no new appropriation was made. Enrollees numbered 3,165 in 1936; 3,344 in 1939; 3,399 in 1940, and fell to 1,978 in 1941.

Even though Federal construction projects included under the Federal Work Programs (Public Roads Administration and Public Buildings Administration) are not a direct relief measure, they definitely contribute much in the matter of keeping employees off
the direct aid rolls, although many skilled workers are employed. Since data for Public Buildings did not begin until 1940, it is not possible to compare expenditures for a long period. Public Roads is by far the more important of the two. The Public Roads Administration administers the regular Federal Aid funds and the emergency appropriations for road construction. The main concern here is with the emergency relief money rather than the regular federal aid, for road construction. A large increase was made in expenditures in 1938 and 1939. A drop of almost $200,000 occurred in 1941 when expenditures fell from $1,297,532 to $1,111,264, while the increase in employees was only three, 6,080 in 1940 and 6,083 in 1941. Either employees are receiving less wages or less is being spent on construction materials.

The Public Buildings Administration is responsible for construction and maintenance of Federal buildings and since figures are available only for 1940 and 1941, no noticeable trends can be noted. There has been an increase in the numbers employed and the increase in expenditures is not much more than enough to take care of the increased employees. With the undertaking of moving Federal agencies to locations outside Washington and the building of defense homes, this type of project is becoming more important. It is included here mainly because it is a source of income for the state. But it is not a true relief measure and workers are Federal employees engaged in regular construction and repair work.
C. Rights Established by Service or Payments

Additional activities and sources of funds of these programs appear in Chapter XI. This group has been designated "Rights Established by Service or Payments" to distinguish it from direct grants. It includes those programs for which employers, employees, or both, have made previous contributions, rights established through employment under dangerous and risky conditions as well as service to one's country in wars. One of the primary differences between this category and the direct grants is the acceptance by the public of the obligation for payments of bonuses and benefits arising from employment conditions. The funds for Unemployment Compensation arise from specific taxes on employers—that for veterans comes out of Federal appropriations from general funds. Unemployment Compensation taxes are against the payroll of the employers of eight or more. Funds for the Federal categories under the Social Security Act come also from appropriations. Because of service to his country, the veteran is entitled to monetary payments and because of economic conditions for which the individual is not directly responsible, the unemployed in covered industries are eligible for compensation. Those receiving Old Age Insurance pay into the Old Age Insurance fund during periods of employment and at the age of 65 receive monthly benefits on the basis of their payments. Likewise, because of uncontrolled economic conditions, recipients of Social Security grants, Old Age Assistance, Aid to the Blind, Aid to Dependent Children are prevented from providing for
the welfare of themselves or their dependents. This, too, is an
economic phenomena, not an individual matter. Recipients of aid in
this classification need not establish a basis of need. Benefits
are a right or certain conditions have been met to qualify them.

Data in Table I indicate the relative importance of bonuses
to veterans and shows to what proportions Old Age Insurance,
Unemployment Compensation, and Workmen's Compensation may grow after
they have been in existence longer. These latter three can never
be as large as bonuses because they are a stop-gap measure and are
temporary propositions, except for Old Age Insurance. Veterans
bonuses, on the other hand, are long-time measures and may continue
even after the death of the immediate recipient. Were it not for
the bonuses, Kansas veterans would be in a more difficult position,
especially during depression years. Because many were not receiv-
ing bonuses due them and were instead applying for direct assistance
under the grant program, the State Department incorporated services
for veterans into the duties of the county offices. The State
Department does the actual work of assisting veterans receive their
claims, but initial contact is made through the county offices.
The reduction in expenditures is reflected through a deduction in
the number receiving such bonuses. Along with the decrease in
recipients through death, there has been an increase of benefi-
ciaries who did not know of their eligibility. With the present
crisis, expenditures will increase, so this phase of the program
will continue to be important.
Old Age Insurance is one of the new programs. Until 1940, benefits were paid in lump-sum amounts, but with the 1939 amendments to the Social Security Act, monthly payments are not paid in most cases. The entire set-up of OAI is discussed in Chapter XI, Section B, so it is only necessary to say here that OAI pays benefits to eligible workers and their wives when they reach 65. Benefits are also paid widows, children, or aged dependent parents of deceased workers. Because data include lump-sum as well as monthly benefit payments, they are not directly comparable with recipients. Benefits rose from $46,027 in 1938 to $779,000 in 1941 and the number of recipients rose from 1519 in 1938 to 3224 in 1941. There naturally was a large increase in the number of lump-sum payments in the second year of operation, but it must be noted that the increase in recipients was slightly less than 300. There were 1519 in 1938 and 1798 in 1939. This is not difficult to understand. It is thought that the lag in the number of claims filed is caused in part by the fact that some potential claimants are not aware of their rights. Federal officials were surprised at the low number requesting aid in 1938 and 1939. Since cost of administration is borne by the federal government, the entire figure in Table I represents claims and net increase in expenditure can be accounted for by an increase in administrative costs. All additional funds go to workers in the form of higher benefits.
Unemployment Compensation benefits began in 1939. These benefits are paid workers in covered employment who meet certain eligibility provisions when they are out of work through no fault of their own. The amount listed for 1938, $131,195, includes, therefore, only cost of administration. Costs jumped $500,000 in 1940 from the 1939 figure which includes expenditures for only the six months of operation, but fell again in 1941 from $2,478,000 to $2,295,000. There was less spent for both benefits and administration. This was reflected in the totals. Although expenditures increased between 1939 and 1940 from $1,952,179 to $2,478,368, the total number benefitting decreased 2,476 from 6,718 to 4,242 as a result of better employment conditions. Therefore, it would be reasonable to deduct from these results that individual benefits are larger and this contention is substantiated by the Kansas Unemployment Compensation Division monthly reports. The number of recipients fell in 1941 but not as fast as the total expenditures. Therefore, even though there was an increase in the number benefitting, a surplus still exists which was paid out in the form of higher payments.

Workmen's Compensation is paid workers in certain covered employment who are injured in the course of their work. Because complete records are not available, no comparisons may be made. However, it may be said that these payments are also a recognition of the part injury may play in the life of the employee. Industry recognizes that workers cannot bear this added burden.
Although workmen's compensation has been in force longer than the other two employment programs, benefits were only $828,000 in 1938, the only year figures are available. After cost of administration is deducted, that leaves an average of less than $100 for each worker benefitted.

D. Direct Aid Through Institutions

The oldest part of the program of public welfare is direct institutionalization for physically, mentally, and morally dependent. Almshouses existed in early days in Kansas. Scientific aid through the placement and rehabilitation in an institution is something new. Great strides have been made in treatment, but much remained undone and the management of certain institutions not under the Social Welfare Department is incompetent. Figures for 1938-40 are actual disbursements from appropriations, while those for 1941 are only appropriations. Examination shows that the one institution receiving the greatest amount of funds is the penitentiary.

There has been a gradual decline in the amount spent by these institutions and reports point to the fact that there has been an improvement in the type of work done. Institutions under the Board of Administration\(^1\) spent $1,495,676 in 1938 and had

---

1. Patriotic institutions: Mother Bickerdyke, Soldier's Home. Educational institutions include: Kansas Vocational School, School for Blind, and School for Deaf. Penal institutions include: Penitentiary, Industrial Reformatory, and Industrial Farm for Women.
reduced their expenses to $1,290,262 in 1940. Estimated expenditures in 1941 were to be covered by an appropriation of $1,119,150.

Expenditures of institutions under the State Department of Social Welfare fell from a high of $2,343,314 in 1939 to $1,717,500 in 1941.

E. Education and Health Grants

Another group classification which is not as large as it should be is the education and health grants. The picture is somewhat distorted by the fact that public health payments by the state under child welfare activities are included in the grants for assistance figures as part of the cost of administration. The State Department of Social Welfare carries on this work and therefore the fiscal year amount was not known and could not be included in the section "Education and Health Grants."

The total amount spent for these programs is small as compared with even the expenditures of the Federal Construction projects (Public Roads Administration and Public Buildings Administration). It indicates an under-emphasis on the importance of preventive as well as curative objectives of the public welfare program. The total for 1940 is just under one million. The state contributions

1. Institutions under the State Board of Social Welfare include the Topeka State Hospital, Osawatomie State Hospital, Larned State Hospital, State Hospital for Epileptics, State Training School, State Sanitorium for Tuberculosis, State Orphans Home, Boys Industrial School, and Girls Industrial School
for vocational education are included in the total. If more attention were given these phases it is possible that there would be less need for outright grants and work programs. The state is recognizing the necessity for this type of aid as indicated in the establishment of vocational rehabilitation within the State Dept. No appropriations by the legislature have been made but recommendation has been made that the 1943 legislature make some monetary provision for this. A division of vocational rehabilitation has been in the State Department of Social Welfare since July, 1940.

Another disheartening factor is found when it is noted that less was paid for cooperative vocational education in 1940 than in 1939, the figures being $346,090 and $416,016. An increase of only $34,000 was made in 1941. More of this increase was made by the Federal government than by the state; however, Kansas appropriated only $100,000 in 1941. Public health has been neglected in Kansas and the office of education has made substantial grants only in 1941 and these were for defense education.

This group is one which needs aid as soon as possible and is one in which outlets will not be dead-end affairs. Funds spent in this type of assistance will be expenditures with a future.

F. Regulation Grants

Reference may be made to Chapter X, Section E, for a further description of Agricultural Adjustment Administration activities.

An important phase of public assistance to farmers is the Agricultural Adjustment Administration. The Agricultural Adjustment
Administration attempts to maintain an Ever-Normal Granary and in order to do this, quotas are established for certain crops which are produced in too abundant quantities. So that ample supplies of needed crops will be maintained, farmers are paid for seeding within acreage allotments. This entire program is directed toward relief of the farmer. They were in increasingly difficult circumstances during the depression and the AAA was aimed toward helping or forcing the farmers to change their farming methods to suit conditions, but at the same time obtain their incomes through benefit payments. Therefore, the AAA program limits production of surplus crops by placing quotas on them. The AAA is financed from appropriations, so the farmers receiving benefits pay nothing directly for them, but merely abide by the regulations for reduction of crops and soil conservation. The same general principle exists in this program as in the outright grants, but grants are paid on the basis of need while AAA payments are paid when families cooperate by reducing acreage of surplus products. Very great increases were made in the calendar years 1939 and 1940 in total amount of expenditures. During 1940 almost 40 millions were spent on the AAA program in Kansas alone. This fell to 32 million by 1941, but figures are not available to compare the number of farmers receiving such payments. Between the calendar year 1939-1940 there was an increase in number of recipients of 35,000. Also, as more farmers became acquainted with the program, more were willing to come under the terms. Now it is understood by most and few fail
to receive benefits. Because they are continued for seeding within acreage allotments, total payments cannot be expected to fall very quickly. They will probably continue to play an important part in the public welfare program for Kansas.

G. Federal Agencies Granting Loans

Each agency is further developed and described in Chapter XI, Sections F to J.

Totals of the Federal agencies granting loans indicate the necessity for a large amount of lending in Kansas. These programs were undoubtedly of supreme importance in the depression of 1937. Amounts outstanding have not decreased markedly.

With the increase in defense activities in 1941, the RFC loaned more than in previous years and was an essential aid to people in Kansas. Three of the programs (FSA, FCA, and REA) are farmers' agencies. Even though the farmer received large amounts of payments through the AAA, they still were not able to finance their own needs and found it necessary to borrow large amounts.

The FSA makes loans to farmers for the purchase of farm supplies, equipment, or livestock. Loans are limited to farmers on or near relief who are unable to get adequate credit from any other source. If not aided through loans, these farmers would probably soon be on the direct grant program, so loans play an important part in the whole picture.

The FCA is another loan agency, but farmers need not be on or near a relief status to obtain them. Loans are made for all
types of agricultural purposes and the relative importance is indicated by the large amounts outstanding in the calendar years 1938, 1939, and 1940. Amounts outstanding were $282,936,979 in 1938, $228,962,767 in 1939, and $253,945,720 in 1940. Even though farmers were relieved of some stress through the AAA program, loans outstanding in 1940 exceeded the amount in 1939. Twenty-five million more was outstanding in 1940. Numbers receiving loans fell in 1939 from 99,000 to 76,000, but had risen almost to the 1938 total in 1940 when the number was 96,000.

Since much of Kansas is in the drought area, loans are not being amortized as quickly as in other regions. FSA grants have fallen off, but conditions have not improved enough to enable farmers to repay their loans. The addition of new recipients increases the total number of recipients as well as the total expenditures.

Since the figures given in Table II are only amount of loans outstanding, the entire cost is not known, for branch offices must be maintained. Short term loans to Kansas farmers have increased as more use is made of production credit associations. The trend of mortgage loans in Kansas is downward, although still the most important phase of the entire program.

The REA aids Kansas farmers through lending the cost of building rural electric distribution systems. Although total amounts outstanding are not large in comparison with some of the loan programs, they are significant in the limited purpose for which funds are made available. REA loans have become of increasing
importance to Kansas farmers. Amounts advanced increased from
$642,994 in 1938 to $2,672,463 in 1940 and then fell to $1,941,861
in 1941. There was a tremendous increase in users in 1939—
9,000 were added to more than triple the number in 1938. Another
1500 were added in 1940 for a total of 14,614. Figures are not
available for 1941.

The Federal Home Loan Bank Board supervises Federal Home
Loan Banks, Savings and Loan associations, and the HOLC in their
loans to individuals for home financing. Figures represent the
investments of the U. S. Treasury and the HOLC and are not amounts
lent in Kansas for activities of the agency. The loans are for a
more lasting purpose. An important phase is the HOLC. This is only
an emergency relief measure to enable home owners to procure funds
to protect or recover their homes. In the emphasis on other forms
of relief, the home owner has formerly been neglected. There are
other agencies such as the EHA and the USHA which are directed
toward aid for home owners, but the USHA does not operate in Kan-
sas and no figures could be found on EHA. Investments by the U. S.
Treasury and HOLC were only $200,000 more in 1941 than in 1938, so
it is a fairly stable program in regard to investments for financing
it. Since the HOLC is in the process of liquidation, no new loans
are being made and reductions would result in the total figure.

Summary

In making comparisons of total expenditures and total number
of recipients in all the welfare and related programs, it should
be noted that amounts expended rose along with those receiving such aid until 1941, when both total amounts and number benefiting fell. Expenditures fell $14,000,000 in 1941, from $113,000,000 to $99,000,000. When allowance is made for Agricultural Adjustment Administration recipients for 1941 in the same ratio as they bore to payments in 1940, an estimated 127,000 is added to the total number benefitting.

The expenditures and recipients under the lending agencies are not included in these totals as they are not directly comparable. Amounts listed in most cases are amounts outstanding and inclusion of these totals would be misleading.

Although a comparison of average amount per recipient for all public welfare purposes is misleading, taken only as an average it gives a clearer picture of the proportion of expenditures. It should also be noted that some duplication exists among the number of recipients, as discussed on page 25. Therefore, the number of human beings receiving aid is less than the totals show. In view of these limitations, it can be observed that the average payments per recipient (taking the public welfare program as a whole with the exception of the lending agencies) was $311 in 1938. This rose to $339 in 1939, but with the improvement in conditions and the slack in drought needs, it fell to $305 in 1940 and $299 in 1941 when defense industries were taking many unemployed off the assistance rolls and creating a reduction in many of the programs.

With the liquidation of the CCC and reduction in the NYA and WPA for the fiscal year 1943, these amounts will fall even more markedly.
The possibility exists, however, that the reduction in these Federal programs will be borne in part by the General Assistance rolls and an increase can be expected there.

The following general conclusions on the different programs may be deduced from data appearing in this section:

1. Gradual increase in amount of all assistance program expenditures except Farm Security Administration payments.

2. Increase in actual number of persons receiving the grants. Number of persons receiving General Assistance benefits fell in 1941, although total expenditures increased.

3. Drop in the Federal Work Programs, with the exception of NYA, accompanied by a decided drop in the number of recipients.

4. Relative unimportance of funds provided through the Federal Construction projects (Public Roads Administration and Public Buildings Administration).

5. The much greater financial importance of bonuses to veterans in Kansas than the relatively new Unemployment Compensation and Old Age Insurance.

6. Lower number of recipients of Unemployment Compensation after 1939 because of better employment conditions, accompanied by an increase in amount of expenditures. This resulted in an increase of the average benefit.

7. Relative importance of AAA program when compared with totals for the Work Program and especially with the benefits received as a result of previous service or payments (Veterans Bonuses, Old Age Insurance, Unemployment Compensation).
8. Lack of stress by the Federal or state governments upon vocational rehabilitation and health. Although contributions to public health through its child welfare program is not included in this grouping, the figure is still insignificant. Office of education spent practically nothing until it began to contribute toward the defense program. Contributions to vocational education are made by both Federal and state government. The state's share amounts to around 25% during the period and in 1942 recommendation was made by the Budget Department for vocational rehabilitation appropriations.

9. Necessity for a great deal of lending as indicated by the importance of the Federal lending agencies. Those with the largest loans outstanding or actually disbursed during the year are contributing to the relief or distress of the farmer.

10. Large amount of funds which persons retained in institutions require for their existence, when compared with the amount spent on education and health. However, the cost of maintaining these institutions and those incarcerated is a small per cent of the total funds expended for social welfare purposes.
CHAPTER IV

SOURCES OF FUNDS FOR PUBLIC WELFARE

As can be seen readily from Table II at the end of the chapter, the Federal government assumes a large share of the burden of the public welfare program. However, excluding the loan agencies, which cannot be considered in the same classification as those giving direct grants or benefits, the actual amounts of all these branches remained fairly stable, with the greatest fluctuation in the local level. The following table gives the total expenditure of each level of government by source and proportional share.

AMOUNT OF FUNDS EXPENDED FOR PUBLIC WELFARE IN KANSAS BY SOURCE OF FUNDS 1938-1941

(Add 000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal $</th>
<th>Federal %</th>
<th>State $</th>
<th>State %</th>
<th>Local $</th>
<th>Local %</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>55,291</td>
<td>75.1</td>
<td>6,755</td>
<td>5.4</td>
<td>11,517</td>
<td>15.7</td>
<td>73,562</td>
</tr>
<tr>
<td>1939</td>
<td>75,499</td>
<td>73.5</td>
<td>8,657</td>
<td>8.4</td>
<td>18,526</td>
<td>18.1</td>
<td>105,630</td>
</tr>
<tr>
<td>1940</td>
<td>84,165</td>
<td>75.9</td>
<td>8,283</td>
<td>7.4</td>
<td>18,497</td>
<td>15.7</td>
<td>110,945</td>
</tr>
<tr>
<td>1941</td>
<td>73,887</td>
<td>76.0</td>
<td>8,417</td>
<td>8.7</td>
<td>14,944</td>
<td>15.3</td>
<td>98,137</td>
</tr>
</tbody>
</table>

The Federal government assumed 75.1% of the cost in 1938, 73.5% in 1939, 75.9% in 1940, and 76% in 1941. Thus, it rose

1. Based on Table II at end of chapter.
2. It will be noted that the totals are slightly less than the totals given in Table 1. The reason for this is that WPA funds for projects not operated by the WPA are included in totals of Table 1, but since the proportional share is used in Table II, only actual expenditures by the WPA are applicable.
2.4% between 1939 and 1940 when the amendments provided for a greater Federal participation in matching the direct grants, Old Age Assistance, Aid to Blind, and Aid to Dependent Children, where most of the increase took place. For each of these programs the Federal government shares in one-half the grant up to $40 for Old Age Assistance and Aid to Blind and one-half the grant of $18 for Dependent Children. Although the increase in Federal participation was not large, it does indicate that even though the Federal government is contributing less toward such programs as Work Projects Administration and Cooperative Vocational Education, taken as a whole, it is paying a larger percentage of the cost of public welfare in Kansas. The state's share fell slightly in 1940 from 8.4% to 7.4% but rose in 1940 to 8.7%.

Local governments contributed 15.7% in 1938 and jumped to 18.1% in 1939. With the increased aid by the Federal government in direct assistance cases with Federal participation, the local share fell to 16.7% in 1940 and to 15.3% in 1941.

Perhaps the most important trend indicated by these figures is the stability of the proportional share of each.

Funds for the public welfare program come, in one form or another, from taxes. For a great amount of the funds obtained by counties, taxes are placed on property in order to receive the amount needed. Levies against both real and personal property are the chief source of revenue in Kansas.
Assessment is an important step in the property tax procedure. Although the law requires 100% assessment, surveys seem to indicate that at least one-half of the taxpayers may not be paying their full share of real estate taxes. Property is seldom assessed at full value. The total assessed valuation is naturally less than what it would be under 100% assessment, and to raise the revenue the tax rate would have to be raised. Thus, those over-valued properties would pay part of the share of those undervalued.

The Howe and Miller study shows¹ that during the depression years, the average assessment ratio approached more closely true value. This average shifted from 87.8% in 1931 to 94% in 1933. This was due almost entirely to changes in the sale values. From 1930 to 1933, Kansas land values decreased 38% while assessed valuations decreased 27%.

This problem is even more serious in the case of Federal matching of grants. In the Social Security categories, Old Age Assistance, Aid to Blind, and Aid to Dependent Children, the amount the state receives is determined by the amount it can put up to match the Federal grants. When bad assessment creates inequalities, even greater differences are created when states cannot raise enough to meet welfare needs. When

¹ Harold Howe and L. F. Miller, "Assessment and Collection of Farm Real Estate Taxes in Kansas," Kansas Agricultural Experiment Station, Bulletin No. 283, 1939.
assessed valuation is the basis for state grants to the local governments such as the special Old Age Assistance fund where 50% is paid on the basis of equalized tangible assessment valuation for the preceding year, the problem of equalization again presents itself. Those who pay that which would be borne by those under-assessed still do not make up for the difference between what would be paid if each were assessed at the same per cent and what is paid on the basis of unequal assessment. The counties receive less than their share would be if assessed at true value. Therefore, a double burden results.

Another source of funds used by counties was public assistance and work relief bonds. In 1941, public assistance bonds could not exceed one-half of one per cent of the county valuation for 1940. Work relief bonds could not exceed one per cent of the assessed valuation of the taxing district. In the calendar year, 1941, $1,998,973 was raised by public assistance and work relief bonds. This was a drop from the high of $3,391,881 in 1938. Less was necessary because of the state equalization fund.

Since actual sources of funds for the remainder of the Social Security category program is explained in a later section,

2. See Chapter VI, p.
Chapter VI, all that will be necessary here is to indicate trends as shown by Table II. In the Social Security Categories, Old Age Assistance, Aid to Blind, and Aid to Dependent Children, Federal participation has steadily increased in the past four years. Part of this increase was caused by the added share of administration created by the 1939 amendments. As more is made available by the states and counties, more is spent for administration and this increases the proportion of the Federal participation. Only in 1939 was the state participation greater than the Federal and with the provisions of the 1939 amendments taking effect in 1940, the state share decreased to 24.8%, while the Federal increased slightly to 26.8%.

Nevertheless, the counties still assume the larger share. They bore 55.1% of the cost in 1938 and were still responsible for 46% in 1941. The Federal government does not contribute for General Assistance, so the county must provide for that additional expense without other revenue. With the diversion of general Assistance to Old Age Assistance rolls whenever possible, more Federal participation has been obtained and this is in the main responsible for the decrease in the proportion borne by the counties in 1939.

When the commodities distributed by the Federal government are added to the total, the Federal contribution becomes even larger. It can be seen that the amount of commodities
has increased substantially each year from $2,106,385 in 1938 to $3,445,125 in 1941 and since the commodities themselves are financed entirely by Federal funds, they increase national government expenditures for "Direct Assistance Grants", the programs more closely connected with direct relief. The amount of aid through Food Stamps would raise the 1941 total slightly, but the entire cost for the calendar year was only $564,000.1

Farm Security Administration grants also come entirely from the Federal branch of government and since they were of an emergency nature, amounts have decreased with the decline in need. Therefore, although the Federal share remains at 100%, the actual monetary contribution has been steadily reduced until in 1941 the government paid only $348,000, which was one million less than the total of $1,482,799 in 1938, the largest year for FSA grants.

The Work Projects Administration has shown a steady decline in Federal contributions. The national government contributed $18,000,000, or 74.9% in 1939 and only $15,000,000, or 69.3% in 1941. Sponsors funds consist of amounts put up by state and local agencies (95-100% are local in Kansas).2 They are supplied for the most part by highway and street commissions, water, sewer and park departments, and boards of education, health, and welfare. Nearly all the sponsors funds are used for materials, equipment, and other non-labor items of


project cost. Federal funds are used, on the other hand, to pay the wages of project workers. The amount of Federal funds available therefore limits the number of workers that can be employed under the program. With Federal appropriations smaller each year, the proportion going to the state is reduced, but sponsors were required to meet an average of at least 25% of the total cost of all non-Federal projects approved after January 1, 1940. Thus, in the four-year period, Federal contributions have decreased by 10.6%. The total for each year except 1939 is larger than the Federal and local participation because some WPA funds have been spent by other Federal agencies. These include work projects and administrative expenditures of WPA funds allocated under Section 3 of the ERA act of 1938, Section 11 of the ERA act of 1939, and Section 10 of the ERA act, fiscal year, 1941.1

The division of project costs by Federal and local agencies insures a greater amount of employment from the expenditure of WPA funds, since local funds are used for non-labor costs. Furthermore, it leaves the initiation of projects with high non-labor costs dependent largely upon the willingness and ability of the project sponsors to provide the additional funds necessary for those non-labor purposes.

Sponsors expenditures for work on highways, roads and streets, and for public buildings are large since they require considerable amounts of labor.

quantities of material and equipment. Although it was seen in Table I that the number of workers did not decline markedly until 1941, sponsors have been increasing their share of WPA expenditures and this is undoubtedly caused by the type of projects sponsored. As more were undertaken, correspondingly larger outlays for materials and equipment were needed. The sponsors paid 20.1% in 1938; 25.1% in 1939, 27.5% in 1940, and 30.7% in 1941.

Financial assistance to the Civilian Conservation Corps is entirely Federal. Since the cost is based on the estimated total cost per enrollee, expenditures for CCC have remained comparatively stable except for the decline in 1941. Because all the contributions are Federal, no trends can be noted other than that the CCC was an important work program during the period, although it did not compare with the large outlays for the WPA. Expenditures amounted to $3,012,936 in 1938; $3,110,000 in 1939; $3,036,000 in 1940; and fell to $2,604,000 in 1941.

The NYA is another program financed in the main by the Federal government, but with sponsors contributions. Sponsors contributions in Kansas are almost entirely local and they consist of payment in kind rather than payment in cash. Thus, in building projects, the sponsors furnish materials for the building and in road programs they provide such articles as gravel and oil. These increased until 1941 when the Federal share rose from $1,624,000 in 1940 to $2,233,000 in 1941 and the sponsors contributions decreased from $211,580 to $176,590 as shown in Table II. This further decreased the proportionate
share of the local sponsors. Although the payments of the sponsors have not been larger, they have been substantial and the share jumped from 7.2% in 1938 to 11.3% in 1939. By 1941 they had fallen back to 7.8%. Sponsors' shares cannot be set at the exact figure because they are only contributions in kind and therefore must be estimated as is the case in figuring the value of commodities.

The Public Works Administration was an important program in the earlier years of this study, but because most of the projects were completed and no additional funds have been appropriated since 1938, it is quickly dropping out of the picture. Only $2,016,445 was spent in 1941 as compared with $10,322,173 in 1940.

One of the provisions of the PWA program is that sponsors pay 55% of the cost of the project. Often the Federal government supplied the entire cost through lending the remainder, but the project sponsor was responsible for 55% of the total cost. Thus, the figures in the chart assume that the grants by the Federal government are 45% of the cost except for 1940 when actual amounts put up by the sponsors was known. On the basis of this arbitrary classification, no trends in Federal shares can be observed. It should be noted, however, that the Federal government contributed $5,165,678 or 50.1% in 1940. This left $5,156,495 or 49.9% for the sponsors' share. When it is realized that the government finances much of what is left at the time through loans, the place of the Federal government is important.

The Public Roads Administration is a construction program which is carried on by workers most of whom are not certified for relief.
Nearly all the work is handled on a contract basis with private contractors. Both the Public Roads Administration and the Public Buildings Administration are financed by regular and emergency appropriations.

The regular Federal-aid moneys of the Public Roads Administration are matched by the state, but that going as an emergency measure is out-and-out relief. At the beginning of the period studied, 1938-1941, the outlay of relief funds for roads was $1,701,282 and that part of the funds is the amount with which this survey is connected. Through the hiring of an unskilled class of workers, the Public Roads Administration and Public Buildings Administration keep off the relief rolls many who would otherwise need aid. However, not all are unskilled. The skilled workers are not directly connected with the phase of the problem being studied. The Public Roads Administration and Public Buildings Administration paid out approximately $1,700,000 in both 1940 and 1941 and this results in a marked aid in terms of jobs. Through this type of aid, the Federal government provides the funds for a quasi-relief project without placing a financial burden on the state and county governments.

Another important activity in which the Federal government bears the entire burden is the Veterans Bonuses. As was shown in an earlier Chapter (II), veterans who were applying for relief were aided by the welfare offices. Notification of their eligibility for bonuses thus kept them off the relief rolls. While they are receiving veterans bonuses or pensions, the counties may then certify additional individuals as eligible for assistance under the Social Security and
General Assistance categories and use the money to pay them that would have been spent for the veterans. Although the size of the pensions varies greatly, the total expenditures and total recipients allows for approximately $500 per person for benefits. Compared with the maximum of $480 under Old Age Assistance, Aid to Blind, or Aid to Dependent Children during the year, this amounts to the same proportion of adi.

The Federal participation in the category "Rights Established by Service or Payments" is 100% in two of the cases: Veterans Bonuses and Old Age Insurance. The money used to pay Old Age Insurance is raised by a tax on employers and employees and since it is Federally administered, no funds come directly from the state. Unemployment Compensation, on the other hand, is financed through collections from employers only. Since it is administered through the state and the state is responsible for the plan, the benefits paid were credited to the state as a source of disbursement. Only the part the Federal government plays in administration was credited to the Federal government. This was $454,000 in 1940 and $546,000 in 1941. However, with the beginning of the payment of benefits in 1939 the cost of administration, as far as the state was concerned, was increased because of the expense involved in keeping records and the Federal government's share fell, in 1940 from 22.2% to 18.3%. Since the cost of administration includes also the establishment of employment service offices, the cost was reduced by 1940. There was a lessened demand for equipment and also a simplification of procedures in state and local levels which decreased the Federal share. Since monthly benefit
payments were begun January 1, 1940, a larger increase of adminis-
trative share came in the fiscal year 1941. Also, expenditures for
benefits themselves decreased $300,000, or from $2,024,189 in 1940
to $1,747,631 in 1941.

Workmen's Compensation is a state measure designed to relieve
workers disabled while at work. Dependents receive compensation in case
of death. The relative importance of this section of the group re-
ceiving payments because of rights established through services can
not be ascertained because of lack of sufficient data. Employers
coming under the act must either carry their own risk or insure with
an insurance company authorized to supply workmen's compensation in
Kansas. In 1938, the only year for which data were available, the
state and insurers paid $827,861 for administration and benefits.
This consisted of the entire cost and was placed under the state as a
source because employers must pay if self-insurers and the insurance
organization must pay if the risk operated within the state.

Another fruitful source of Federal funds is the Agricultural
Adjustment Administration program. As was shown in the previous sec-
tion concerning the total expenditures, the Federal government has con-
tributed entirely to this, releasing state and county funds for more
direct assistance. Although they are called a regulation grant in
order to distinguish them from direct grants, the indirect purpose
of the entire AAA program is to relieve the farmer. Even though
the farmer must cooperate to obtain the benefits, it is only for his
own welfare that he does so. Thus, the program may be said to be
two-fold—to induce farmers to cut down surplus producing acreage, and payment for relief of distress as they do so. The part of payments which are for soil conservation and building, and for the holding of surpluses to care for possible shortages in poor crop years, are in the interests of the general welfare. Funds are provided through appropriations and the Federal government is solely responsible financially. Average grants based on total expenditures and number of recipients in Table I show the payment increased from $157 in 1938 to $168 in 1940 and then jumped to $254 in 1941.

In the category of "Education and Health Grants" the Federal government is also important. State funds for vocational education have increased proportionately until 1941. The state's share was 21.6% ($90,000) in 1939, 28.9% ($99,959) in 1940, and 26.1% ($100,000) in 1941. Because a small part of the public health program is carried on by the State Department of Social Welfare, no percentage comparison can be made of it. Although the actual addition of total contributions to the entire program is small, amounting only to $1,001,043 in the peak year of 1941, the Federal proportion is large and is more significant because it is directed toward prevention, rather than care, of a social problem.

Because the funds needed for the loan program were very large, they could not have been furnished by the state or local government. These levels of government do not have sufficient funds or the means to obtain them; therefore, the loan agencies are all Federal in source of funds. The FSA, FCA, REA, Federal Home Loan Bank Board, and
Reconstruction Finance Corporation all loans to individuals or groups in Kansas. The FSA is most closely connected with alleviating distress, but figures are not available except for 1941 when $5,499,000 was advanced as is seen by Table I. Since Farm Credit Administration funds are those outstanding, these figures are not directly comparable with direct loans such as those of the Farm Security Administration. Excluding Farm Credit Administration and FSA loans, since figures are not available for all years, the sum of the amounts lent or outstanding for agencies granting loans remained stable at $9,000,000 until 1941. These agencies granting loans are Rural Electrification Administration, Federal Home Loan Bank Board, and the Reconstruction Finance Corporation. In 1941, with the increase of defense industry, they rose to $18,000,000. Most of this increase was in the RFC advance, as money was lent to business in order to contribute to the war effort. Farmers, on the other hand, who had previously been receiving the primary emphasis, were able, through the AAA program and the previous loans, to operate and received enough to pay back part of what they had borrowed. Therefore, the farmer was not the object of the increased loan activity of the Federal government in 1941.

The source of funds for institutions, as shown in Table II, is by state appropriation. Institutions are directly connected with the public welfare in that they incarcerate individuals who could be a detriment if left to shift for themselves, for their social adjustments are not satisfactory. Others, such as the School for Blind, School for Deaf, Mother Bickerdyke Home, and Soldiers Home, give
assistance to those not financially able to provide for themselves the care they need. Individuals in these institutions are a responsibility of the state in that they are citizens of the state and unable to care for their own welfare. The legislature appropriates funds to care for them and thus relieves individuals of bearing the responsibility.

Three different types of institutions are under the Board of Administration—the educational, patriotic, and penal. The remainder are under the jurisdiction of the Social Welfare Department as was listed on page 18.

Thus, taken as a total picture, the funds spent for the public and related welfare programs in Kansas are seen to have increased steadily until 1941, when a reduction was made. In addition to programs directly related to welfare, there has been included also funds spent on other projects which, while not a direct grant are supplementary to other income and represent money coming to Kansas citizens from Federal, state, and local governments. By raising the living standards or maintaining them in the case of loss of former sources of aid, they have contributed to the social welfare.
CHAPTER V

BACKGROUND OF ASSISTANCE PRIOR TO THE ADOPTION
OF THE SOCIAL SECURITY PROGRAM

To be respectably "poor" was no disgrace among the first settlers of Kansas; conversely, it was more desirable during the beginning years of the state's struggle than to be rich. The basic philosophy "live and let live" was prevalent. But the fact remains that much of the relief burden of the past was borne by merchants and doctors in the form of accounts which they never collected. Since this placed the burden on those who, by the nature of their work, were in contact with the lower income classes, it was neither equitable nor based on ability. They were not able to accept this new responsibility and the growing numbers created the need for readjustments.

In those early days to be "poor" by definition of law which enabled one to go "on the county" was an admission of failure and lack of ability.

When thousands of these self-respecting, honest, hard-working Kansas citizens found it necessary in 1931 and 1932 to either go "on the county" or face starvation, it became evident that the time had come for the state to accept the responsibility for action. With this condition came also the realization that frequently these citizens were not responsible for their plight, but that the cause was to be found in the economic system.
At this time county poor funds were too small to meet the problem. In recognition of the urgent need for relief and in response to the President's plea for communities to "care for their own", Kansas launched made-work projects and organized welfare boards, manned primarily by volunteer workers.

In 1931, these agencies expended slightly less than the $1,776,489 levied for poor relief by the 105 counties. The amount levied, alone, represented an increase of 47% over poor relief taxes in 1927.1

It was apparent in 1932 that local funds were far from adequate and since the causes were national or international in scope, the federal government came into the picture with the passage of the Emergency Relief and Construction Act. This act authorized the Reconstruction Finance Corporation to lend $300,000,000 to the states and localities for emergency relief.

Kansas cooperated through the formation of the Kansas Emergency Relief Committee. This served as the state agency for supervising the distribution of federal funds and commodities.

Federal funds were first made available to Kansas in October, 1932. The Kansas Emergency Relief Committee adopted the policy of using them exclusively for the financing of a work program and no client unable to work was to be paid from federal funds. Unemployables were still to be cared for by the counties. Thus, the responsibility of administering relief in the 105 counties was not

usurped by federal authority; but the administration of the federal program was coordinated with the responsible organizations in each county and additional funds were made available to those able to work.

These measures proved insufficient to take care of the unemployed during 1933-1934, so the Civil Works Administration was inaugurated by the federal government. From November through March it gave employment to approximately 64,500 persons in Kansas.\footnote{State Department of Social Welfare, \textit{Report of Social Welfare in Kansas}, 1937, p. 9}

At the beginning of 1934, federal and state authorities felt that business and industrial recovery was sufficiently advanced to permit withdrawal of expenditures, and reductions in county programs began in January. On March 31, 1934, the Civil Works Administration program officially ended in Kansas.

With the demobilization of the Civil Works Administration, county work-relief programs were again resumed, subject to supervision by the Kansas Emergency Relief Committee. Federal funds were made available to the county out of allotments made to the state month by month. Supplementary federal agencies were extended and new ones added. New aids included a college student aid program, service for transients, rural rehabilitation program, CCC, and an emergency education program.

In 1935 the county relief and work-relief programs were still in operation, but they were seriously burdened with drought problems in the western 2/3 of the state. Disastrous floods and an unusually severe winter increased the already severe burden.
The federal government stepped in and designated 37 counties as drought counties which were eligible for government aid made available through the Homestead Rehabilitation Corporation. The Works Progress Administration absorbed the work of the Kansas Emergency Relief Committee and conducted their projects for the unemployed in need of relief. The Federal Resettlement Administration took over the rural rehabilitation program. Kansas counties then had to care for only the general relief problem needy cases not employed on the federal works program nor provided with rural rehabilitation by the Resettlement Administration.

In 1935 the government also undertook to assist the states in the support of the aged, blind, and dependent children, by the passage of the Federal Social Security Act. During 1936, the Kansas Emergency Relief Committee negotiated with the Federal Social Security Board to complete the partnership with Kansas, but constitutional provisions prevented the completion of a satisfactory contract. Finally, in 1937, the legislature enacted a state social welfare act which was approved by the Federal Social Security Board.
CHAPTER VI

DIRECT GRANT PROGRAMS

After passage of the Federal Social Security Act, which indirectly compelled every state to develop a problem of its own, Kansas did not immediately enact a state law. A special session of the legislature was called in the summer of 1930 to prepare two amendments to the Kansas constitution to be voted upon in the general election of 1930. These amendments were accepted in the general election and enabled Kansas to participate in federal funds for the aged, blind, and dependent children who are in need, and to establish a state system of unemployment compensation.

This marked a complete break with the past when local governments and private individuals were forced to bear the burden of relief. Local governments, lacking in funds, could develop only emergency stop-gap measures. With the inauguration of the adopted plan, federal, state, and county functions as well as financial participation were closely connected. It was only a beginning in solving the problem and naturally did not reach all those who needed help. It was felt that since these classes—aged, blind, and certain children—were largely unable to help themselves, some provision should be made to assure them security.

Unemployment Compensation benefits only those in certain covered employment, and those who have previously held a position. Since it
is not closely related to direct assistance, another section is devoted to this aspect of the act.

After the passage of the Federal Social Security Act in 1935, certain provisions and requirements had to be met before states were eligible for grants. Although it is generally known that the federal government matches state and local funds, it is not so well recognized that the Federal government sets up minimum requirements for the states. Aside from the grants for the administration of the public assistance system, the federal government aids in providing regular monthly payments for public assistance. States may receive these federal funds when they have set up approved plans for public assistance.

A. General Requirements for Federal Aid.¹

a. The law must be in effect in all political subdivisions of the state and, if administered by them, be mandatory upon them.

b. It must provide for financial participation by the state.

c. It must provide for establishment or the designation of a single state agency which is to administer or supervise administration of the plan.

d. It must provide an individual whose claim is rejected an opportunity for fair hearing before a state agency.

¹ Categorical plans are old age assistance, aid to blind, aid to dependent children and for these the government shares in financial participation.
e. The state plan must provide methods of administration as are found by the Federal Social Security Board to be necessary for the efficient operation of the plan. Since January 1, 1940, they have been required to maintain personnel standards on a merit basis.

f. It must provide that the state agency make such reports as the Social Security Board may require.

g. Effective July 1, 1941, it must provide that the state agency take into consideration any other income and resources of an individual claiming Old Age Assistance.

h. Effective July 1, 1941, the state agency must provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with administration of Old Age Assistance.

B. Specific Requirements for Federal Aid.

In addition to these general requirements are some specific conditions that must be met by the states to qualify for receipt of Federal funds:

a. No resident eligibility requirements may be made which will exclude from assistance any applicant who has lived in the state for five out of nine years preceding application, and who has lived in the state throughout the year immediately preceding application.

b. No citizenship requirement may be made excluding a citizen of the United States.

c. Minimum age requirements for Old Age Assistance may not

exceed 65 years.

d. No person may receive assistance under two categories at once.

e. Residence requirements for dependent children must not exclude a child who has resided in the state one year immediately preceding application, or who was born within the state within the year immediately preceding application, if its mother has been a resident of the state one year immediately preceding birth.

f. If a state or any of its subdivisions collects from the estate of any of its old-age recipients an amount with respect to the amount of old-age assistance furnished him under the plan, \( \frac{1}{2} \) the net amount so collected shall be paid the United States government.

C. Definitions of Categories.

By definition, assistance means any payments made by the county to those persons whose applications for this form of assistance have been approved by the county board of social welfare. The purpose of granting Old-Age Assistance is to provide security and give immediate assistance to all persons 65 or over whose resources are inadequate and need public assistance. The amount is determined by the county welfare board and is dependent on the need of the applicant and subject to appeal to the state board.¹

The next category covered by the federal and state Social Security law is Aid to the Blind. As defined by the state law, this means money payments made to blind individuals who have passed their

¹. 1937 Supplement, General Statutes of Kansas 1935, Chapter 327, Section 702.
sixteenth birthday and who need public assistance. The blind as
defined by the law means not only those who are totally blind, but
also those whose vision is so defective as to prevent the perform-
ance of activities for which eyesight is essential. The assistance
is granted on the basis of need and the amount varies with individual
cases, depending on the resources of the applicant and the availability
of funds.¹

Aid to Dependent Children is the third category aided under the
State and Federal Social Security laws. To be eligible, a child
must be over sixteen years of age and deprived of parental support
or care by reason of the death, continued absence from home, or mental
and physical capacity of the parent. He must be living with the father,
mother, grandfather, grandmother, brother, sister, step-father, step-
mother, step-brother, step-sister, uncle or aunt in a place of
residence maintained by one or more of said relatives as his or her
home.²

After the federal provisions have been met, the state law is
accepted by the Social Security Board, the Kansas Social Welfare
law requires, that in order to be eligible for any type of assistance
in one of the three categories, Old-Age assistance, Aid to the Blind,
and Aid to Dependent Children, the applicant must meet the following
general requirements:³

a. Lack sufficient income or resources to provide reasonable
subsistence compatible with decency and health.

¹. 1937 Supplement, General Statutes of Kansas 1935, Chapter
327, Section 702.
². Ibid, section 2
³. 1937 Supplement, Kansas General Statutes 1935, Chapter 327,
Sec. 8a
b. He must have resided in the state of Kansas continuously for one year immediately preceding application.

c. He must not be an inmate of a public institution, but may make application while in the institution, although assistance will not begin until the recipient ceases to be an inmate.

The Kansas Law requires separate conditions for eligibility for each of the three categories after the general requirements have been met. The state law in reference to old age assistance is as follows:¹

1. Assistance shall be granted to the needy aged who are 65 years of age or older.

2. All applications for assistance shall be signed by the applicant and also by the spouse if living.

When the law was first passed, it required that a lien be placed on all real property which the recipient of Old-Age assistance owned, but the lien provision was dropped during the 1939 session of the legislature.

In order to qualify for Aid to the Blind the following specific provisions must be met:²

1. Aid is made to needy blind individuals who have passed their sixteenth birthday. Blind means not only those totally blind and permanently devoid of vision, but also those persons whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential.

¹. 1941 Supplement, Kansas General Statutes 1935, Chapter 39, Sec. 709.
². Ibid.
2. No blind person who has received assistance is permitted to solicit aims.

3. No persons may receive both aid to the blind and Old.

Eligibility requirements for Aid to Dependent Children are:

1. Child must have lived in the state at least one year immediately preceding application.

2. If less than a year of age, a child shall be eligible if its mother has lived in the state one year immediately preceding the child's birth.

3. The child must be living in a suitable family home which meets standards of health fixed by the laws of the state and the requirements of the state board.

D. General Assistance

General assistance is not one of the federal categories and the federal government does not help to finance such assistance. It is financed entirely by state and county funds. The general and specific eligibility requirements for recipients of assistance in the three federal categories do not apply to recipients of general assistance.

General assistance is provided for needy individuals or families who at the time are unable to provide for themselves, and who do not qualify for assistance under any one of the three categories, Old-Age Assistance, Aid to the Blind, and Aid to Dependent Children. It includes assistance to transients, institutional care, hospitalization,

---

1. Ibid.
medical care, and commodity distribution for assistance cases. They must have resided for five out of the last nine years in the state, with one year of continuous residence in the corresponding preceding application.

In the three categories of assistance under the Social Security Acts, the Federal government contributes financial aid. In Old-Age Assistance, the federal government participates on a 50% basis up to a maximum of $40 per month per individual certified. This means the federal government will pay \( \frac{1}{2} \) the total of the sum expended up to $40 for each certified individual who at the time of expenditure is 65 or older and is not an inmate of a public institution. The federal government also contributes 5% to pay the cost of administering the state plan.\(^1\)

Participation is available at exactly the same rate, 50%, and with the same limitations of $40 maximum for aid to the blind, except that one-half the cost of administration is granted.\(^2\)

In aid to dependent children, the Federal government participates on a 50% basis, up to a maximum grant of $18 per month for the first child in the family and $12 per month for every other child. This means that Federal participation provides a maximum of $9 for the first child and $6 for every other child in the same family each month. The Federal government will also contribute one-half of the

---

\(^1\) 1941 Supplement, General Statutes of Kansas 1935, Chapter 39, Section, 710.  
\(^2\) Loc. cit.
amount expended for administration of the grants under an approved plan for the aid to dependent children. Administration expenses of Aid to Dependent Children and Aid to Blind are based on the relationship of the actual time spent on the various programs.\footnote{Ibid.}

E. Commodity Distribution and the Stamp Plan

During the latter part of the fiscal year 1939 the Federal Surplus Commodities Corporation (Surplus Marketing Association after June 30, 1940) started its experimental program of distributing surplus agricultural food products by the issue of food order stamps to relief clients. Kansas counties did not cooperate until 1940 and those who do operate directly under the supervision of the Surplus Marketing Administration.

For the plan, the State Department has no direct responsibility. The stamp plan has the same purpose of removing price-distressing surpluses from the market and distributing them to persons eligible for public assistance.

Generally, the plan provides that counties which cooperate with the Surplus Marketing Association purchase books containing a number of orange-colored 25¢ stamps and one-half as many blue 25¢ stamps, pay for the orange-colored stamps and receive the blue stamps without cost. The counties sell the books for the price of the orange-colored stamps to persons who are eligible under certain regulations of the Administration; the orange-colored stamps are exchangeable only for any class of groceries. The blue stamps are exchangeable only for foods
which have been declared as surplus by the Secretary of Agriculture. The commodities available are announced each month and vary with the seasons. In place of direct relief, blue stamps are issued with the purchase of orange stamps. Blue stamps are redeemed from funds placed with the Division of Disbursement by the Administration.

On June 1, 1942, there were 72 counties operating the food stamp plan on the statewide basis. On the same date there were twenty-four counties which were operating a stamp plan on the county level. There were nine counties which had not made the change to a stamp plan but were distributing commodities through the direct to recipient method.¹

When operated on a statewide basis, the State Department of Social Welfare is responsible for all Surplus Marketing Association activities in any county, upon request by the county to come under state operations of the plan. This includes food stamp plan operations, direct distribution to eligible recipients, school lunch programs, household aid, and NYA distribution.

The statewide stamp plan calls for mail orders on stamps and issuance of stamps by mail. The county welfare agency is the certifying agency and transmits certification to the state office.

Although commodity distribution has been practically disbanded, it was used almost entirely during the period studied. Commodities are allocated to the state on the basis of certified caseload, shipping costs, production of same or similar commodities, and past distribution

¹ Letter from Kenneth Ekdahl, Acting Director, Department of Research and Statistics.
performance. Carload shipments were received at state warehouses and from there delivered by state trucks to the different counties according to allocations made on the basis of certified caseloads. Upon receipt of commodities, it is the responsibility of the county welfare official to provide adequate storage and distribute the commodities to eligible recipients as explained in the previous section on the activities of county boards. A comparison of the value of food commodities distributed in Kansas during the four-year period, Table I, shows a constant growth in the program. The figures for 1940 and 1941 are even more significant because of the fact that by June 1, 1942, 96 counties obtained their commodities through the food stamp plan.

Distribution costs show that in 1940 the State Department of Social Welfare and county departments of social welfare spent 4.6¢ to place one dollar's worth of commodities in the hands of recipients. The Federal government, through Work Projects Administration project workers, spent an additional five cents for labor costs. In 1939, the state and counties spent six cents per dollar valuation, and the Federal government 5.7¢. Commodities distributed in the state were purchased by the Surplus Marketing Association in Kansas and other states. Commodities bought in Kansas during 1940 cost slightly more than two million and were distributed to other states as well.

An increasingly important outlet for surplus commodities has been their distribution to school lunch programs. Public health officials and educational leaders have advocated such projects, but few were being operated before the cooperation was offered by the Surplus Marketing Association, WPA, and NYA.
F. Farm Security Administration Grants

In April, 1934, the Federal government allotted relief money for the rural rehabilitation program, operating through the State Emergency Relief Administrators. The program was highly decentralized and varied among the states. When the Farm Security Administration was created in 1937 as a successor to the Resettlement Administration, which was created April 30, 1935, the Land Utilization Division was transferred to the Bureau of Agricultural Economics and later to the Soil Conservation Service. FSA was assigned the administration of the Tenant Purchase program, under which tenants, sharecroppers, and farm laborers are loaned money to buy farms of their own. The phase of the act concerned with direct assistance is the grant program.

Small grants, for which families do specified work on their farms or public lands, are made in cases of extreme need. Families living in the worst drought areas have not received loans because their land did not contain enough subsoil moisture to justify planting a crop. It would be both a waste of the government's money and an injustice to the borrower to attempt rehabilitation on sub-marginal land where failure is almost certain.

Under such circumstances, the Administration has temporarily made subsistence grants, averaging about $20 a month. Every effort is made to reduce the grant load by helping the family find means of producing an income. The average family receives grants for only four months. There is little prospect the grant program can be entirely eliminated within the near future, even though it is being reduced
substantially. Only $348,000 was granted in Kansas in 1941.

Grants have also been used outside the emergency areas to supplement standard rehabilitation loans. In working out a sound farm plan for a needy family, the supervisor sometimes finds the family needs for food and clothing more than can be financed with any reasonable expectation of repayment.

During 1940 and 1941 a careful check was made in Kansas to assure that the grant aid did not duplicate assistance from any relief agency. Many families which received one or two grants later got rehabilitation loans to put them back on their feet. Another new development in 1940 involved securing a pledge of work from each grant family. Families agreed to perform some improvement work around the farm or home in return for the grant money.

It is believed that by enabling a family to stay where it is located, it is possible to save the cost of frequent moving and build up land and farm buildings from year to year. The Administration insists that tenants receiving aid have written leases rather than vague oral agreements. Voluntary adjustment of existing debts is an important step in rehabilitation.

In the county FSA office applications for loans are made, farm and home plans worked out, and the actual work of planning supervision, debt adjustment, and collection is done. Each office has a county supervisor, and usually a home management supervisor. A district Supervisor coordinates the work in several counties, and the State Director is in charge of all. Kansas is now in the seventh regional district
with headquarters in Lincoln, Nebraska. All the fiscal work on making loans is done in the regional office.

Much of the actual work done in the county FSA offices is concerned with loans, and this phase of the program is discussed in Chapter VI, Section seven.
CHAPTER VII

PROVISION FOR FINANCING DIRECT GRANTS

A. Disbursement of Federal Funds

Funds from the Federal government which are used by the states are sent to the states in amounts which will cover quarter-year periods. The amount which is sent to the state for any quarter-year period is ascertained by means of a budget provided by the state public welfare agency. This budget is the synthesis of county welfare budgets which have come to the state agency from county welfare offices. This budget represents an estimate of what will be needed to meet the demands for assistance in the state for the coming quarter year.¹

If this state budget is approved by the Social Security Board, the Secretary of the Treasury is instructed to draw up a voucher for the amount involved which is made payable to the governor. The governor endorses this voucher and deposits the amount in the state treasury. The budget states the amount appropriated or made available by the state and its political subdivisions for welfare expenditure in the quarter. Part of the Federal payment is transferred to the state social welfare fund each month and from this fund the State Department of Social Welfare makes reimbursements to the county, acting as an agent for the Federal government.

¹ 1937 Supplement, General Statutes of Kansas 1935, Chapter 327, Section 12 (g).
Before Federal funds can be transferred from the State Treasury to the county welfare department account, the county must actually have earned them, or disbursements may be paid in advance upon estimates submitted by the county board. This means that the county must have made expenditures for which Federal reimbursement is obtainable.

B. State Welfare Fund

The Kansas social welfare law created the social welfare fund which contains all grants, gifts, and bequests received by the state board. The social welfare fund received a maximum of $3,360,000 per year, beginning April 1, 1941, from the state sales tax fund for social welfare purposes. This also includes $75,000 for the prevention of blindness, restoration of sight and rehabilitation of the blind and a sum not to exceed $200,000 a year for additional social welfare purposes for use with the crippled children commission.  

From the Kansas social welfare fund, the state board reimburses each county up to a maximum of 30% of social welfare expenses less county administration costs after Federal participation has been deducted, provided that each county is paid on the same percentage basis. This enables counties with a larger welfare load to receive more in proportion to their expenditures

1. 1941 Supplement, General Statutes of Kansas 1935, Chapter 79, Section 3621.

2. 1941 Supplement, General Statutes of Kansas 1935, Chapter 39, Section 709.
to their expenditures than other counties.

C. Sales Tax Fund

The retail sales tax act provides that after all sums earmarked for special purposes are paid from the sales tax fund, the balance is to be returned to the county treasurers of the counties on June 2 of each year. In addition to the amount for social welfare purposes, $500,000 was allotted to the social welfare equalization fund on April 5, 1941 and $50,000 is to be credited to this fund each month until and including April 1, 1945. One million, twenty thousand dollars per year beginning April 10, 1941, goes to the special old-age assistance fund at the rate of $80,000 per month. Additional amounts go for school aid and the employment service account.\(^1\)

D. State Agents' Compensation

The State Agents' Compensation plan went into effect December 1, 1937 and continued during 1938. Money for this arose from the fact that approximately $600,000 had accumulated in the social welfare fund by November 1, 1937. But since the state was limited in its participation in the counties to 30% legal maximum, it was not possible to get this money into the hands of those needing it.

---

1. 1941 Supplement, General Statutes of Kansas 1935, Chapter 79, Section 3621.
Counties could not obtain full Federal and state participation until case records had been transferred to the Federal categories.

According to this law, the state board designated county boards or their employees as agents of the state board in the performance of certain duties. This released money from county funds for assistance and also increased the amounts of Federal and state participation which could be claimed by the counties.¹

Since the excess state funds were consumed, this law was ineffective after December, 1938.

E. Emergency Fund

The special session of the legislature which convened February 7, 1938, created a social welfare emergency fund by transferring $250,000 from funds previously made available to the social welfare fund from the sales tax revenue, and $350,000 earmarked from the retail sales tax fund, creating a total emergency fund of $600,000.² The state board was authorized to use this fund for the purpose of assisting needy counties in meeting their public assistance costs when they met the requirements set forth in the act. During 1940, $80,000 was transferred each month from the balance of the sales tax fund and made available to twenty-two distressed counties which had levied their

² Laws of Special Session 1938, Chapter 80.
legal maximum of three per cent of assessed valuation for welfare purposes, but were still unable to finance budgeted assistance needs. Disbursements continued to be made during January and February of 1941, but were then discontinued.

F. Equalization Fund

The purpose of the Social Welfare Equalization fund established by the 1941 legislature is to equalize between the counties the social welfare costs borne by them paid from revenue derived from ad valorem taxes. This is done by considering the relief needs and fiscal ability of one county as compared with the relief needs and fiscal ability of another. A social welfare equalization fund was created in the office of the state treasurer. In any county that has levied three mills for social welfare purposes and has no funds from other sources sufficient to meet the estimated costs, the board of county commissioners may, by resolution, request the state board of social welfare to pay the county not to exceed 25% of the approved social welfare expenses for the current county budget year less cost of county administration after deducting the amount of Federal grants. On receipt of such a request, the state board of social welfare is required to make an investigation and if it decides receipts are insufficient to

1. 1941 Supplement, General Statutes of Kansas 1935, Chapter 39, Section 734
meet the cost to the county, it may authorize additional payments out of the social welfare equalization fund. The total amount made to any county in a period of twelve months may not exceed $100,000. No county is entitled to participate in any benefits that carries a person eligible for Old Age Assistance on its General Assistance rolls for a period of sixty days.¹

On the first day of each month, beginning May 1, 1941, the state board is authorized to pay the county treasurers all the money of hand in the Special Old Age Assistance fund on the basis of fifty per cent according to population and fifty per cent on the basis of equalized tangible assessed valuation for the preceding year. Money received under this act is supplemental to any other used by the counties for Old Age Assistance purposes.

G. County Fund

In section 13 of the 1937 law, a county social welfare fund was created in the office of each county treasurer. In this fund are deposited all receipts from taxes, funds derived from bond issues, sales, private gifts, grants, loans, and other revenues which the county board is authorized to receive.

The fund must be large enough to guarantee that the county will be able to meet fully all obligations for assistance to the needy aged, blind, and dependent children eligible for such aid.

¹. 1941 Supplement, General Statutes of Kansas 1935, Chapter 39, Section 733.
The county may be authorized by the state board to create special social welfare funds as these become necessary.

All disbursements from the county welfare fund must be made by vouchers signed by the county director and approved by the county board. Vouchers for payment of salaries and expenses of county welfare employees must be verified and signed by the persons entitled to such payments. The voucher must be approved by the county attorney and filed with the county clerk who draws warrants on the county treasurer for each voucher. Warrants must be countersigned and registered by the county clerk and the county treasurer and, after delivery to the claimants, are redeemable upon proper presentation to the county treasurer.¹ Chapter 80, Laws of Special Session, 1938, provides for the return of the balance of the sales tax fund to the county treasurers on June 2 of each year. Fifty per cent is to be distributed to the counties on the basis of population and the remaining fifty per cent on the basis of equalized tangible assessed valuation. Each taxing subdivision of the county is required to set up in its budget for the ensuing year the amount received from the sales tax and to reduce the levy by that amount.² The act also provides that county commissioners may use all money allotted to the

¹ 1937 Supplement, General Statutes of Kansas 1935, Chapter 327, Section 13.

² Levy is the amount per $100 of assessed valuation the taxpayer must pay. The levy is expressed in terms of mills which are one-tenth of a cent.
county for welfare purposes.

H. Bonds

In order to provide additional revenue to needy counties, the legislature which met in 1941 gave the county commissioners power to issue bonds to provide funds for social welfare purposes, in amounts for each year as follows: amount in 1941 not exceeding 1/3 of 1%; in 1942, an amount not exceeding 1/2 of 1%; and in 1943 an amount not exceeding 1/10 of 1% of the assessed valuation for the preceding year. Applications must be approved by the State Commission of Revenue and Taxation. Since January 1, 1942, no county has been allowed to issue bonds unless it made a tax levy of three mills for social welfare the preceding year. No such bonds may be issued, sold, or delivered after April 30, 1943. These bonds violate a fundamental principle of taxation in that they are being used to meet current expenditures.

Public work relief bonds may not exceed 1% of the assessed valuation of the taxing district. In counties having more than 75,000 population and in cities having more than 60,000, the bonds issued can not exceed 1/10 of the assessed valuation in any one month. In counties less than 75,000 and cities less

1. 1941 Supplement, General Statutes of Kansas 1935, Chapter 39, Section 3a01.
than 60,000, the bonds issued cannot exceed 1/25 of the assessed valuation in one month.

1. Ibid., Section 3a14.
CHAPTER VIII

WELFARE SERVICES OF THE STATE DEPARTMENT

Influences of the trend of public assistance in Kansas under the Social Security act have been the stage of development of programs under the state law when federal funds became available, availability of federal grants, extent and adequacy of the state and local funds, and the state policies and procedures. Since an examination of assistance shows direct assistance under the social security act to be only a small portion of the total picture, statistics on this program alone are misleading. But before other agencies are considered, there are certain activities of the state department which contribute materially to the public welfare and should not be overlooked.

A. Child Welfare

Under Title V of the federal social security act, funds are appropriated to enable the United States, through the Children's Bureau, to cooperate with the state public agencies in establishing, extending, and strengthening public welfare services for the protection and care of homeless, dependent, and neglected children, or children in danger of becoming delinquent. The amount allotted is to be used for payment of part of the cost for district, county, or other local welfare service in areas
predominantly rural and for developing state services for the encouragement and assistance of adequate methods of conducting child-welfare organization in rural areas. $10,000 is given each state, and the remainder of the amount is allotted to each state on the basis of plans developed by the state and the federal social security board which distributes it to the states on the ratio of the rural population of that state to the rural population of the United States.¹

Child welfare services have no provision for the granting of cash assistance. They are services designed to add to the permanent welfare of the children benefiting from them. Through child-welfare services, the state of Kansas and the United States government attack influences which threaten to produce child delinquency. Work is concentrated in rural areas. Demonstration units have been established in the state under the supervision and direction of trained workers. Units are located in selected counties and operate in conjunction with the county welfare offices. The state gives the county the services of a child-welfare worker and pays his salary and travel expenses. The welfare board furnishes office space and office equipment.²

The scope was broadened in 1941 to include social services to the Boys Industrial School. The Girls Industrial School came under the supervision of the State Department in 1940.

B. Services For Blind And Visually Handicapped.

The Kansas social welfare law provides that the State Board initiate or cooperate with other agencies in developing programs for the prevention of blindness, restoration of eyesight, and vocational rehabilitation of blind persons. ¹

A restoration of sight program has been inaugurated by the State Board as well as a prevention of blindness program. It has been found that approximately 230 persons, who are now recipients of aid to the blind, are badly in need of medical treatment. The state board has instigated a campaign to educate the public in the prevention of blindness. This campaign is carried on through the schools, social agencies, newspapers, and civic groups.

The program has three principal aims: restoration of sight, prevention of blindness, and rehabilitation. Treatment for restoration is provided applicants accepted for aid to the blind. Although actual sight restoration is the aim of the program, treatment is often approved to preserve existing vision. Medical care is extended to those applicants for AB who need treatment but who are found to possess more vision than is allowed for AB. An interdepartmental commission for prevention of blindness was organized with representatives of the department of labor, public instruction, health, and division of services for the blind.

The greatest expansion in recent years has been in rehabilitation.

¹ 1941 Supplement, General Statutes 1935, Chapter 39, Section 708.
A field consultant was added to the state department staff who visits the counties and visits all blind and near blind in the county, whether on relief or not. The home industry program brings capable unemployed workers to Topeka for training in manufacturing of one product for which a market has been previously established. When he returns home, the worker has all necessary equipment obtained under a loan agreement with him. Finished products are returned to the training center for inspection before they are sold. Home teaching was added to the services of the Division Embossed reading and writing, handicrafts to be used as leisure time activity, cooking, and household management are taught by home teachers. The Division also continued to sponsor a state-wide WPA Braille transcribing project.

C. Vocational Rehabilitation

The Vocational Rehabilitation Service was inaugurated July 1, 1940 as the result of a cooperative agreement entered into between the State Board for Vocational Education and the State Board of Social Welfare. Up until this time the state law of 1937 was inoperative because no state appropriation had been made by the legislature. The agreement between the two boards made possible the matching of Federal funds by sales tax money available in the budget of the State Department of Social Welfare.

Any person possessing a permanent physical disability which constitutes a vocational handicap is eligible for rehabilitation
providing he is sixteen years or older and not attending public grade school, an American citizen, a resident of Kansas for at least one year, in a condition that will give reasonable assurance that he will be able to engage in a normal occupation, able to provide for self-maintenance while in training, and susceptible to a rehabilitation program.¹

D. Service For Veterans

The Division of Services for Veterans was organized within the State Board on November 1, 1937. It was created for the purpose of assisting veterans' organizations with their claims work, as well as to assist individual veterans with their claims. Since it has been found that many war veterans are eligible for compensation, pensions and hospitalization as provided through the United States Veterans Administration and other national and state boards and tribunals, the State Board was recognized as an authorized agency for the handling of veterans' claims. The Division supervisor of Services for Veterans was designated as a service officer for the Disabled American Veterans Association, Veterans of Foreign Wars, and the American Legion.² The Division was incorporated into the State Department of Social Welfare because its services were of primary benefit to clients of county welfare offices or persons who were in danger of becoming applicants for public assistance.

Most of the claims handled are filed with the United States Veterans' Administration Adjudicator. Offices having claims of Kansas veterans are located in Wichita, Kansas City, Excelsior Springs, Mo., and Washington, D. C. During 1941 the Division assisted 113 veterans with claims and thus prevented them from going on public assistance rolls. Cash awards of $72,221.78 and annuities of $229,699.84 were granted, an increase of $18,000 over 1940. Thirteen veterans were transferred from state hospitals to the Veterans Administration Facilities and this shifted expenses for their care to the Federal government. In December, requests for assistance on claims were received as the result of deaths of soldiers and sailors who were in the armed forces when hostilities began December 7, 1941. It is estimated that more than 2½ million dollars will be paid to Kansans as a result of decisions secured from Veterans' Administration by Veterans' Service Division.

E. Licensing Private Agencies

The Kansas social welfare law provides, in Section 16, that "The State Board shall have power to license, revoke licenses, and supervise private agencies under the rules and regulations provided by it".

Stress was laid on raising standards of institutions caring for dependent children, principally by helping to clarify admission...
policies. An admission outline which was prepared for the use of the head of the institutions was followed up by group and individual discussions. In addition to adult boarding homes and children's boarding homes, the division issued licenses to private agencies and institutions which conducted programs in fields of family welfare and assistance, health, care of unmarried girls, care of the aged, dependent children, group work, and specialized services. The Division served as the focal point for information concerning all private social resources available in the state.

In 1941, 448 adult boarding homes were licensed. In 88 counties 142 were licensed for the first time. In children's boarding homes, 77 were licensed in 29 counties, 32 for the first time. Ninety-one institutional homes were licensed by the end of 1941. Seventeen were institutional homes for children and 17 institutional homes for the aged.¹

¹ Preliminary material from 1941 Report.
CHAPTER IX

SPECIAL WELFARE ACTIVITIES OF THE COUNTY BOARDS

A. Commodity Distribution.

Surplus commodities are products purchased by the Federal Surplus Commodities Corporation to stabilize markets and help assure fair returns to producers. They are distributed by the State Board of Social Welfare through its warehouses to the individual counties. The counties, in turn, are responsible for distributing the commodities to the recipients of assistance. Commodities are to be given out on an over-and-above basis and not in place of assistance.

The State Board of Social Welfare assumes the cost of transportation from district warehouses to county welfare offices after the Commodities Corporation has made shipment to these points within the state. Purchase activities of the Commodities Corporation tend to stabilize the market value of agricultural products while its donations provide needy persons with a wholesome means of subsistence and help provide well-balanced diets. Purchases are made of surplus products.

Care is taken to avoid distribution of commodities in areas where similar products are raised. Commodities are distributed in cartons marked "Not to Be Sold." Illegal disposition of commodities is punishable under state laws. Non-food materials such as those used in work-relief projects are also distributed.
For those counties operating under the food stamp plan, the welfare offices certify those who meet the requirements of the Surplus Marketing Association. Eligible assistance cases are Old Age Assistance, Aid to Dependent Children, Aid to Blind, General Assistance, and Farm Security Administration.

B. Certification to WPA, NYA, and FSA.

Another function of the county social welfare boards is that of certification of persons to WPA, NYA, and FSA. WPA and NYA are federal programs which provide jobs for persons in need, and in most cases these persons must have been certified for public assistance. An exception in NYA is made for youth on school aid projects. 5% of those employed on WPA are non-certified. These are persons who are used as supervisors and leaders of projects. Wages of persons employed on WPA and NYA are paid by these federal agencies, and the only part played by social welfare offices is that persons who are to receive assistance through one of these agencies must be certified as eligible for receiving such aid.

FSA makes loans to farmers who would otherwise have to go on public assistance rolls or to those who might not be able to get on such rolls and have no other aid. FSA offices continue to assume the responsibility for taking applications and making investigations for subsistence grants requested by standard loan cases. All other applications for FSA grants are made directly to the county boards of social welfare. The application interview is handled by the intake worker of the county welfare office on the
some basis as any other application for public assistance. After application, the case is investigated and a budget is set up. The grant is made in accordance with the need.¹

C. Selection for CCC

County boards of social welfare act as certifying and selecting agencies for youths who are to be sent to camps. The State Board has charge of distribution of allotments to the counties.²

CHAPTER X

OTHER PROGRAMS DIRECTLY RELATED TO PUBLIC WELFARE

In addition to help given those covered by the Social Security Act, certain classes of people obtain aid through programs which are directly connected with social welfare. Although many additional Kansas residents are benefitted through government expenditures, these programs (Commodity Distribution, NYA, CCC, WPA, & FSA grants) are so closely connected with direct relief that they may almost be considered as outright assistance. All these programs (with the exception of NYA school-work and some CCC enrollees) require that an applicant formally establish the fact that he is unable to provide even a minimum level of support for himself or his family. For WPA and NYA out-of-school recipients, the county offices establish original eligibility for assistance before referring a case for work relief. Therefore, funds spent on these programs are a direct cost and may be considered in the same category as an out-and-out grant as shown in Chart I.

A. Work Projects Administration

The Work Projects Administration was established in May, 1935, under the authority of the Emergency Relief Appropriation Act of 1935, and continued by the Emergency Relief Appropriation Acts of 1936, 1937, 1938, and 1939. The name was changed to the
Work Projects Administration on July 1, 1939 when it was made a part of the Federal Works Agency through the president's re-organization plan.

The Work Projects Administration was established to operate, in cooperation with local, state, and Federal sponsors, a program of useful public works projects, and to aid employable needy persons by providing work on these projects.¹ The Commissioner of Work Projects is the head of the Work Projects Administration. Regional directors coordinate the work of the Commissioner and the State Work Projects Administrators.

The Administration attempts to work with other government agencies which are assigned functions in carrying out the purposes of the Emergency Relief Appropriation Acts. The Bureau of Employment Security, Federal Security Agency, has authority to register workers; the United States Treasury Department is responsible for procurement, accounting, and disbursement of funds; and the United States Employees' Compensation Commission is responsible for the administration of accident compensation. When accidents do occur, compensation is provided the workers by the Commission.²

Projects of the WPA are proposed by state and local public agencies (and in some instances by Federal agencies other than the WPA), which act as sponsors. Not less than one-fourth of the total

cost of all non-Federal projects approved after January 1, 1940, to be undertaken within a state, must be borne by the sponsors, through contribution of funds, materials, supplies, equipment, and certain types of personal services. No projects sponsored by state and local agencies may be undertaken unless the sponsor has made a written agreement to finance the part of the entire cost not supplied by Federal funds.

After projects have been approved by the president, the State Work Projects Administration selects for operation those projects which are best suited to the skills of the workers in need in the locality and which are otherwise best suited to carrying out the program of the WPA.

Persons employed on projects must be persons who are referred as in need of relief by a public welfare agency, approved by the WPA and are certified as eligible by the Division of Employment of the WPA, except for those persons needed for special types of work. Only one member of a family group may be employed on projects. This, however, does not interfere with part-time employment of a youth member of the same family by the NYA or CCC. Project employees are required to show evidence of registration and occupational classification by a designated employment office within the state before assignment to work on projects. A certified person who leaves project employment to accept private or public employment is eligible for immediate re-employment on a project if he is still in need and has lost the private or public employment through no fault of his
own and has drawn all the benefits of Unemployment Compensation accrued.

All certified workers who have been continuously employed on projects for more than eighteen months must be removed when other workers with the same qualifications have been certified and have awaited assignment for three months or more. They are not eligible for re-employment until twenty days after the date of separation and until a re-certification of eligibility has been made.

A review of the need status of each certified project employee is to be made at least once every twelve months, and persons found not in need will have their certification of eligibility canceled.

The hours of work for project employees are one hundred thirty hours a month and may not exceed eight hours a day and forty hours a week, except that certified workers with no dependents may be required to work a smaller number of hours and receive correspondingly reduced earnings.

In the WPA employment, workers are assigned, when possible, to jobs which aid them in developing old skills or in acquiring new ones.

Specified projects have been undertaken to provide vocational training opportunities. This emphasis has been especially important in defense activities.
Sources of Funds

The Work Projects Administration derives its basic authority from acts of Congress appropriating funds for emergency relief. The 1942 Emergency Relief Act made a direct appropriation to the WPA of $875,000,000 together with unobligated balances of funds available under the previous year's appropriation. This was the smallest appropriation that had ever been made to the WPA.

Direct appropriations of specific amounts have been made since the fiscal year 1939. In 1938, funds for relief and work relief were appropriated in a lump sum to the President, who allocated them to the WPA and other Federal agencies.

The amount specified for administration by the Emergency Relief Appropriation Act of 1939 has averaged around four per cent.

Although a large part of the cost is met through Federal funds, state and local sponsors are an important factor. In Kansas, Federal participation has steadily declined from 79.9% in 1938 to 69.3% in 1941, while that borne by state and local sponsors has increased from 20.1% in 1938 to 30.7% in 1940. Nearly all the sponsors funds are used for materials, equipment, and other non-labor items of project cost. Federal funds are used to pay the wages of project workers and therefore limit the number of workers that can be employed.

In the fiscal year 1941, $975,650,000 was appropriated by the Emergency Relief Administration Act and $375,000,000 was added by a supplementary appropriation. In addition to the new appropriations of $1,350,650,000, the $30,540,000 in unobligated balances remaining
from previous ERA acts was reappropriated, making a gross total of $1,381,190,000 available for the fiscal year 1941. After deductions had been made for various administrative expenditures, $1,380,950,000 was left for actual WPA operations.

About ninety-six per cent or $1,239,178,000 of the expenditures made by the WPA in the United States in the fiscal year 1941 was used for work projects and $45,575,000 for administration.

The share of the cost of projects borne by sponsors is subject to two general statutory controls. First, the provision requires sponsors to meet an average of at least twenty-five per cent of the total cost of all non-Federal projects approved after January 1, 1940, in each state. The second control is the limitation of Work Projects Administration expenditures for non-labor purposes to an average of six dollars per month per worker in any state. Projects certified as important to the national defense program may be exempted from these provisions.

B. Civilian Conservation Corps

This Federal agency was first called the Emergency Conservation Work and was created by act of Congress and put into operation April 5, 1933. It was formed originally as a stop-gap emergency measure. The name Civilian Conservation Corps was made official in July, 1937. Effective on July 1, 1939, the CCC was made a part of

The purpose of the CCC is to provide employment, as well as vocational training, for youthful citizens of the United States who are unemployed and in need of employment and, to a limited extent, for war veterans and Indians. This is done through the performance of useful public work in connection with the conservation and development of the natural resources. In compliance with this emphasis, the people no longer benefit exclusively those who are completely destitute.¹

War veterans are selected for enrollment in the Corps by the Veterans Administration. Enrollments are made during eight different months throughout the year, such numbers as are necessary to fill vacancies in assigned quotas. Selection for enrollment (except for veteran and Indian) are made by the welfare agencies of the various counties. Junior enrollees include unmarried men between the ages of 17 and 23, inclusive. Those who have dependents are required to make monthly allotments to these dependents of not less than $15 a month. All enrollees deposit $7 a month to be repaid them on discharge from the corps. The balance is given the enrollees for spending money. Enrollees without dependents deposit a minimum of $22 a month. Assistant leaders draw $36 a month and leaders $45.

To deal more effectively with CCC problems, the Departments of Interior, Agriculture, War, and the Veterans' Administration set

¹ 1937 General Statutes, United States, 50 Statutes, Section 319.
have set up centralized units in Washington, D.C., devoted to the work of the Corps. Also, the Chief of Finance of the War Department is designated to act as the fiscal agent of the CCC.

The Department of the Interior plans and executes work projects on Federal areas under its jurisdiction. It plans and executes projects on state, county, and metropolitan parks and purchases of national park and monument lands.

The Department of Agriculture plans and executes work projects on national forests and other departmental lands and on private lands, for control of erosion and maintenance of drainage systems. The Department conducts surveys and studies incident to CCC work operations in forestry and control of tree diseases and tree-destroying insects, and camp projects. It supervises the planning and execution of forestry work projects on state and private lands.

The War Department accepts the men selected by the Office of the Director of the War Department and Veterans' Administration, examines them physically and enrolls qualified applicants who have been accepted. This Department has charge of the men from the time of acceptance in the functions of reconditioning, organization, administration, transportation, supply, sanitation, medical care, hospitalization, discipline, welfare, and education. It also constructs and maintains work camps and furnishes work details from work companies to project superintendents.

The Central Office of the Veterans' Administration, in cooperation with the Director of the War Department, issues controlling instructions governing the selection of veterans for the CCC and in
connection with the approval and changes in allotments of pay. Groups selected are composed of individuals who have served the United States in certain wars. They are chosen without regard to age and marital status, but are required to make allotments of pay to their dependents.

Sources of Funds

The Chief of Finance, War Department, is designated to act as the fiscal agent of the Director in carrying out the provisions of the act. The Director may authorize the expenditure of such amounts as he deems necessary for supplies, materials, and equipment for enrollees to be used in connection with their work, instruction, recreation, health, and welfare.

There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the purposes of the act.1

C. National Youth Administration

In the fall of 1933, a program of aid to college students was inaugurated as an experiment. It was put on a nation-wide scale in February, 1934 (under the Federal Emergency Relief Administration) because of the scarcity of jobs for young people and the unemployment which existed. The National Youth Administration was established by executive order number 7086 on June 26, 1935, as authorized by

1. 75th Congress, Chapter 38, HR 6551.
the Emergency Relief Appropriation Act of 1935, and was at that time combined with the Works Progress Administration. The president's Reorganization Plan, which became effective July 1, 1939, transferred the NYA from the Works Progress Administration to the Federal Security Agency.

The NYA provides work experience through two major programs: the out-of-school work program and the student work program. The out-of-school work program provides work experience on useful public projects for needy youth who have left school and who have been unable to obtain employment. It includes the regular program of production, construction, professional and clerical projects, and the defense program for which specific defense appropriations have been made to provide work experience.

Part-time employment is furnished needy out-of-school youth from 16 through 24 years of age. These workers receive on-the-job training, and, in addition, they are given training in subjects related to their work through existing vocational education facilities. Most projects are planned and initiated in the communities in which they operate to meet definite local needs, often with the help of local and state advisory committees. NYA projects must be co-sponsored; that is, local and state agencies must assume part of the responsibility along with the Federal government. Most of the co-sponsors are local governments. These co-sponsors usually provide materials, equipment, and supervision. All things produced are solely

for use by public agencies. Only projects which provide services or facilities which could not be made available within the regular budgets of the co-sponsors may be undertaken. No project which would displace regularly employed personnel is initiated.

The majority of out-of-school youth live at home with their families and report to their projects in the same manner they would to a job in private industry. They spend a number of hours each day at their work and frequently spend additional time attending related training classes.

Those employed on resident projects live at the job site and are provided with subsistence which is paid for by deduction of $18 a month from their wages. The wages paid NYA workers are intended, primarily, to help the youth improve his personal employability rather than to subsidize assistance budgets. In line with this policy, the NYA ruled that no more than 25% of the youth's wage could be used as a resource in budgeting for assistance for the family. If more than this amount was used, the NYA would no longer continue to employ the youth member. Wages for work performed range from $17 to $30 monthly in Kansas, depending on the location and size of the community. It has been found that by gathering these small and scattered groups into resident units better supervision and instruction as well as more efficient work can be obtained.

The student work program provides work experience for needy youth from 16 through 24 years of age enrolled in colleges, schools, and universities in order that they may remain in school and continue their education. Educators in the various schools and colleges are
made responsible for administration of the student work program. They select the students eligible for a NYA job on the basis of need and scholastic ability. Certification by the welfare office is not required for the student work program. Those accepted must maintain satisfactory work in three-fourths of the normal curriculum load. The school officials plan the projects and supervise the work done. Projects include work about the school grounds and buildings, clerical assistance to the faculty, library and laboratory assistance, educational and recreational work in the local communities, and similar activities. Checks are issued by the Federal government on the basis of payrolls certified by educational institutions and verified by the NYA. Students in secondary schools receive not more than $6 nor less than $3 a month. College students may earn between $10-$20, while graduate students earn between $10-$30. The amount earned is determined by the number of hours spent on the work during the month.

D. Public Works Administration

The Public Works Administration was organized June 16, 1933, as Title II under the NIRA, for the purpose of relieving unemployment by creating useful work at equitable wages and to make long-needed public improvements in the services furnished the people by Federal-state-local governments. Subsequent legislation continued its operation, and the Public Works Administration Appropriation Act of 1938, approved June 21, 1938 (52 Statutes 816), as amended,
authorized the continuance of those operations until the close of the fiscal year ending June 30, 1942. By Part 3 of the president's Reorganization Plan No. 1, effective July 1, 1939, the Federal Emergency Administration of Public Works and its functions were consolidated into the Federal Works Agency, and it provided that the Administration and its functions be administered as the Public Works Administration. The last program authorized was by the Public Works Administration Appropriation Act of 1938 and most unfinished projects are those undertaken in 1938.

The PWA programs were inaugurated to encourage the construction of useful public works through making loans or grants to non-Federal public bodies and, to a limited extent, by financing the construction of Federal projects.

The program had as its objectives the creation of something for public use and the salvaging of labor through employment. Based upon the theory that labor not used is labor and capital lost, it has been estimated that there has been lost to this country through unsalvaged labor and its attendant evils more than 200 billion dollars in the years since 1930. The loss is an invisible one and estimates in regard to it vary.¹

It is estimated that each hour of direct labor furnishes, indirectly, at least one more hour of labor, and some economists estimate it to be as much as 5 hours of labor. Thus, it would

¹. State Board of Social Welfare, A Study in Public Assistance, p. 43.
be conservative to estimate that the FWA created more than 20 million man-hours of labor by the end of 1936, since it was estimated that the FWA had created directly 10,300,000 man-hours of labor.¹

Public improvements extended into every state and all but six of the 3,073 counties of the United States. There were 23,700 projects established in the early part of the program. 135 were approved for Kansas with total allotments of more than $2½ million dollars. These allotments came in 1933. In 1935 another 83 projects were added with an increase of nearly $3½ million dollars. The projects included 32 schools, 6 state buildings, 5 city buildings, and sewers and roads.

Six projects were completed during the fiscal year 1941 at a cost of $7,081,652, leaving only two remaining to be completed at an estimated cost of $385,050. Since the program was inaugurated in 1933, 790 projects have been authorized in Kansas. Disbursements have amounted to $46,758,291.²

Employment was obtained through referral of workers by local employment agencies or through referrals by trade unions. Nearly all the construction work is handled on a contract basis.

FWA was the first agency to bear the real responsibility of public works. Money was loaned or granted on a match basis to

¹  Loc. cit.
²  Federal Works Agency, Annual Report, p. 320, Table 12.
state and local projects. It was intended to be a "pump primer" for industry through the amounts of material it would buy.

Source of Funds

Loans and grants for the projects were made to public bodies and authority was granted to make allotments for Federal projects to the various departments and independent establishments of the government. Because the last authorization was the Emergency Appropriation Act of 1938, no funds are available for new loans or grants. Funds were also provided from regular appropriations.

Any state, county, or political subdivision was eligible to apply for an allotment by way of a loan and a grant or a grant only to aid in financing the construction of a sound and useful project and was able to finance at least 55% of the cost.

Allotments are made to non-Federal public bodies in the form of a loan and a grant or a grant only. In the case of the former, the loan usually represented 55% of the cost of the project, while the grant covered the remainder. The grant could never exceed 45% of the approved cost of the project.

Loans were made through the purchase of bonds or such other obligations as general obligation bonds, revenue bonds, and special assessment bonds. These purchases are made from the Federal bank by the state or subdivision applying for the loans. Interest of 4% was charged.

Applications were examined by the regional offices and were then forwarded to the central office for final action. After an
allotment of funds was made, an offer to aid in financing the construction of a project by means of a loan and grant or grant only was made to the applicant. Acceptance by the applicant created a contract between it and the government.

The construction of projects financed in whole or in part by the Public Works Administration was performed by private contractors. The contract was awarded the lowest bidder following public advertisement for bids. In order to assure that the projects were constructed according to specification, engineer-inspectors of the government observe the work done.

E. Public Roads Administration

The Public Roads Administration began as the Office of Road Inquiry, created by the Secretary of Agriculture in 1893 under the authority of the Agricultural Appropriation Act for the fiscal year 1894. At first, it was concerned only with investigation of how to build roads and education in construction methods. It has since functioned under various names. The Federal-Aid Road Act of July 11, 1916, initiated Federal Aid for highways and placed administration under the Secretary of Agriculture. After the 1921 act, the Bureau of Public Roads cooperated with the states in the designation of the Federal-Aid highway system. Under the reorganization effect July 1, 1931, all functions of the Secretary of Agriculture relating to the administration of the Bureau of Public Roads were transferred to the Federal Works Administration and the bureau became the Public Roads Administration of the Federal Works Agency.
The Public Roads Administration administers the regular Federal-aid funds and the emergency appropriations for road construction. It also administers Federal funds for improvement of secondary roads and the elimination of highway-railroad grade crossings. It cooperates with the Secretary of Agriculture in the construction of forest roads. A large part of the work is done cooperatively with the State Highway Departments, and contact with them is maintained through a regional office at San Francisco, 13 district offices, and state representatives.

During the present defense emergency, the Public Road Administration is cooperating with the War and Navy Departments, the national defense agencies, the Works Progress Administration, and state and local highway officials in improving access roads to military and naval reservations and defense-industry sites. The Defense Highway Act of 1941 (Public Law 295, 77th Congress) limited Public Road Administration principal activities to the improvement of these roads.

Sources of Funds

Funds for the Public Road Administration come entirely from the regular Federal-aid funds and the emergency appropriations for road construction. Concern here is with the emergency appropriations, as they are intended to be a relief measure. The figures in Table D include all funds advanced by the Public Roads Administration to Kansas except the regular Federal-aid money which is a permanent
part of the program. Through employment of these men is made possible emergency funds, the Public Roads Administration is contributing to the public welfare and should be included in a comprehensive view of the picture.

F. Public Buildings Administration

The Public Buildings Administration was established as a part of the Federal Works Agency as provided for in Reorganization Plan No. I, section 303. It was an agency created by the Reorganization Act of 1939, approved April 3, 1939.

The Public Buildings Administration, too, is not directly related to programs protecting the public welfare. However, through the hiring of the unskilled class of workers, they do provide employment for many low-income families. Large sums of money are paid out and this flows into Kansas to increase purchasing power and living standards. Funds used by the Public Buildings Administration are also emergency sums in large part and are intended to be used only as a relief measure. Because of the emergency nature of the funds, the program deems recognition as a link in the network of agencies contributing to the public welfare.

The Public Buildings Administration is responsible for the administrative, technical, and clerical functions relative to the design, construction, maintenance, and repair of Federal buildings.

The work is directed by the Commissioner of Public Buildings. He has managers operating directly under him who supervise the
various phases of the work.

The Social Operations Unit of the Public Buildings Administration was created to build Federally constructed schools, hospitals, and health buildings under the Defense Public Works Program.

The Office of Decentralization Service has been set up in the Public Buildings Administration, in accordance with a Presidential Order of December 23, 1941, for the removal of Federal agencies to locations outside the District of Columbia, in connection with emergencies affecting the national security and defense. This office will direct the moving of the agencies and the personnel.

Source of Funds

Funds for the Public Buildings Administration come from Federal appropriations. The office of the fiscal manager determines the sufficiency and applicability of appropriated funds in connection with contracts and changes.

Funds for Federal buildings initiated since 1933 have been made available through emergency construction acts or through the transfer of funds from other departments of the government. During the 1940 and 1941 fiscal years, most of the projects under construction outside the District of Columbia were allotted funds under the Construction Program Acts.
XI. PROGRAMS INDIRECTLY RELATED TO PUBLIC WELFARE

In addition to the programs which may be considered as directly related to the public welfare, there are separate agencies which are an indirect benefit. These public programs contribute through outright grants made on the basis of services performed, through contributions made by others in behalf of those who receive the benefit, and through loans to individuals and businesses which assist them in maintaining their present standing and to keep them from going on the direct relief set-up.

Popularly, a recipient of AAA payments is not considered as receiving the same right as the individual who obtains a FSA loan, although the object and purpose behind the two is the same. These programs indirectly contributing to the public welfare are for the purpose of enabling persons to maintain their standard of living in an economic system wrought with insecurity which is brought about through no fault of the individual. Since Old Age Insurance and Unemployment Compensation are under the Social Security Act, they are recognized by the government as helping minimize economic insecurity. The workers in Kansas pay nothing to the unemployment trust fund and their wages are not to be cut to provide for it. Yet, when an unemployed worker receives his benefit payment during a period of employment, it is recognized as his right and not as a relief grant. People must be educated to the
purposes and intentions of the various programs before they will accept them as necessary for promoting the welfare of the group and not as an outright grant to a few.

The various programs listed in this division are discussed separately with reference to the particular type of aid they give.

A. Veterans Bonuses

The Veterans Administration was created July 21, 1930, under authorization of the act of Congress approved July 3, 1930 (46 Statutes 1016). This act authorized the President to consolidate and coordinate under a single control all Federal agencies dealing with veterans' affairs. The order consolidated in the Veterans Administration the Bureau of Pension, the United States Veterans Bureau, and the National Home for Disabled Volunteer Soldiers.

The Veterans Administration administers all laws relating to the relief of former members of the military and naval forces. It is responsible for extending relief to veterans and to dependents of deceased veterans who served in the Government military and naval establishments during time of peace, as provided for by various acts of Congress. These laws include, in addition to compensation and pensions, Government insurance, military and naval insurance, death benefits, adjusted compensation, emergency officers' retirement pay for veterans of the World War, and hospital and domiciliary care for veterans of all wars.
Since the division of Compensation and Pensions is the only one directly connected with the public welfare as undertaken in this paper, only the activities of this branch will be considered. The Director of veterans claims is responsible for evidence determining eligibility for rates of pensions, and compensation in claims of veterans and of dependents of living veterans.

The Director of the Dependents' Claims Service is responsible for evidence determining eligibility and rate of pension in the claims of widows and dependents of deceased veterans. He also supervises adjudicating claims made for burial and funeral reimbursements. Accrued funds of deceased beneficiaries are adjusted through this Director.

The Veterans Administration Regional Offices are under managers who furnish information as to benefits and obtain data regarding claims, and prepare disability pension, compensation, and death benefits.

Any disability resulting from personal injury or disease contracted in line of duty or an aggravation of a preexisting injury or disease contracted or suffered in line of duty during service is pensionable. This is provided in Public Act 2, Seventy-third Congress (45 Stat. 8), at the rates provided in Veterans Regulation 1 (a), part II, as amended by Public Act 257, Seventh-sixth Congress (53 Stat. 1180), provided the veteran is honorable discharged and his disability is not the fault of his own misconduct. Active service,
including service for training purposes, performed by a Reserve officer or member of the Enlisted Reserves of the U. S. Army, Navy, or Marine Corps, is considered as active military or naval service for the purpose of granting benefits under part II of Veterans. Regulation 1 (a) (Public Act 159, 75th Congress; 50 Stat. 305). ¹

When a person who has served in the armed forces of the United States dies as a result of a disease or injury which was incurred or aggravated by his military service, his widow, child, and dependent parents are entitled to pension under Public Act 2, Seventy-third Congress, approved March 20, 1933. The rates range from $15 a month for one child or one parent to a maximum of $83 a month for a widow with children.

Sources of Funds:

Funds come from direct appropriation of Congress for the purposes set out in the laws governing the Veterans Administration. Also included are investments for the U. S. Government Life Insurance fund and the adjusted service certificate fund; allotments and allowances under the War Risk Insurance Act; and loans on adjusted service certificates and converted insurance policies.

¹ United States Government Manual, Spring 1942, p. 549
B. Old Age Insurance

Old-Age and Survivors Insurance is provided for in Title II of the Social Security Act, as amended. These Old-age and survivors insurance benefits should not be confused with "old-age assistance", which is also provided for in the Social Security Act. Furthermore, the program is the only feature of the act which is exclusively administered by the Federal government and in which the States do not participate.

Under the 1939 amendment, the scope was enlarged to include protection of the family, rather than merely of the wage earner. Through this act, as amended, the Social Security Board is authorized to pay monthly benefits for eligible workers and their wives when they reach age 65, and for surviving widows and children or aged dependent parents of deceased workers, as well as lump-sum payments to specified classes of individuals in the event that there is no persons qualified to receive monthly benefits. Payments of monthly benefits began January 1, 1940. Lump-sum payments were discontinued to those who had reached or were nearing 65 while provisions of the law made it possible for many to qualify for monthly payment. Wage records of workers who had attained age 65 in 1937 and 1938 must show two or more calendar quarters of coverage under the system and those of workers who aged 65 in 1940 must show four quarters of coverage. When an individual who has received a lump-sum payment is deducted from the monthly payments. Death payments based on aggregate wages as provided under the 1935 act continue
to be made to cover workers who died prior to 1940. Under the amended provisions a lump-sum death payment equal to six times the primary benefit amount derived from the worker's taxable wages is payable to certain close relatives with respect to the death of the insured worker after 1939 if there is no survivor eligible for a monthly benefit for the month in which the death occurred; in the absence of relatives or survivors a lump sum, which may not exceed six times the primary benefit, is payable to other persons found entitled to receive it, in the extent which they have paid burial expenses.¹

Monthly benefits provided for in the 1939 amendments are paid eligible workers when they attain age 65, to their aged wives who have attained the age 65, to their unmarried dependent children under 18, their surviving widows, and to widows at any age who have in their care children of the deceased worker who are entitled to children's benefits. If an insured worker leaves no widow or eligible children, monthly benefits are payable to his parents if they are 65 or older and wholly dependent on him at the time of his death. Eligibility depends upon sufficient employment in occupations covered by the amended act to secure insured status.

The primary benefit paid to a retired worker represents an amount equal to (a) 40% of the first $50 of his average monthly wage, plus (b) 10% of the amount by which that average exceeds $50 and does not exceed $250, plus (c) 1% of the sum of (a) and (b) for each year in which the individual has received wages of $200 or more in covered

employment. Monthly payments to an aged wife or a dependent child equal 50% of the primary benefit, while payments to widows are 75% of the primary benefit. The minimum amount payable is $10 a month; the maximum is $85, twice the primary benefit amount, or 80% of the individuals' average monthly wage, whichever is least.¹

Under the existing provision, many gainfully occupied persons who work intermittently in covered and non-covered positions cannot acquire sufficient protection against the risks for which they are entitled to benefits. With the transfer of workers from covered jobs to the armed forces and to defense work, many lose the rights they have already acquired. The present law gives protection to 588,882 in Kansas.

Benefits are paid from the Federal Old-Age and Survivors Insurance Trust Fund, which is accumulated in the United States Treasury from the tax contributions of the workers and their employers. The amendments limit the contribution rate to 2% of taxable payrolls, payable in equal parts by employers and employees, instead of the previously scheduled 3%, which has merely been delayed in reality. The former old-age reserve account was replaced by the Federal old-age and survivors insurance trust fund. In January of 1940 the assets of the old-age reserve account were transferred to the trust fund.

Administrative cost of the system are now financed from the trust fund. Under the 1935 act, administrative expenses were financed out of general revenue.

Amounts in the fund not required for benefit payments or other current withdrawals must be invested in interest-bearing obligations

¹. Ibid.
of the United States or in obligations guaranteed as to interest and principal by the United States. Investments may be made at original issue at par or may be acquired in the open market at the market price.

C. Unemployment Compensation

In respect to unemployment compensation, the Social Security Act is designed to facilitate the enactment administration of unemployment compensation laws by the States. Any state desiring to provide compensation for involuntary unemployment is required to pass laws suited to local conditions and problems. If these laws meet basic standards set forth in chapter 9, subchapter C, of the Internal Revenue Code (formerly contained in title IX of the Social Security Act), they are approved by the Social Security Board.

Under chapter 9, subchapter C, of the Internal Revenue Code, the Treasury, through the Bureau of Internal Revenue, collect a uniform excise tax imposed on employers who have in their employment eight or more workers engaged in covered employments in the United States on any twenty days in a taxable year, each day being in a different week. Since Kansas, and all the other 47 states, has an approved Unemployment Compensation Law, employers are entitled to deduct from their Federal tax 90% of the amounts they have paid as contributions required under State laws to State unemployment compensation funds. Through experience rating, individual employer's contribution rates may be lowered from the standard rate upon the basis of the employer's experience with the risk of unemployment.
To be approved by the Board, a State unemployment compensation law must contain six basic provisions.¹ These include requirements for payment of unemployment compensation through public employment offices or such other agencies as are approved by the Board, collection of contributions for a period of two years before unemployment compensation may be payable, safeguarding a worker's right to benefits even though he refuses new work under certain conditions, and deposit of all contributions, upon collection, in the unemployment trust fund in the United States Treasury.

States having laws which have been approved by the Board receive grants from the Federal government covering proper costs of administering their unemployment Compensation systems. The Bureau of Employment Security certifies to the Board the eligibility of the respective states for administrative grants.

In order to qualify for Unemployment Compensation coverage under the Kansas law, a firm must employ eight or more on twenty days, each within a different week during the calendar year. Certain types of employment are specifically excluded from coverage. This includes agricultural labor, domestic service in a private home, service on a vessel or navigable waters, service for a child or spouse or by a child under twenty-one for a parent; government service; service for nonprofit religious, charitable, scientific, literary, educational, or humane organization, or service with respect to which contributions are required and paid under Unemployment Compensation law of any other state, federal government, or act of Congress.²


². 1939 Supplement, Kansas General Statutes 1935, Chapter 44, Section 703.
Each individual who is totally unemployed in any week is to be paid, after a waiting period of one week, at the rate of 4% of total wages earned during that quarter of his base period in which his wages are highest. He must have earned $200 in four quarters or $100 in two. Benefits may not exceed $15 nor be less than $5 or 6% of total wages earned during that period, whichever is less. If his weekly benefit amount is less than $15 but he is eligible to receive more than $5 in a benefit year, he shall be paid $5 for each week he is eligible until the total amount of credits have been eliminated.

The maximum total amount of benefits paid to any eligible individual during any benefit year is not to exceed 16% of wages he has earned during the base period, but total wages in excess of $375 per calendar quarter are not to be considered. Benefits may be paid sixteen times during the benefit year.

To be eligible for benefits, certain individual requirements must be met by the person desiring such payments. He must file a claim for benefits and be able and available for work. The totally unemployed must serve a waiting period of one week. The unemployment must have occurred within 13 consecutive weeks preceding the week for which he claims benefits and wages must not be less than sixteen times his immediate benefit amount within the first three of the last four completed calendar quarters immediately preceding the first day of his benefit year.¹

In determining disqualifications for benefits, for the week in which the worker left work voluntarily and for not less than one or

¹ 1941 Supplement, General Statutes of Kansas 1935, Chapter 44, Section 705.
more than nine weeks immediately following, he shall not be entitled to receive benefits. Each week of disqualifications is to be charged against the worker's benefit credits as though the benefits had been paid unless he does not file a claim for benefits within six months from his date of voluntary resignation.¹

Additional disqualifications involving the same provisions include discharge for misconduct; failure to apply for and accept suitable work; stoppage of work due to a labor dispute unless he is not participating in or directly interested in the labor dispute; work with respect to which he has received remuneration in the form of dismissal wages, compensation for partial disability, or old-age benefits. The Kansas statutes state that no work is to be considered suitable under the following conditions: vacant due to a strike, lockout, or labor dispute; if remuneration, hours, or other conditions are less favorable to the individual than those prevailing for similar work; or if the individual would be required to join a company union or resign from or refrain from joining a bona fide labor organization.²

Each employer's rate of contribution is 2.7% unless he meets the requirement for merit rating. Contributions under merit rating in Kansas became effective in 1941. The maximum amount charged against any employer may not exceed 16% of wages payable for employment which occurs on and after the first day of the individual base period of $60 per calendar quarter, whichever is less. In order to qualify, an

¹. 1941 Supplement, General Statutes of Kansas 1935, Chapter 44, Section 706.

². Loc. cit.
employer must have been paying contributions for three years. If contributions exceed benefits paid in the past year by seven to ten per cent, his rate is reduced to 1.8%. If his reserve exceeds 10%, his rate is 0.9%. But if his total contributions for all past periods or past sixty months is less than the total benefits charged against his account, he is required to pay the 3.6% rate. No rate less than 2.7% may be allowed unless the total assets of the fund exceed the total benefits within the preceding calendar year. It may not be less than 1.8% unless assets were twice the benefits paid from the fund within the last preceding year.

Source of Funds

The Unemployment Compensation fund consists of contributions collected under the act, fines and penalties, interest earned on moneys in the fund, property or securities acquired through the use of money belonging to the fund, and earnings on property and securities.

Each employer is required to pay 2.7% of the wages he has paid in covered employment unless he is eligible for merit rating, under which his payments may be less. In Kansas, no employee contributions are made. Funds from contributions come solely from employers.

Three accounts are included in the Unemployment Compensation fund: clearing account which is deposited with the United States treasury to the credit of Kansas; a benefit account which is all the money requisitioned from Kansas' account in the Unemployment Trust fund; and the Unemployment Trustfund.¹ Money in the clearing and benefit accounts

¹. 1941 Supplement, General Statutes of Kansas 1935, Chapter 44, Section 715.
may be deposited by the state treasurer in any depository for the general funds of the state. Amounts necessary for the Act are deposited in the benefit account and warrants for payment are charged against them.

Under the Wagner-Peyser Act (45 Stat. 113), the Social Security Board is responsible for the promotion and development of a national system of employment officer for men, women, and juniors legally eligible for employment. The Wagner-Peyser Act provides for grants of Federal funds for State and local public employment offices to match State and local funds made available for the purpose. After the Reorganization Plan No. 1 went into effect, the functions of the United States Employment Service and the Unemployment Compensation functions of the Social Security Board were consolidated.

Payment of Unemployment Compensation benefits must be made solely through public employment offices. Cost of administering the Unemployment Compensation program is met through grants from the Federal government, as provided in Title II, for which no matching is required by the state.

D. Workmen's Compensation

The first Workmen's Compensation law in Kansas was passed in 1911 (Chapter 218, Section 1); another act was established in 1917; and amendments have been made in 1935 (Chapter 44, Section 500), and in 1941 (Chapter 44, Section 101).
The act applies to employment in the following trades and industries: railway, motor transportation line, factories, mine or quarry, electric, building, or engineering work, laundry, natural g's plant, county and municipal work and certain other types in which explosive or inflammable materials are used or there is undue risk. Any employer who elects to come under the act may do so and all employees are included unless they elect not to come under. Every employer entitled to come under is presumed to have done so unless he files with the state Workmen's Compensation Commission a written statement that he does not accept. Likewise, employees eligible to come under are presumed to have done so unless they file a statement to the contrary.

Employers of five or more workmen who have been employed for more than one month at the time of the accident are covered by the act. Compensation is paid for three groups: injured employees, where death results from an injury, and where total permanent disability results. In the case of treatment of injured employees, the employer is required to furnish medical service and supplies to a maximum of $100 within sixty days of the accident. If the employer knows of the injury and refuses to aid, the employee may provide it for himself and the employer will be liable up to the $100, or $500 in special cases as ruled by the Commission.

If a workman leaves dependents wholly dependent on his

1. 1941 Supplement, General Statutes of Kansas 1935, Chapter 44, Section 500.
earnings, a sum equal to three times his average yearly earnings but not exceeding $4,000 nor falling below $2,000 is to be paid.

If he leaves no dependents, compensation may not exceed $750.

If he leaves dependents only partially dependent on his earnings, they will receive an amount in the proportion that his annual contributions to their support during the two years preceding his injury bears to his annual earnings.¹

When permanent disability results, payments of 60% of the average weekly earnings are paid. The minimum is $6 and the maximum $8. The length of compensation is eight years. Where temporary total disability is followed by temporary partial disability, compensation is 60% of the difference between average weekly wages before the accident and the average weekly wages he is earning during temporary partial disability.

Every employer must insure his employees by carrying his own risk and being what is known as a self-insurer, or by insuring with a stock corporation or mutual association authorized to transact workmen's compensation insurance in Kansas.

A workman's right to compensation may be settled by the Commission if no agreement is reached between the employer and employee as to satisfactory terms.

¹ 1941 Supplement, General Statutes of Kansas 1935, Chapter 44, Section 510.
E. Agricultural Adjustment Administration

The Agricultural Adjustment Administration was created to fulfill the provisions of the Agricultural Adjustment Act, approved May 12, 1933 (Public Act 10, Seventy-third Congress; 48 Statutes, 31). Programs carried on by the Administration are authorized by the Agricultural Adjustment Act of 1938, the Soil Conservation and Domestic Allotment Act, the Sugar Act of 1937 and related legislation.

The objective of the Administration is to maintain an ever-normal granary of continuous and stable supplies of basic farm products at prices fair to both farmers and consumers, the conservation of soil resources on individual farms through farmer cooperation, and assistance to farmers in obtaining an equitable share of the national income.¹

All phases of the Agricultural Adjustment Administration program, including commodity loans and crop insurance, which are made available through the Commodity Credit Corporation and the Federal Crop Insurance Corporation, are administered through state committees, composed of from three to five farmers and the state director of extension and county and community committees elected by participating farmers, from among their own number.

Chairmen of AAA state and county committees head defense boards

which the United States Department of Agriculture established in each state and county to correlate farmers' efforts with national defense.

The AAA program has three major parts: the agricultural conservation program, with supplementary parity payments; marketing quotas; and loans on stored crop reserves. The sugar program is closely related to the AAA program. Crop insurance available through the Federal Crop Insurance Corporation for wheat and, beginning in 1942, for cotton, provides additional protection against natural hazards.

Under the agricultural conservation program, national acreage goals for basic crops are established, based on domestic, export, and reserve requirements. The program's provisions permit the increased or decreased production of certain crops according to the national need.

Farmers are encouraged and assisted in producing ample supplies of farm products by payments for seeding main crops within acreage allotments and for carrying out specified practices which restore and conserve the fertility of the soil.

In the present emergency, farmers are growing more vegetables and are using stored feed supplies to produce more meat, dairy products, and other nutritional foods for our own use and that of our allies.

When prices of basic farm products are low and when funds are appropriated for them, parity payments may supplement
conservation payments to help producers obtain returns nearer parity levels.

As a means of stabilizing marketing, quotas may be used by producers in marketing corn and wheat in Kansas, when approved by two-thirds of the producers voting in a referendum on the question. Marketing quotas seek to divide the available market among commercial producers of the particular crop; they are proclaimed only in years when excess supplies exist. For the 1941-1942 marketing year, quotas are in effect on only one major crop of Kansas—wheat.

Loans on agricultural commodities are provided through the Commodity Credit Corporation to enable producers, without financial hardship, to carry over supplies from years of unusually large production to be marketed in years of crop shortage. This is especially true of 1942 products, as many bins have been provided for storing the grain. Supplies of crops are held as collateral for loans. For 1941, loans on basic crops were directed to be made at 85% of parity.¹

The Sugar Division administers the Sugar Act of 1937, which required the Secretary of Agriculture to estimate annually the sugar needs of consumers in the continental United States and to allocate marketing or import quotas to the various sugar-producing areas, domestic and foreign, to meet these requirements.

¹ Parity prices are those prevailing in the period 1910-1941.
Payments are also made to domestic sugarcane and sugarbeet growers who improve the fertility of their land and who qualify under wage, labor, and marketing conditions of the program.

F. Farm Security Administration Loans

The act establishing the grant program also set up the loan program of the Farm Security Administration. It was formerly the Resettlement Administration, but was transferred to the Department of Agriculture December 31, 1936, and the name changed to the Farm Security Administration.

Under Title I of the Bankhead-Jones Farm Tenant Act, the Farm Security Administration is authorized to make loans to competent farm tenants, share-croppers, and farm laborers to enable them to become farm owners. County committees, composed of three farmers appointed by the Secretary of Agriculture, are authorized to examine applications for loans, appraise the farms to be purchased, and recommend applicants who have possibilities of making successful farm owners. Preference is given those who are able to make an initial down payment, or who own livestock and farm implements necessary to carry on farm operations.

For the first three fiscal years of the program ending June 30, 1940, Congress appropriated $75,000,000 for these loans. For the fiscal year ending June 30, 1941, Congress authorized the Reconstruction Finance Corporation to make available to the Farm Security Administration $50,000,000 to be used for tenant purchase
loans. Funds are distributed among the states on the basis of farm population and the prevalence of tenancy.

Under the program of rural rehabilitation, loans are made to destitute and low-income farm families for the purchase of farm supplies, equipment, and livestock needed to get a new start on a sounder basis, for the refinancing of indebtedness, and for family subsistence. Rehabilitation loans are limited to families on or near relief that are unable to get adequate credit from any other source. Each standard loan is accompanied by a farm and home management plan providing for home production of food and feed, diversification of farm enterprises, and crop rotation and soil-conserving practices.

Loans are also made to enable low-income farmers to form small informal cooperatives through which they can jointly own and operate essential farm equipment, technical services, and community facilities.

The Farm Security Administration took over homestead projects from the Resettlement Administration, the Subsistence Homesteads Division of the Department of Interior, the Federal Emergency Relief Administration, and the Rural Rehabilitation Corps of the state.1 The Administration is completing these projects, but does not begin new ones. The projects were intended to help needy rural families escape from the relief rolls and make a new start on land capable of producing a decent living. The homesteaders,

---

1. United States Department of Agriculture, Farm Security Administration, May 1, 1941, p. 25.
in most cases, are families that had become stranded in worn-out areas.

Decent living quarters and sanitary facilities are provided in the Farm Security Administration's labor camps for migratory farm families that live on the highways because of their work as day laborers.

G. Farm Credit Administration

Authority for the organization and activities of the Farm Credit Administration and the institutions operating under its supervision occurs in the Federal Farm Loan Act, approved July 17, 1916, and amendments; the Cooperative Marketing Act, approved July 2, 1926; the Agricultural Marketing Act, approved June 15, 1929, and amendments; section 201 of the Emergency Relief and Construction Act of 1932, approved July 21, 1932; Executive Order Number 6084, dated March 27, 1933; the Emergency Farm Mortgage Act of 1933, approved May 12, 1933; the Farm Credit Act of 1933, approved June 16, 1933; the Federal Farm Mortgage Corporation Act, approved January 21, 1934; the Farm Credit Act of 1935, approved June 3, 1935; the Federal Credit Union Act, approved June 27, 1934; the Farm Credit Act of 1937, approved August 19, 1927; and sundry other resolutions and acts of Congress either amending the preceding or of a temporary character.1 Under the Reorganization Plan Number 1, dated April 25, 1939, the Farm Credit

---

Administration became a part of the United States Department of Agriculture.

For the aid and convenience of farmers, the Farm Credit Administration makes available to farmers both long-term and short-term credit. It also provides credit facilities for farmers' cooperative marketing, purchasing, and business service organizations.

The United States is divided into twelve farm credit districts. In each district there is a Federal Land bank, a Federal Intermediate Credit bank, a Production Credit Corporation, and a Bank for Cooperatives. All four district organizations are located in the same city in each district. For each district there is also a Farm Credit Board, the members of which are ex officio directors of each of the four credit organizations in that district. Each separate organization has its own officers.

Activities of the four institutions in a district are coordinated through the Farm Credit Board and an executive called the general agent, who acts as joint officer for the four units.

Federal Land Banks

The twelve Federal Land banks, one in each district, were established under authority of the Federal Farm Loan Act of 1916 to make long-term loans upon first mortgages on farm lands and to issue farm loan bonds. Federal Land Bank loans are long-term, low-interest-rate, amortized loans made to persons who give as security first mortgages on their farms and who agree to repay the
loans in annual or semi-annual installments. The amount loaned may not exceed fifty per cent of the appraised normal value of the land offered as security, plus twenty per cent of the appraised value of the permanent, insured improvements. A borrower from a Federal Land bank is required to purchase stock in an amount equal to five per cent of his loan in either the bank or the local national farm loan association. When the loan is repaid, the stock is repaid.

Land Bank loans are financed principally from the sale of consolidated Federal Farm Loan bonds to the investing public.

Land Bank Commissioner Loans

The Land Bank Commissioner is authorized by the Emergency Farm Mortgage Act of May 12, 1933 (Public Act 10, 73rd Congress), to make farm mortgage loans of a more or less emergency nature, separate and distinct from Federal Land Bank loans. These loans cannot exceed $7,500 to any one farmer. The amount of the loan, plus all prior debts secured by the farm property covered by the mortgage securing the Commissioner loan, cannot exceed seventy-five per cent of the appraised normal value of such farm property.

Commissioner loans may be made for the same purposes as land bank loans and to refinance indebtedness in connection with Chapter VIII of the Bankruptcy Act.¹

Funds for making these loans are furnished by the Federal Farm Mortgage Corporation under authority of the Emergency Farm

¹. Farm Credit Administration, Annual Report, 1940, p. 51.
Mortgage Act of 1933 and of the Federal Farm Mortgage Corporation Act, approved January 31, 1934 (Public Act 86, 73rd Congress). ¹

**Federal Intermediate Credit Banks**

The twelve Federal Intermediate Credit banks, one in each farm credit district office, were authorized by the Agricultural Credit Act of 1923 (Public Act 503, 67th Congress), approved March 4, 1923. They make loans to, and discount paper for, production credit association, the banks for cooperatives, state and national banks, agricultural credit corporations, livestock loan companies, and similar financing institutions.

Funds for lending purposes are obtained primarily through sales to the investing public of short-term consolidated collateral trust debentures which are not guaranteed by the government.

**Production Credit Corporations and Associations**

The Farm Credit Act of 1933 authorized the establishment of twelve production credit corporations, one in each Farm Credit district office, and local production credit associations. The system was established to provide credit for all types of farm and ranch operations.

No loans are made for less than fifty dollars and they usually do not exceed a year in length. The unpaid balance of certain types

---

of loans may be renewed if the credit factors are satisfactory.

Local production credit associations, which are cooperative organizations of farmers and stockmen, make and collect the loans. The associations are supervised generally and capitalized partially by production credit corporations. All voting stock in a production credit association is owned by its member-borrowers who elect the directors from their number at their annual stockholders' meeting. Each stockholder has one vote regardless of the number of shares he owns.

Banks for Cooperatives

The Central Bank for Cooperatives and the twelve district banks for cooperatives were organized and chartered by the Governor of the Farm Credit Administration under authority of the Farm Credit Act of 1933.

The Central Bank for Cooperatives generally serves national and large regional cooperatives, and district banks for cooperatives, located in each of the twelve farm credit district offices serve associations in their areas.

The banks for cooperatives were established to provide a permanent source of credit on a sound business basis to farmers' cooperative associations.

To be eligible to borrow from a bank for cooperatives, a cooperative must be an association in which farmers act together in marketing farm products, purchasing farm supplies, and furnishing
farm business services and must meet the requirements set forth in the Farm Credit Act of 1933, as amended.

Emergency Crop and Feed Loans

Emergency crop and feed loans are made only to applicants who are unable to obtain from other sources loans in amounts reasonably adequate to meet their needs. Farmers who have adequate security ordinarily are able to obtain funds from local production credit associations, banks, and individuals.

Regulations were established in the act of Congress approved January 29, 1937 (50 Statutes, 6), and in the joint resolution of Congress approved February 4, 1938 (Public Resolution 78, 75th Congress). Not more than $400 may be lent in any one year and preference is to be given applicants whose cash requirements are small.

Source of Funds

In 1917, Congress provided the initial funds for the Land Banks to function, with the provision that as the national farm loan associations purchased stock in them a part was to be used to retire the government's holdings.

A revolving fund originally amounting to $500,000,000 was made available to the Federal Farm Board for making loans to farmers' cooperative associations on May 27, 1933. The provision was made that as the national farm loan associations purchased
stock in the Federal Land Banks, a part was to be used to retire the government's holdings. In 1917, Congress provided the initial funds for the land banks to function. Under an amendment to the Federal Farm Loan Act, approved January 23, 1932, the Secretary of the Treasury subscribed to $125,000,000 of capital stock in the Federal Land banks. This stock is to be retired as the national farm associations purchase stock in the land banks. All repayments on account of this stock are to be held in the United States Treasury as a revolving fund.

The Agricultural Marketing Act of June 15, 1929, authorized the establishment of a revolving fund of $500,000,000 for the use of the Federal Farm Board in making loans to farmers' cooperative associations. By the executive order establishing the Farm Credit Administration, the administration of the remaining balance of this fund was transferred to the Farm Credit Administration.

H. Rural Electrification Administration

The Rural Electrification Administration was created by Executive Order Number 7037 of May 11, 1935, under authority of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935. Statutory provision for an agency of the same name was made in the Rural Electrification Act, approved May 20, 1936. Transfer to the Department of Agriculture was provided by Reorganization Plan Number 2, effective July 1, 1939.

The Rural Electrification Administration makes no grants.
It may lend the entire cost of building rural electric distribution systems if conditions merit it. Loans must be amortized over a period of twenty-five years, must be self-liquidating within the period, and must be reasonably secured.

Loans may be made to finance the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. Loans for plumbing appliances and equipment may cover a complete water pressure system for homes and farm buildings.

Those eligible for loans to finance the construction and operation of rural electric systems are persons, corporations, and public bodies, and cooperative, nonprofit, or limited dividend associations. No loans are made directly to the consumer for wiring and plumbing appliances.

On applying, if a project is found acceptable, funds sufficient for its construction are allotted. As soon as a note of other obligation and its security is delivered to the government, a first advance of funds is made.

The Rural Electrification Administration is contributing to the war effort by means of eight hundred cooperative and other rural power systems and it maintains mobile generating plants on trailers in order to set up emergency power sources on a few minutes notice.

Sources of Funds

The Rural Electrification Administration act of 1936 provided for a ten year program totalling $400,000,000, or $40,000,000 a
year. The loan fund was increased to $140,000,000 in the fiscal year ending June 30, 1939, and to $100,000,000 for the fiscal year ending June 30, 1941, and for the fiscal year ending June 30, 1942. All but $40,000,000 of the fiscal 1939 loan funds, and all the fiscal 1941 and 1942 loan funds, consisted of Reconstruction Finance Corporation money. For the fiscal year ending June 30, 1942, Congress has made available $100,000,000 of Reconstruction Finance Corporation funds.

Half of the money available each year is to be allocated for loans in the various states in the proportion which the number of farms not then receiving central station electric service bears to the total number of farms in the United States not then receiving such service. The other half of the annual sums is available for loans without allocation, except that not more than ten per cent of the unallocated amount may be lent in any one state or in all the territories.

I. Federal Home Loan Bank Board

The Federal Home Loan Bank Board and the activities under its control are provided for in the Federal Home Loan Bank Act, approved July 22, 1932; the Home Owners' Loan Act of 1933, approved June 13, 1933; and Title IV of the National Housing Act, approved June 27, 1934, together with amendatory acts of Congress, approved April 27, 1934, May 28, 1935, February 3, 1938,
August 10, 1939, August 11, 1939, and March 28, 1941.¹

The Federal Home Loan Bank Board is a supervisory body which was created to charter and supervise Federal Home Loan banks; to charter and supervise Federal Savings and Loan Associations; to create and operate the Home Owners' Loan Corporations; and to operate the Federal Savings and Loan Insurance Corporation.

The board consists of five members appointed by the President by and with the consent of the Senate. Members also serve the Federal Savings and Loan Insurance Corporation as trustees and are the Board of Directors of the Home Owners Loan Corporation.

The expenses of the Board are paid by assessments against Federal Home Loan Banks and against institutions examined by its examining Directors, as well as against other institutions under its supervision.

Federal Home Loan Bank System

The Federal Home Loan Bank Board was created by authority of the Federal Home Loan Bank Act, approved July 22, 1932. It has since been amended. The purpose of the system is to provide a credit reserve for the thrift and home-financing institutions of the United States.

There are twelve regional banks and districts may be readjusted from time to time.

Member institutions are building and loan, savings and loan, and homestead associations, savings and cooperative banks, and insurance companies. Every Federal savings and loan association must become a member of its regional Federal home loan bank.

The System provides credit to members at low interest rates. To become a member, an institution must subscribe to stock equal to one per cent of the aggregate unpaid principal of its home-mortgage loans, but not less than $500. The Federal home loan banks grant short and long-term advances to members. The total amount may not exceed twelve times the amount paid in by the member on its capital-stock subscription. Members whose creditor liabilities, exclusive of advances from a Federal home loan bank, do not exceed five per cent of their net assets, may borrow from their Federal home loan bank for one year terms.

Any bank may issue bonds, debentures, and other obligations when permitted by the Federal Home Loan Bank Board.

The capital stock of the Federal home loan banks is owned by institutions which have been accepted into membership, and by the United States. The Federal home loan banks may obtain other loanable funds through deposits accepted from member institutions, and from other Federal home loan banks, as well as by borrowing money through the issuance of bonds, debentures, or other obligations. The Secretary of the Treasury, in behalf of the United States, subscribed and paid from $124,741,000 in the stock of the twelve Federal Home Loan banks, which has since been acquired by the Reconstruction Finance Corporation.
Federal Savings and Loan Associations

The Federal savings and loan associations were provided for by section five of the Home Owners' Loan Act of 1933, 1935, and 1939.

The purpose of the Federal savings and loan associations is to provide local mutual thrift and home-financing institutions in which people can invest their funds, and to provide for sound and economical home financing.

They are incorporated by Federal law, and charters are issued by the Federal Home Loan Bank Board. They may be organized by petition of private citizens for a charter or by application of state-chartered member institutions of the Federal home loan banks.

The Federal Home Loan Bank Board supervises Federal savings and loan associations through the Federal home loan bank. Each association is required to become a member of the Federal home loan bank of the district in which the association is located. It must insure its customers accounts through the Federal Savings and Loan Insurance Corporation. The associations are owned by local members who are investors.

Associations cannot borrow in excess of fifty per cent of their share capital, and only amounts not exceeding ten per cent of share capital can be obtained from sources other than Federal home loan banks. Funds are loaned in amounts not exceeding $20,000 upon the security of first mortgage loans on homes or combinations of homes and business properties located within
fifty miles of the association's home office. They are repayable over a period of twenty years; fifteen per cent of the assets may be loaned on a first mortgage security without regard to individual limitation or the fifty mile limit.

Sources of Funds

Investors in an association hold share accounts. The aggregate of payments on all share accounts and dividends credited to them, less repurchases and redemptions, comprise the share capital of the association. Dividends vary with earnings and are paid to the accounts of investors.

Federal Savings and Loan Insurance Corporation

The Federal Savings and Loan Insurance Corporation was created by Title IV of the National Housing Act, approved June 27, 1934. This act was further amended by an Act to Amend the National Housing Act approved February 3, 1938.¹

The Corporation was created to insure the safety of savings in thrift and home-financing institutions. It operates through a board of trustees composed of five members which serves in Washington. Officers of the twelve home loan banks serve as regional agents. Any insured institution, except a Federal savings and loan association may voluntarily terminate insurance upon not less than ninety days' written notice to the Corporation. At the expiration of ninety days, all insurance and insurance

---

rights of investors ceases. Premium charges must be paid for three years after termination.

Sources of Funds

All costs of insurance are paid by the institution insured. The amount of each annual premium is equal to one-eighth of one per cent of the aggregate of accounts of an insurable type, plus all creditor obligations. A reserve fund is established out of earnings and when this fund equals five per cent of the total amount of uninsured accounts and creditor obligations of all insured institutions, regular annual premiums will be suspended.

Capital in the amount of $100,000,000 was obtained by the sale of Corporation stock to Home Owners' Loan Corporation. Funds for reserves, totaling 31,421,873 on October 31, 1941 are obtained from premiums paid by insured institutions, earnings from investments, and admission fees. Operation expenses are paid from the interest on the invested reserves. Additional funds may be obtained by the issuance of notes, bonds, or debentures.

Home Owners Loan Corporation

The Home Owners Loan Corporation is an emergency relief agency of the Federal government, created by the Home Owners Loan Act of 1933, approved on June 13, 1933. This legislation
has been amended by an act of Congress approved April 27, 1934; by the National Housing Act, approved June 27, 1934; by an act of Congress approved May 28, 1935; by an Act to Amend the Social Security Act approved August 10, 1939; and by an act of Congress approved August 11, 1939.¹

The Home Owners Loan Corporation grants long-term mortgage loans, at low interest rates, to those in need of funds to protect, preserve, or recover their homes. The majority of the loans enabled home owners to refinance their homes and save them from foreclosure.

The Corporation is administered by a board of five directors, consisting of the members of the Federal Home Loan Bank Board. Regional and field offices carry on the operations.

The Corporation lent funds from 1933 to June 12, 1936. During the period it loaned to 1,017,824 borrowers in the amount of $3,903,451,321.

Loans were made on the security of homes, designed for not more than four families, valued at not more than $20,000. Loans were made up to eighty per cent of the appraised value. They may be retired as rapidly as the home owner desires.

Lapse of payment by the home owner of his property taxes or insurance premiums places a loan in default. If the Corporation advances taxes on the fire insurance premiums in order to protect its interest, the advance is added to the amount of the loan. If the loan cannot be repaid, the Corporation may institute foreclosure.

proceedings or accept a deed in place of foreclosure. All real properties acquired are then subject to local and state taxation.

Sources of Funds

The Corporation has capital stock fully paid for by the Secretary of the Treasury to an amount of $200,000,000. Its lending program was financed primarily through the issuance of bonds. It could issue up to $4,750,000,000 in bonds and could increase this bond issue to retire its outstanding bonds to the extent of the amount of bonds to be retired.

Through the amortization of its loans and the sale of its properties, the Corporation has been steadily realizing on its assets. The highest net bond liability was $3,047,046,575 in May 1936. In 1941, outstanding bonds amounted to two and one-half billion.

The Corporation may purchase Federal home loan bank obligations and may purchase full-paid-income shares of Federal savings and loan associations. It may also purchase shares in institutions which are members of Federal home loan bank or whose accounts are insured by the Federal Savings and Loan Insurance Corporation. For these purposes, $300,000,000 of the authorized bond issue was made available. On November 30, 1941, the Corporation had $174,986,060 outstanding in these shares. An additional $100,000,000 has been used for the purchase of the capital stock of the Federal Savings and Loan Insurance Corporation.
J. Reconstruction Finance Corporation

The Reconstruction Finance Corporation was established by authority of Public Act, Number 2, Seventy-second Congress, approved January 22, 1932. It was organized on February 2, 1932 and began operation on that date.¹

Functions of the corporation are to aid the government in its national defense program; to provide emergency financing facilities for financing institutions; to aid in financing agriculture, commerce, and industry, to purchase preferred stock, capital notes, or debentures of banks, trust companies, and insurance companies, to purchase nonassessable stock, capital notes, or debentures of national mortgage associations, mortgage loan companies, saving and loan associations, and other similar financial institutions; and to make loans.²

Management rests in a board of five directors appointed by the president by and with the consent of the Senate. The corporation functions through a principal office at Washington, special representative and loan agencies located in cities. Federal Reserve banks act as depositories, custodians, and fiscal agents for the corporation.

² Ibid., p. 393.
Source of Funds

The capital stock of the corporation was fixed by section two of the Reconstruction Finance Corporation Act at $500,000,000, all of which was subscribed by the Secretary of the Treasury on behalf of the government on February 2, 1932. The entire capital stock has been paid in by the Secretary of the Treasury. Pursuant to the provisions of Section two of the Reconstruction Finance Corporation Act, as amended by an act of Congress approved June 25, 1940, the Corporation retired $175,000,000 of its capital stock at par.

K. Additional Agencies

In addition to these various programs, mention should be made of other agencies which contribute to the public welfare. The Civil Service Commission began, with the Retirement Act of 1920, to establish a fund for the payment of pensions after reaching the prescribed retirement age. This plan is very similar to the Unemployment Compensation set-up and although records are not available on how much goes to Kansas residents, it provides its employees with a source of revenue in their later years. Similar to it is the Railroad Retirement Act which has been in force since 1939. It makes possible the payment of annuities to individuals who are sixty-five and meet certain other provisions. The Railroad Unemployment Insurance Act compares with the Unemployment Compensation plan. In 1941, funds were transferred
from the state Unemployment Compensation Trust Fund to the Railroad Unemployment Insurance account in the amount of $2,724,508.29 to be used for the payment of benefits to railroad workers. Although a relatively insignificant part of the total, these two agencies are extremely beneficial to those eligible for aid under them.
Note: Sources listed in this bibliography consist of statistical reports of the various agencies covered in the study. Data are given on operations and activities.


Research Department, Kansas Legislative Council, Assessment of Real Estate in Kansas. Topeka, Research Department, 1940. 53pp. (Bulletin No. 99)


Federal Works Agency, Work Projects Administration.


### TABLE I

**TOTAL AMOUNT OF EXPENDITURES IN KANSAS FOR WELFARE PURPOSES AND THE NUMBER OF PERSONS RECEIVING SUCH FUNDS**

*For the Fiscal Years 1938 - 1941 Inclusive*

#### PROGRAMS

<table>
<thead>
<tr>
<th></th>
<th>1938-1939</th>
<th>1939-1940</th>
<th>1940-1941</th>
<th>Number of Persons or Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grants for Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Age Assistance</td>
<td>$2,755,848 (1)</td>
<td>$5,019,083 (1)</td>
<td>$6,555,000 (1)</td>
<td>13,146 (26)</td>
</tr>
<tr>
<td>Aid to Blind</td>
<td>99,100 (1)</td>
<td>255,419 (1)</td>
<td>255,000 (1)</td>
<td>340,000 (1)</td>
</tr>
<tr>
<td>Aid to Dependent Children</td>
<td>668,144 (1)</td>
<td>1,754,619 (1)</td>
<td>2,897,096 (1)</td>
<td>5,531,359 (1)</td>
</tr>
<tr>
<td>General Assistance</td>
<td>2,876,420 (1)</td>
<td>3,721,421 (1)</td>
<td>4,857,059 (1)</td>
<td>5,531,359 (1)</td>
</tr>
<tr>
<td>Commodities</td>
<td>210,366 (2)</td>
<td>2,876,147 (2)</td>
<td>3,863,760 (2)</td>
<td>3,464,182 (2)</td>
</tr>
<tr>
<td>Administration and Special Activities of Above Programs</td>
<td>1,713,552 (3)</td>
<td>2,082,254 (3)</td>
<td>1,999,952 (3)</td>
<td>8,089,659 (3)</td>
</tr>
<tr>
<td>Farm Security Administration Grants</td>
<td>1,485,799 (4)</td>
<td>677,000 (4)</td>
<td>778,000 (4)</td>
<td>348,000 (4)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>11,919,314</td>
<td>16,290,033</td>
<td>18,486,769</td>
<td>20,596,113</td>
</tr>
<tr>
<td><strong>Expenditures for Federal Work Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Projects Administration</td>
<td>17,903,462 (5)</td>
<td>27,458,677 (5)</td>
<td>22,897,627 (5)</td>
<td>4,361,520 (5)</td>
</tr>
<tr>
<td>Civilian Conservation Corps</td>
<td>3,016,936 (6)</td>
<td>3,110,000 (6)</td>
<td>3,063,000 (6)</td>
<td>2,604,000 (6)</td>
</tr>
<tr>
<td>National Youth Administration</td>
<td>1,456,721 (7)</td>
<td>1,456,721 (7)</td>
<td>1,456,721 (7)</td>
<td>1,456,721 (7)</td>
</tr>
<tr>
<td>Student Work Program</td>
<td>5,896,166 (8)</td>
<td>10,071,073 (8)</td>
<td>10,322,173 (8)</td>
<td>2,016,465 (8)</td>
</tr>
<tr>
<td>Out-of-School Work Program</td>
<td>1,701,282 (9)</td>
<td>1,815,444 (9)</td>
<td>1,297,538 (9)</td>
<td>1,111,264 (9)</td>
</tr>
<tr>
<td>Payments by Sponsors</td>
<td>1,023,410 (10)</td>
<td>1,023,410 (10)</td>
<td>1,023,410 (10)</td>
<td>1,023,410 (10)</td>
</tr>
<tr>
<td><strong>Public Works Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Roads Administration</strong></td>
<td>1,701,282 (9)</td>
<td>1,815,444 (9)</td>
<td>1,297,538 (9)</td>
<td>1,111,264 (9)</td>
</tr>
<tr>
<td><strong>Public Buildings Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>29,725,885</td>
<td>44,519,616</td>
<td>39,854,790</td>
<td>31,167,818</td>
</tr>
<tr>
<td><strong>Rights Established by Service or Payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veteran Bonuses</td>
<td>9,467,254 (11)</td>
<td>9,019,729 (11)</td>
<td>8,682,656 (11)</td>
<td>6,441,987 (11)</td>
</tr>
<tr>
<td>Old Age Insurance</td>
<td>46,087 (12)</td>
<td>104,945 (12)</td>
<td>192,400 (12)</td>
<td>742,992 (12)</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>131,195 (13)</td>
<td>1,952,179 (13)</td>
<td>2,478,367 (13)</td>
<td>2,593,631 (13)</td>
</tr>
<tr>
<td>Workmen's Compensation</td>
<td>827,661 (14)</td>
<td>1,986,042 (14)</td>
<td>24,633 (14)</td>
<td>5,000 (14)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>10,478,337</td>
<td>11,096,697</td>
<td>11,579,566</td>
<td>11,483,211</td>
</tr>
<tr>
<td><strong>Direct Aid Through Institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutions Under Board of Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational Institutions</td>
<td>71,144 (15)</td>
<td>70,204 (15)</td>
<td>69,977 (15)</td>
<td>64,950 (15)</td>
</tr>
<tr>
<td>School for Blind</td>
<td>115,546 (16)</td>
<td>114,958 (16)</td>
<td>106,328 (16)</td>
<td>107,950 (15)</td>
</tr>
<tr>
<td>Kansas Vocational School</td>
<td>97,640 (17)</td>
<td>97,640 (17)</td>
<td>97,640 (17)</td>
<td>97,640 (17)</td>
</tr>
<tr>
<td>Patriotic Institutions</td>
<td>38,330 (18)</td>
<td>38,330 (18)</td>
<td>38,330 (18)</td>
<td>38,330 (18)</td>
</tr>
<tr>
<td>Mother Bickerdyke Home</td>
<td>146,110 (19)</td>
<td>146,110 (19)</td>
<td>146,110 (19)</td>
<td>146,110 (19)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>10,495,676</td>
<td>11,096,697</td>
<td>11,579,566</td>
<td>11,483,211</td>
</tr>
<tr>
<td>Institutions Under State Department of Social Welfare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topeka State Hospital</td>
<td>397,965 (20)</td>
<td>441,674 (20)</td>
<td>361,465 (20)</td>
<td>300,000 (18)</td>
</tr>
<tr>
<td>Oawatamic State Hospital</td>
<td>366,166 (21)</td>
<td>360,669 (21)</td>
<td>363,139 (21)</td>
<td>315,000 (18)</td>
</tr>
<tr>
<td>Lamar State Hospital</td>
<td>830,342 (22)</td>
<td>276,792 (22)</td>
<td>261,158 (22)</td>
<td>215,000 (18)</td>
</tr>
<tr>
<td>State Hospital for Epileptics</td>
<td>218,089 (23)</td>
<td>220,639 (23)</td>
<td>207,838 (23)</td>
<td>200,000 (18)</td>
</tr>
<tr>
<td>State Training School</td>
<td>196,438 (24)</td>
<td>200,641 (24)</td>
<td>314,955 (24)</td>
<td>195,000 (18)</td>
</tr>
<tr>
<td>State Sanatorium for Tuberculosis</td>
<td>473,992 (25)</td>
<td>430,866 (25)</td>
<td>346,490 (25)</td>
<td>190,000 (18)</td>
</tr>
<tr>
<td>State Orphans Home</td>
<td>101,438 (26)</td>
<td>94,664 (26)</td>
<td>90,325 (26)</td>
<td>95,800 (18)</td>
</tr>
<tr>
<td>Boys Industrial School</td>
<td>138,399 (27)</td>
<td>138,083 (27)</td>
<td>163,869 (27)</td>
<td>120,000 (18)</td>
</tr>
<tr>
<td>Girls Industrial School</td>
<td>74,900 (28)</td>
<td>74,900 (28)</td>
<td>77,158 (28)</td>
<td>77,000 (18)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>2,261,502</td>
<td>2,342,314</td>
<td>2,806,945</td>
<td>1,717,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,977,178</td>
<td>3,731,113</td>
<td>3,497,807</td>
<td>2,836,650</td>
</tr>
</tbody>
</table>

(for footnotes see pages following table)
TABLE I (Continued)

TOTAL AMOUNT OF EXPENDITURES IN KANSAS FOR WELFARE PURPOSES
AND THE NUMBER OF PERSONS RECEIVING SUCH FUND
(For the Fiscal Years 1938 - 1941, Inclusive)

<table>
<thead>
<tr>
<th>EDUCATION AND HEALTH GRANTS</th>
<th>Expenditures</th>
<th>Number of Persons or Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Vocational Education and Rehabilitation</td>
<td>$316,170(19)</td>
<td>$416,016(19)</td>
</tr>
<tr>
<td>Public Health</td>
<td>0(20)</td>
<td>0(20)</td>
</tr>
<tr>
<td>Office of Education</td>
<td>60(21)</td>
<td>0(21)</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>316,170</td>
<td>416,016</td>
</tr>
<tr>
<td>REGULATION GRANTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural Adjustment Administration</td>
<td>17,208,000(22)</td>
<td>29,677,000(22)</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>17,208,000</td>
<td>29,677,000</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>73,562,943</td>
<td>105,630,235</td>
</tr>
</tbody>
</table>

FEDERAL AGENCIES GRANTING LOANS

<table>
<thead>
<tr>
<th></th>
<th>Expenditures</th>
<th>Number of Persons or Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Security Administration</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Farm Credit Administration (Outstanding)</td>
<td>288,936,979(54)</td>
<td>228,962,767(54)</td>
</tr>
<tr>
<td>Rural Electrification Administration</td>
<td>808,500(55)</td>
<td>3,200,000(55)</td>
</tr>
<tr>
<td>Federal Home Loan Bank Board</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Reconstruction Finance Corporation</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Outstaning</td>
<td>8,497,436(57)</td>
<td>5,064,889(57)</td>
</tr>
<tr>
<td>Lest</td>
<td>145,149(57)</td>
<td>354,055(57)</td>
</tr>
<tr>
<td>Total for Loan Programs</td>
<td>290,077,758</td>
<td>238,615,338</td>
</tr>
</tbody>
</table>

(For footnotes see pages following table.)
## TABLE II

**SOURCE AND AMOUNT OF FUNDS EXPENDED FOR PUBLIC WELFARE IN KANSAS, BY TYPE OF PROGRAM**

(For the Fiscal Years 1938 - 1941, Inclusive)

<table>
<thead>
<tr>
<th>Grants for Assistance</th>
<th>July 1, 1937 to June 30, 1939</th>
<th>July 1, 1939 to June 30, 1939</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
<td><strong>State</strong></td>
<td><strong>Local</strong></td>
</tr>
<tr>
<td>$8,330,130</td>
<td>$1,661,564</td>
<td>20.8</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$11,919,314</td>
<td>$5,870,768</td>
<td>2,059,504</td>
</tr>
</tbody>
</table>

**Expenditures for Federal Work Programs**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Projects Administration</td>
<td>$17,903,462</td>
</tr>
<tr>
<td>Civilian Conservation Corps</td>
<td>$3,018,936</td>
</tr>
<tr>
<td>National Youth Administration</td>
<td>$1,218,049</td>
</tr>
<tr>
<td>Public Works Administration</td>
<td>$5,896,166</td>
</tr>
<tr>
<td>Public Roads Administration</td>
<td>$1,701,282</td>
</tr>
</tbody>
</table>

**Grants Established by Service or Payment**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans' Benefits</td>
<td>$9,467,254</td>
</tr>
<tr>
<td>Old Age Insurance</td>
<td>$46,877</td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>$131,195</td>
</tr>
<tr>
<td>Workmen's Compensation</td>
<td>$827,061</td>
</tr>
</tbody>
</table>

**Direct Aid Through Institutions**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions Under Social Welfare Board</td>
<td>$2,281,502</td>
</tr>
<tr>
<td>Educational Institutions</td>
<td>$261,330</td>
</tr>
<tr>
<td>Patriotic Institutions</td>
<td>$198,440</td>
</tr>
<tr>
<td>Total Institutions</td>
<td>$1,055,906</td>
</tr>
</tbody>
</table>

**Education and Health Grants**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Vocational Education and Rehabilitation</td>
<td>$316,170</td>
</tr>
<tr>
<td>Office of Education</td>
<td>$59</td>
</tr>
</tbody>
</table>

**Regulation Grants**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Adjustment Administration</td>
<td>$17,358,000</td>
</tr>
</tbody>
</table>

**FEDERAL AGENCIES GRANTING LOANS**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Security Administration</td>
<td>$228,936,979</td>
</tr>
<tr>
<td>Farm Credit Administration</td>
<td>$228,936,979</td>
</tr>
<tr>
<td>Rural Electrification Administration</td>
<td>$2,572,463</td>
</tr>
<tr>
<td>Reconstruction Finance Corporation</td>
<td>$5,497,456</td>
</tr>
<tr>
<td>Total for Loan Programs</td>
<td>$293,077,258</td>
</tr>
</tbody>
</table>

(For footnotes see pages following table.)
TABLE II (Continued)

SOURCE AND AMOUNT OF FUNDS EXPENDED FOR PUBLIC WELFARE
BY TYPE OF PROGRAM
(For the Fiscal Year 1939 - 1941, Inclusive)

<table>
<thead>
<tr>
<th>Grants for Assistance</th>
<th>July 1, 1939 to June 30, 1940</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>$14,530,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>General Assistance</td>
<td>3,363,760</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Farm Security</td>
<td>776,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>18,666,764</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures for Federal Work Programs</th>
<th>July 1, 1940 to June 30, 1941</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Projects Administration</td>
<td>28,977,672</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Civilian Conservation Corps</td>
<td>5,065,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>National Youth Administration</td>
<td>10,382,175</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Public Roads Administration</td>
<td>1,979,588</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Public Buildings Administration</td>
<td>396,090</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>39,834,705</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rights Established by Service or Payments</th>
<th>July 1, 1940 to June 30, 1941</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans Pensions</td>
<td>8,892,656</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Old Age Insurance</td>
<td>190,400</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>8,472,267</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Workmen's Compensation</td>
<td>26,826</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>11,579,956</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Aid Through Institutions</th>
<th>July 1, 1939 to June 30, 1940</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions Under Social Welfare Board</td>
<td>2,806,945</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Institutions Under Board of Admin.</td>
<td>222,530</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Educational Institutions</td>
<td>184,518</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Patriotic Institutions</td>
<td>866,809</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>3,497,207</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education and Health Grants</th>
<th>July 1, 1939 to June 30, 1940</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Vocational Education and</td>
<td>846,090</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>58,116</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>398,836</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population Grants</th>
<th>July 1, 1939 to June 30, 1940</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Adjustment Administration</td>
<td>36,941,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>36,941,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal Agencies Granting Loans</th>
<th>July 1, 1939 to June 30, 1940</th>
<th>% Federal</th>
<th>% State</th>
<th>% Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Security Administration</td>
<td>223,945,780</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Rural Electrification</td>
<td>2,072,463</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Federal Housing Loan Bank Board</td>
<td>3,396,000</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Reconstruction Finance Corporation</td>
<td>4,961,259</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>264,264,925</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

(For footnotes see pages following table.)
FOOTNOTES FOR TABLE I


2. Figures obtained from data in Social Welfare Experience in Kansas, 1938-1940, and supplementary data furnished by State Department of Social Welfare. Amounts obtained by dividing total amount allotted for calendar year into equal parts and adding the amounts for each half year to obtain total for fiscal year. Source: Social Welfare Experience in Kansas, 1938-1940, Table I, and supplementary table for 1941.


4. Data represent the net amount of grant vouchers certified during the month. Figures for 1938 from Annual Report of the Secretary of the Treasury on the State of the Finances, 1938, p. 657, Table 85; 1939, Annual Report, 1938, p. 276, Table 3-3; 1940, Annual Report, 1939, p. 130, Table 3-1; 1941, Annual Report, 1940, p. 184, Table 3-1.


6. Amount is estimated by 0.60 by multiplying average monthly number of persons enrolled by average amount estimated for that period. Source: 1938 figures from Public Assistance, January, 1940, p. 14, Table 10; 1939, Fourth Annual Report, Social Security.
7. Data from the National Youth Administration state office, Topeka, Kansas. Student work figure includes total funds provided for the student work program. Out-of-school work program total includes Federal funds provided and cost of administration. Administration of school work program is done by school authorities within the state. Payments by sponsors is value of sponsors' contributions in kind.

8. Except for the year 1940, the amount of the Federal grant was taken to constitute 45% of the total cost. By computation, the amount necessary to constitute the 55% of the cost borne by the sponsors was determined. Therefore, the local governments' share in 1938, 1939, and 1941 is likely to be overestimated. Sources of grants: 1938, Annual Report of the Secretary of the Treasury on the State of the Finances, 1938, p. 557, Table 59; 1939, Annual Report of the Secretary of the Treasury, 1939, p. 523, Table 51; 1940, First Annual Report, Federal Works Agency, p. 251, Table 5; 1941, Second Annual Report, Federal Works Agency, p. 318, Table 11.

9. Figures include total of Federal emergency relief expenditures exclusive of regular Federal-aid. Source: 1938, Budget of the State of Kansas, 1940-1941, p. 231; 1939-1940, Budget of the State of Kansas, 1942-1943, p. 207; 1941 figure is the sum of money advanced to Kansas for the work program, secondary roads, and grade crossings as found in Second Annual Report, Federal Works Agency, p. 268, Table 9.


12. Totals for 1938 and 1939 secured by adding benefits paid for lump sum payments by quarters to obtain the fiscal year sum. 1941 total does not include lump sums paid under the 1935 amendments, which were small. Source: 1938 and 1939, Social Security Yearbook, 1939, p. 47, Table 5; 1940 and 1941 secured from letter of Merrill G. Murray, Assistant Director, Bureau of Old Age Insurance, Washington, D.C. and contain monthly benefits and lump sum payments.
13. Figures include disbursements from the unemployment compensation trust fund and grants certified for administration of unemployment compensation under Title III of the Social Security Act and the Wagner-Peyser Act. Final figure obtained by adding the two amounts given in separate tables. Sources: 1938, Fourth Annual Report, Social Security Board, p. 201, Table A-5. This includes only amount allotted for administration as no benefits were paid. 1939, Fourth Annual Report, 1939, p. 262, Table C-16; p. 201, Table A-5; 1940, Fifth Annual Report, p. 164, Table A-5; p. 166, Table C-9; 1941, Sixth Annual Report, p. 182, Table C-2; p. 192, Table C-13.

14. Total includes amount paid for medical care and compensation plus administration expenditures. Figures for 1939, 1940, and 1941 are only administrative expenditures as appropriated and disbursed by the state of Kansas and the Workmen's Compensation Commission. Sources: 1938, Annual Report of the Commission of Labor and Industry, 1938, Appendix Table I and Financial Statement, p. 12; 1939 and 1940, Kansas State Budget, 1942-1943, p. 116; 1941, Ibid., p. 117. The 1941 figure is the appropriated amount.

15. State of Kansas appropriations disbursed by the School for the Blind, School for the Deaf, and the Vocational School. 1941 figure is the appropriation only. Source: 1938-1940, Kansas State Budget, 1942-1943, p. 155; 1941 appropriations, Ibid., p. 147, 149, 151.


18. State of Kansas appropriations disbursed by state institutions under the State Department of Social Welfare. Figures for the Industrial School for Boys and the Industrial School for Girls are included in this reference, although they were under the State Board of Administration until 1940. Source: 1938-1940, Kansas State Budget, 1942-1943, p. 160; 1941 appropriations, Ibid., p. 158.


21. Federal funds granted to the state for education and especially defense education in 1941. Source: 1940, Ibid., p. 554, Table 56; 1941, p. 655, Table 65.

22. Expenditures are for the calendar year as obtained from the Director of Information, Department of Agriculture, Agricultural Adjustment Administration. Figures include cost of administration and amounts disbursed to recipients.

23. Data include all amounts advanced for the various Farm Security Administration programs minus the grants included in group number one, Grants for Assistance, Farm Security Administration Grants. Source: 1941, Report of the Administrator, 1941, p. 54, Table 15. Other data are not available.

24. Amount obtained by adding amount of loans outstanding from Land Bank Commissioner, Land Bank, Production Credit Bank, Bank for Cooperatives, Farm Mortgage Corporation, Regional Agricultural Credit Bank, Joint Stock Bank, Intermediate Credit Bank, Emergency Crop and Feed Loans, and Drought Relief; data are from the Annual Report of Farm Credit Administration, 1938, 1939, 1940. 1941 data are unavailable. 1938: p. 121, Table 2; p. 127, Table 7; p. 145, Table 25; p. 156, Table 36; p. 170, Table 46; p. 175, Table 59; p. 181, Table 62; p. 190, Table 65; p. 197, Table 71; p. 207, Table 82; 1939: p. 139, Table 2; p. 144, Table 6; p. 166, Table 27; p. 175, Table 38; p. 181, Table 48; p. 205, Table 64; p. 208, Table 65; p. 215, Table 73; p. 225, Table 84; 1940: p. 156, Table 4; p. 161, Table 9; p. 181, Table 28; p. 202, Table 44; p. 212, Table 55; p. 231, Table 56; p. 232, Table 68; p. 243, Table 77, p. 253, Table 88.

25. Total includes the amount advanced to Kansas as submitted by the Current Information Section of the Rural Electrification Administration, St. Louis, Missouri.

26. Cumulative totals of investments of the U. S. Treasury


28. Number represents actual number of individuals aided by the Social Security categories (Old Age Assistance, Aid to Blind, and Aid to Dependent Children), and General Assistance as obtained from the State Department of Social Welfare. Totals for 1938 are cases only. Data for 1938 from Third Annual Report, Social Security Board, p. 209, Table D-7; p. 220, Table D-13; p. 230, Table D-18. Number represents the mean of the average for each month during the year in which the plan was in operation.

29. Number from "Recipients of Public Assistance and Persons Employed under Federal Work Programs" as found in annual reports of Social Security Board. Represents net number of emergency grant vouchers certified to cases and number of cases receiving commodities and/or food stamps purchased by Farm Security Administration and distributed during the month. Source: 1938, Fourth Annual Report, Social Security Board, p. 280, Table D-4; 1940, Fifth Annual Report, p. 192, Table D-2; and 1941, Sixth Annual Report, p. 234, Exhibit 42.
30. Represents average weekly number of persons employed during the month on projects operated by the WPA and on Federal agency projects financed by transfer of WPA funds except for 1938 which represents number employed in week ending June 25, 1938. Source: 1938, Report on Progress of WPA Program, 1938, p. 127, Table D-2.


32. Number of persons employed during the month under student work and out-of-school programs. Data for 1938 are the number of persons employed in May, 1938. Source: 1938, Report on Progress of WPA, 1938, p. 133, Table VIII; 1939-1941, Ibid., No. 29.

33. Average number computed as the mean of the weekly payroll counts made during the calendar month. Computed by finding mean of monthly payroll counts which is compiled as the mean of the weekly payroll counts. 1938, Report on Progress of the WPA Program, 1938, p. 129, Table IV; 1939, First Annual Report, Federal Works Agency, "Average Number Employed, June, 1939", p. 310, Table 3; 1941, Ibid., p. 308-309, Table 2; 1941, Second Annual Report, Federal Works Agency, pp. 303-304, Table 2.

34. Average number employed by Public Roads Administration computed as the mean of the monthly number employed. 1940, First Annual Report, Federal Works Agency, 1940, pp. 274-5, Table 4; 1941, Second Annual Report, Federal Works Agency, 1941, pp. 260-1, Table 2.

35. Average number employed by Public Buildings Administration computed as the mean of the monthly number employed. 1940, First Annual Report, Federal Works Agency, 1940, p. 262, Table II; 1941, Second Annual Report, Federal Works Agency, 1941, p. 244, Table I.

36. Data from the Veterans Administration, Washington, D.C., Office of Budget Officer and Chief of Statistics. Table entitled "Number of Living Veterans and Deceased Veterans Whose Dependents Were in Receipt of Compensation or Pension Benefits as of June 30 Each Year."

38. No benefits were paid before January, 1939, in Kansas. Number for 1939, therefore, represents average monthly number during the six-month period. Figure represents the mean of the number receiving benefits during the week ending nearest the middle of the month. Source: 1939, Fourth Annual Report, Social Security Board, p. 255, Table C-12; 1940, Fifth Annual Report, p. 179, Table C-3; 1941, Sixth Annual Report, p. 169, Table C-10.

39. Number from Annual Report of Commission of Labor and Industry, 1938, including number of compensation cases and number of medical cases, Appendix Table I.

40. Figure represents number in the School for Deaf on July 1, 1939 and July 1, 1940. Source: 38th Biennial Report of the Kansas State School for the Deaf, Olathe, p. 3.


43. Number in the penal institutions June 30, 1938 and June 30, 1940. Source: Board of Administration, Penal Institutions, 12th Biennial Report, 1940, pp. 14, 35, 27.

44. Number in Topeka State Hospital June 30, 1938 and June 30, 1940. Source: 1938, 31st Biennial Report, Topeka State Hospital, p. 26; 32nd Biennial Report, Topeka State Hospital, p. 31.

45. Number in Osawatomie State Hospital June 30, 1938 and June 30, 1940. Source: 1938, 31st Biennial Report, Osawatomie State Hospital, p. 34; 1940, 32nd Biennial Report, Osawatomie State Hospital, p. 12.

46. Number is total new patients during the fiscal year 1939-1940. Source: 14th Biennial Report, Larned State Hospital, p. 9.
47. Number in State Hospital for Epileptics on June 30, 1938 and July 1, 1940. Source: 19th Biennial Report, State Hospital for Epileptics, p. 20, Table 1.


53. Since number of persons in institutions is available only for two-year periods, the totals for 1938 and 1939 were added in order to get an estimate of the number in each of these years. For comparative purposes, the same number was used for each year. The same procedure was used for 1940 and 1941.

54. Numbers are for the calendar year as obtained from the Director of Information, Department of Agriculture, Agricultural Adjustment Administration, Washington, D.C.

55. Total number receiving aid, excluding those receiving grants only, from Report of Administrator of the Farm Security Administration, 1941, p. 25, Table 1.

56. Number obtained by adding number of recipients of loans from Land Bank Commissioner, Land and Bank, Production Credit Bank, Bank for Cooperatives, Farm Mortgage Corporation, Regional Agricultural Credit Bank, and Joint Stock Bank. Data are for the calendar year. Source: 1938, Sixth Annual Report of Farm Credit Administration, 1938, p. 121, Table 2; p. 127, Table 7; p. 145, Table 25; p. 170, Table 46; p. 175, Table 49; p. 197, Table 71; p. 207, Table 82; 1939, Seventh Annual Report of the Farm Credit Administration, 1939, p. 139, Table 2; p. 144, Table 6; p. 166,
Table 27; p. 188, Table 48; p. 48; p. 215, Table 73; p. 225, Table 84; 1940, *Eighth Annual Report of the Farm Credit Administration*, 1940, p. 166, Table 4; p. 161, Table 3; p. 161, Table 29; p. 202, Table 44; p. 231, Table 67; p. 243, Table 77; p. 253, Table 88. Data for 1941 are unavailable.


58. Figure represents number of institutions to whom loans were outstanding.
FOOTNOTES FOR TABLE II

1. Figures are the total amount spent on Old Age Assistance, Aid to Blind, Aid to Dependent Children, and General Assistance plus administrative expenditure and other expenditures such as special services of the state and county boards. Cost of distribution of commodities is included as a special service of the state and county boards.

2. WPA percentages listed in Report of Progress of WPA Program, 1938, p. 144, Table XVI are cumulative for Kansas since the beginning of the program. Therefore, the percentages were used to calculate how much of the total was provided by the Federal government and how much by the state and local sponsors. Of the state and local sponsors, between 95% and 100% are local (Robert A. Huey, Acting Statistician, WPA office, Topeka, Kansas.) 1939, 1940, and 1941 totals are more than the total of Federal and state participation because the total includes also projects sponsored but not operated by the WPA.

3. Includes Federal grants as well as sponsors contributions in kind which have been valued. Sponsors figures from the State Administrator, Topeka, Kansas.

4. The report of the Secretary of the Treasury gives the amount of Federal grants to the states. Since the grant cannot exceed 45% of the cost, this figure was taken as the basis for finding the remainder of the funds expended. It, therefore, is only approximate and is probably higher than the actual expenditures.

5. Figure includes only lump-sum payments made to the state. In 1938, cost of administration was met by appropriations from the general revenue fund. Since administration is centered in Washington and all records are kept there, this cannot be distributed on a state basis.

6. No Unemployment Compensation benefits were paid in 1938, so this includes only the cost of administration advanced to Kansas for that year. Cost of administration includes amounts under the Wagner Peyser Act for employment offices for which the state must match funds and amounts under Title II of the Social Security Act which are outright grants. Benefits paid from the Unemployment Trust fund are listed as coming from the state governments since employers pay the tax in the first place. The states receive a 90% credit against their Federal tax and the larger part of the 10% remaining with the Federal government is returned in the form of administration payments.

7. Workmen's Compensation figures obtained by adding the compensation and medical benefits. This includes self-insurers.
Figures for 1939, 1940, and 1941 are only cost of administration for the Workmen's Compensation Commission appropriated by the state of Kansas.

8. Social Welfare Board institutions are: Topeka State Hospital, Osawatomie State Hospital, Larned State Hospital, State Hospital for Epileptics, State Training School, State Sanitorium for Tuberculosis Patients, State Orphans Home, Boys Industrial School (since 1941), and Girls Industrial School (since 1940).

9. Educational institutions under Board of Administration included here are: School for Blind, School for Deaf, and Kansas Vocational School. Patriotic institutions are the Mother Bickerdyke Home and the Soldiers Home. Penal institutions consist of the Penitentiary, Industrial Farm for Women, and Industrial Reformatory.

10. Cooperative Vocational Education includes the amount granted by the Federal government and the amount appropriated by the state of Kansas to the Board of Education for vocational education purposes.

11. Figures on Agricultural Adjustment Administration are for the calendar year.

12. Farm Credit Administration loans are those outstanding.

13. Rural Electrification Administration advances to Kansas obtained from St. Louis office, Rural Electrification Administration.

14. Figures include investments by the United States Treasury and Home Owners Loan Corporation to finance the program in Kansas.

15. Total includes expenditures after adjustments were made. Figures by sources are expenditures before adjustments had been made.