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FINANCIAL STATEMENT
of the
**Colorado State
Department of Public Welfare**

State Capitol Building
Denver, Colorado



Colo. State Department
Public Welfare Library

April 1 to December 31, 1936

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Public Welfare Library

STATE OF COLORADO
DEPARTMENT OF PUBLIC WELFARE
339-43 STATE CAPITOL BUILDING
DENVER, COLORADO

EARL M. KOUNS, DIRECTOR

January 15, 1937

To His Excellency

HON. TELLER AMMONS, Governor

and

MEMBERS OF THE THIRTY-FIRST GENERAL
ASSEMBLY

State of Colorado,
Denver, Colorado

Gentlemen:

I have the honor to submit to you herewith the financial report of the Colorado State Department of Public Welfare as provided by law. At the end of the fiscal year, I shall submit a full report on all activities of this department.

The progress that has been made in centralizing welfare activities in the State is in no small measure due to the sincere co-operation of the county commissioners who, as you know, constitute the County Boards of Public Welfare.

I wish also to acknowledge the leadership which has come so unselfishly from the members of the Colorado State Board of Public Welfare. They have given of their valuable time and service unstintingly to the important work of this department.

Respectfully submitted,

Earl M. Kouns

Director.

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OFFICIAL COLORADO STATE RELIEF COMMITTEE

July 1, 1935, to March 31, 1936

The Official Colorado State Relief Committee composed of seven members appointed by the governor for overlapping terms of three years each was established by House Bill No. 39 approved April 10, 1935.

The following members were appointed by Governor Ed C. Johnson: Herbert Fairall, Florence Hutsinpillar, James Q. Newton, Mary H. Isham, Ray E. Davis, Fred B. Orman, and Earl M. Kouns. Herbert Fairall was elected chairman and Earl M. Kouns director.

This law provided that two hundred thousand (\$200,000.00) dollars monthly from the Sales Tax Fund should be placed at the disposal of this Committee to assist the counties in caring for unemployable residents.

The Committee allocated this fund to the various counties on the basis of need. It was administered by the Boards of County Commissioners as a supplement to county funds and assisted in caring for approximately twelve thousand cases of unemployable needy residents. The rules adopted by the State Committee in regard to this fund were mainly as follows:

Money must be placed in a separate fund to be known as the Special State Relief Fund and must be expended for relief.

No administrative expenses of any kind can be paid from this fund or any money transferred from this fund to any other fund.

RECEIPTS AND EXPENDITURES

From July 1, 1935, to March 31, 1936

Sales Tax Funds Available.....	\$2,200,000.00
Allotments to Counties.....	\$1,898,430.50
State Office Expenses.....	18,138.21*
Federal Surplus Commodity Distri- bution	16,241.76
Advances for Purchasing of Surplus Commodities	7,025.46†
Compensation Insurance Premiums Paid on FERA Employees.....	230,959.63
Total	<u>2,170,795.56‡</u>
Balance carried over to new fund, April 1, 1936.....	\$ 29,204.44

*\$4,650.00 was paid for rent for quarters of the FERA.

†This amount was later refunded by the Federal Govern-
ment.

‡Detailed information in reference to all expenditures are
available in the department.

This department and the Boards of County Commissioners
worked in close co-operation in administering this fund.

\$75,000.00 FEDERAL FUND

In December, 1935, the Federal Emergency Relief Administration gave Governor Ed C. Johnson seventy-five thousand (\$75,000.00) dollars for the purpose of making surveys and establishing state and county departments of public welfare. This fund has been used for the Department of Public Assistance of the Colorado State Department of Public Welfare for the salaries and traveling expenses of the Director of Public Assistance, Director of Child Welfare Services, seven Field Supervisors, Public Welfare Librarian, and Chief of the Division of Statistics and Research.

There has been expended from this fund:

For Salaries.....	\$19,145.20
For Traveling Expenses.....	8,815.94
Total	\$27,961.14

leaving a balance in this fund as of December 31, 1936, of \$47,038.86.

The Social Security Board insists on specially trained and adequate personnel for the above staff. The following qualifications for them have been approved:

A master's degree in social work from a recognized school of social service administration together with at least four years' experience in the field of social work, some part of which must have been in an executive capacity. The state board has been able to approximate these qualifications successfully.

This staff, under the direction of the Department of Public Assistance, developed the necessary social service forms and instructed county departments in their use. In this way a uniform procedure has been established in each county in the state.

When the \$75,000.00 fund is exhausted, it will be necessary for the State Department of Public Welfare to assume this expense.

FEDERAL SURPLUS COMMODITY DISTRIBUTION

On December 1, 1935, the administration of the Federal Surplus Commodity Distribution was taken over by this department. It was necessary that this department assume all of the office expense, the salaries of six persons and the traveling expense of eleven persons whose salaries were paid by the Works Progress Administration.

It has also been necessary to pay warehouse charges, transportation charges and to purchase cans to enable Works Progress Administration Canning Project to preserve vegetables for this surplus commodity distribution. We have also paid for the processing of raw wool into yardage which the Works Progress Administration Sewing Project made into clothing, and for raw cotton which was made into mattresses. These various costs have amounted to \$82,781.02.

In addition to distributing surplus commodities to persons certified by the County Departments of Public Welfare as being eligible, we have co-operated with the Works Progress Administration School Lunch Program in supplying available food-stuffs for this lunch project.

The salaries of the field supervisors and all of the labor costs have been paid by the Works Progress Administration. It is likely that the State of Colorado will have to assume much more, if not all, of this administrative cost in the near future.

These commodities are given to Colorado by the Federal Surplus Commodity Corporation and by the Works Progress Administration canning and sewing projects.

The following commodities were distributed in the State of Colorado from January 1, 1936, to December 31, 1936:

Food:

Canned Meat.....	1,127,767 Lbs.
Canned Soup.....	20,952 Lbs.
Fruit, Fresh.....	1,896,582 Lbs.
Fruit, Canned.....	122,107 Lbs.
Fruit, Dried.....	609,870 Lbs.
Vegetables, Fresh.....	740,245 Lbs.
Vegetables, Canned.....	1,424,144 Lbs.
Vegetables, Dried.....	758,901 Lbs.
Butter.....	19,270 Lbs.
Cereal.....	212,090 Lbs.
Dry Powdered Milk.....	142,452 Lbs.
Evaporated Milk.....	2,994 Lbs.
Miscellaneous.....	4,571 Lbs.
Total Lbs.....	7,081,945

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Public Welfare Library**

Clothing:

Dresses and Slips.....	174,710
Coats and Jackets.....	15,531
Infant Wear.....	42,632
Diapers	38,691
Underwear	103,182
Shirts	69,739
Overalls and Pants.....	52,237
Sleeping Garments.....	71,296
Clothing Accessories.....	2,636
Total Garments.....	570,654

Household Articles:

Comforters and Blankets.....	24,580
Mattresses	3,975
Pillowcases	44,382
Sheets	30,876
Towels	146,637
Household Miscellaneous Articles.....	8,975
Total Household Articles.....	259,425

**COLORADO STATE DEPARTMENT OF PUBLIC
WELFARE**

April 1, 1936, to December 31, 1936

The Welfare Organization Act of 1936, which became effective on March 28, 1936, established the Colorado State Department of Public Welfare and the County Departments of Public Welfare. The old Official Colorado State Relief Committee was designated as the State Board of Public Welfare with all former duties and powers conferred upon it.

The County Departments of Public Welfare were speedily organized and started to function within a very short time.

On April 1, accumulated sales tax of \$789,242.96 was placed in the Welfare Fund. The sum of \$415,332.22, which was the unexpended balance in the Old Age Pension Fund in the various counties, was paid into the Welfare Fund. The sum of \$15,098.56, unexpended balance in the State Blind Benefit Fund, was paid into the fund. The first allotment of federal funds to the State was \$1,100,750.00.

These additional funds created an unusually large balance in the various subdivisions of the Public Welfare Fund. The allotment of federal funds for old age assistance was based on an average amount of \$25.00 for each recipient for the first quarter although it was impossible to increase the payments until re-investigations and new awards were made.

RECEIPTS AND EXPENDITURES

April 1, 1936, to December 31, 1936

Balance April 1, 1936 (Admin. Account)..... \$ 29,204.44

Receipts:

Sales Tax	\$5,358,506.40	
Liquor Taxes	1,129,821.63	
Inheritance Taxes (10%)	53,839.25	
Incorporation Fees (10%)	1,635.65	
Use Tax	31,396.30	
Returned from Counties.....	415,332.22	
Recoveries, Old Age Assistance.....	1,136.23	
Refund—Purchase of Commodities.....	7,025.46	
Social Security Board—(Grants-in-aid).....	2,842,419.19	
Balance of Blind Commission Fund.....	15,098.56	
Miscellaneous	152.13	
Total Receipts.....		9,856,363.02
Total Balance and Receipts.....		<u>\$9,885,567.46</u>

Expenditures:

Old Age Assistance.....	\$5,160,568.78	
Aid to Dependent Children.....	231,779.35	
Aid to the Blind.....	77,143.44	
Old Age Assistance, recoveries paid to Social Security Board	768.60	
Child Welfare Services—State Funds.....	58.07	
Child Welfare Services—Federal Funds.....	3,033.98	
Maternal and Child Health and Public Health....	80,156.13	
Vocational Rehabilitation	8,683.58	
Crippled Children Services.....	50,097.57	
Allotments for Unemployable Relief.....	2,674,149.00	
Purchase and Distribution of Commodities.....	54,528.76	
State Office Expense.....	65,914.69*	
County Administration Expense (50% Salaries)	201,488.57	
County Administration Expense (50% Travel)....	27,371.70	
Total Expenditures.....		8,635,742.22
Balance December 31, 1936.....		<u>\$1,249,825.24</u>

Composed of Following Funds:

Administrative Fund	\$ 78,858.65	
State Special Relief Fund.....	315,524.12	
Old Age Assistance Fund.....	627,738.81	
Old Age Assistance—Recoveries.....	367.63	
Aid to the Blind Fund.....	44,120.33	
Aid to Dependent Children Fund.....	125,134.06	
Child Welfare Funds.....	25,894.52	
Emergency and Contingent Fund.....	32,187.12	
		<u>\$1,249,825.24</u>

*Made up of the following:

Office and Warehouse Expense (Commodity Distribution)	\$28,252.26
Rent FERA Quarters.....	600.00
Expense of State Office.....	37,062.43
	<u>\$65,914.69</u>

OLD AGE ASSISTANCE

When this Department took over the administration of Old Age Assistance on April 1, 1936, representatives from the Social Security Board informed us that each person then receiving old age assistance must be reinvestigated before federal funds could be used to pay old age assistance. We secured permission from them to pay old age assistance on the basis of the County Judges' previous awards until such time as the reinvestigations and new awards could be made. This prevented any interruption on the payments of old age assistance. It was impossible to adjust any of the previous awards until the new investigations and awards were made, although there was a large amount of funds available for the payment of old age assistance.

We are informed by the Social Security Board that the federal policy is to audit each application and award and verify eligibility requirements as outlined in the Colorado law. In any case where the federal auditor finds all eligibility requirements have not been met, it will be necessary for the State of Colorado to stand the full expense of all payments made since April 1, 1936.

Number of Recipients of Old Age Assistance, Amount Paid, and Average Per Recipient Per Month from April, 1936, Through December, 1936.

Month	Number of Recipients	Average per Recipient	Amount Paid
April, 1936	21,679	\$17.72	\$384,257.16
May, 1936	21,632	17.85	386,112.01
June, 1936	21,267	19.07	405,655.91
July, 1936	22,180	20.75	460,325.58
August, 1936	23,152	27.14	628,312.04
September, 1936	24,419	27.56	673,017.61
October, 1936	25,127	27.59	693,169.59
November, 1936	25,793	27.65	713,102.24
December, 1936	26,586	27.65	735,019.74

These 26,586 recipients of old age assistance represent 37.56% of all persons in Colorado over sixty-five years of age. This is the highest percentage of any state in the United States. The average amount paid is \$27.65 which is the highest in any state in the United States with one exception.

AID TO DEPENDENT CHILDREN

We also secured permission from the Social Security Board to pay beneficiaries of aid to dependent children on the basis of the County Judges' awards for Mothers' Compensation until reinvestigations and awards could be made. It was impossible to adjust any of these previous awards until these new investigations and awards were made. When auditors of the Social Security Board find awards do not meet the eligibility requirements, the county and state must stand the full expense of payments made since April 1, 1936.

County welfare departments faced the difficult task of investigating over twenty-one thousand Old Age Assistance applications. In most cases they put their first efforts on this group. Furthermore, under an existing law, a maximum of one-eighth mill was levied for Mothers' Compensation by the counties. This levy did not provide sufficient funds to pay for Aid to Dependent Children cases. Although the law enacted March 31, 1936, provided transfers from available county funds to Aid to Dependent Children funds, very few counties of the State had available funds to be transferred. Beginning January 1, 1937, counties are paying all cases eligible for aid to dependent children out of the Aid to Dependent Children fund and have adequately budgeted for their needs.

Because of the delay in making investigations for aid to dependent children, and due to lack of funds in the various counties, a surplus accumulation in the state fund for Aid to Dependent Children of \$150,000.00 was transferred in December to the Emergency and Contingent Fund with the approval of the Executive Council. This money was transferred to general relief and distributed to the counties to meet an emergency relief need.

With all eligible cases for aid to dependent children being paid out of the Aid to Dependent Children fund by the counties beginning January 1, 1937, it will be necessary to provide at least as much revenue for aid to dependent children as has been previously provided.

In April, 1936, 2,370 children in 783 families were receiving aid to dependent children benefits on an average of \$8.47 per child. In December, 1936, 5,995 children in 2,252 families were receiving aid to dependent children payments, an average of \$11.73 per child.

Thirteen of the twenty-seven states receiving federal funds for aid to dependent children are paying a higher average payment per child than Colorado.

AID TO THE BLIND

In December there were 651 cases receiving average payments of \$25.53 each. Four states of the twenty-seven receiving federal funds for aid to the blind are paying higher average amounts.

GENERAL RELIEF

The various counties of the state have levied to provide approximately two million dollars yearly for all welfare activities.

All state funds available for unemployable relief, including \$150,000.00 from Aid to Dependent Children Fund, \$40,000.00 from Aid to the Blind Fund, \$125,000.00 from the Administrative Fund and \$235,000.00 out of the Contingent Fund, totaling \$2,674,149.00, were allotted to the counties to assist them in caring for unemployable residents, from April 1 to December 31, 1936.

CHILD WELFARE

The State Department of Public Welfare was created by legislative act effective April 1, 1936. Within the state department was created the Division of Child Welfare. Its duties include the protection and care of homeless, neglected and dependent children and children in danger of becoming delinquent.

The plan for child welfare services of the State Department of Public Welfare was approved by the Children's Bureau of the United States Department of Labor on August 8, 1936. The Social Security Act provides for the allotment of \$19,450.97 from federal funds to the state of Colorado for the following purposes:

1. Payment of the cost of district, county and other local child-welfare services in areas predominantly rural.
2. Developing state services for the encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need.

The director and two consultants have been appointed, and an additional consultant is yet to be appointed. The salaries and traveling expenses of these consultants are paid from federal funds. The directors and the two consultants have made one hundred nineteen visits to counties, and given advice on two hundred eighty-two cases presenting child welfare problems.

Mesa, Weld and Otero counties have been designated as demonstration units, and a child welfare supervisor has been appointed in each county. The salaries of these supervisors are

paid from federal funds. The plan calls for four demonstration units. The additional unit, which will also be a training center, is yet to be designated. These plans and activities are approved by the Children's Bureau, United States Department of Labor.

Thirty-three hundredths per cent of the welfare funds are set aside for child-welfare services. This money is to be used for boarding home care for neglected and dependent children not eligible for aid to dependent children. This has amounted to \$22,042.92. The program for boarding home care has been recently organized. The sum of \$58.07 has been so far expended. This program is being developed on the basis of needs as they arise. The full amount of funds allocated for this service will be needed as the program progresses.

This division has co-operated with the following persons and agencies interested in child welfare work:

- Division of Public Assistance
- County Departments of Public Welfare
- Colorado Children's Aid Society
- Catholic Charities
- County Judges
- County Superintendents of Schools
- State Homes for Mental Defectives (Ridge and Grand Junction)
- State Industrial School for Boys
- State Industrial School for Girls
- Colorado General Hospital
- Colorado General Hospital—Psychopathic Division
- Colorado General Hospital—Dept. Liaison Psychiatry
- Crippled Children's Services
- Maternal and Child Health Services
- Public Schools
- Works Progress Administration
- Resettlement Administration
- Public Health Nurses
- Rotary Club Child Welfare Comm.
- Lions Club Child Welfare Comm.
- State-Wide Recreational Program
- American Red Cross
- Sacred Heart Orphanage
- McClelland Home
- American Legion Child Welfare

MATERNAL AND CHILD HEALTH SERVICES AND PUBLIC HEALTH WORK, SERVICES TO CRIPPLED CHILDREN AND VOCATIONAL REHABILITATION

The law provides that 1.20% of the State Public Welfare Fund, amounting to \$80,156.13, be apportioned to Maternal and Child Health Services, and Public Health work. The law also provides that .75% of the State Public Welfare Fund, amounting to \$50,097.57, be apportioned to Services for Crippled Children. These sums have been transferred monthly by resolution of the State Board of Public Welfare to the Department of Public Health. The expenditure of these funds is not under the supervision of this department.

The law provides that .13% of this fund, amounting to \$8,683.58, be allotted for Vocational Rehabilitation. This sum has been transferred monthly by resolution of the State Board of Public Welfare to the State Board of Vocational Education. The expenditure of these funds is not under the supervision of this department.

SELECTING AGENCY FOR CIVILIAN CONSERVATION CORPS IN COLORADO

On December 1, 1936, the Colorado State Department of Public Welfare was requested by W. Frank Persons, representing the Department of Labor which supervises CCC selection, to become the state selecting agency for junior enrollees for the Civilian Conservation Corps in Colorado. This necessitated one additional person in the state department to supervise the selection of juniors during enrollment periods. The duties of this office are: To handle all CCC correspondence—interstate and intrastate—and when necessary, to make final recommendations regarding requests made by enrollees; to keep timely and accurate records of selectees accepted by the Army for Camp—as required by the Department of Labor. The county departments select all boys enrolled in Colorado camps, and furnish pertinent information when requested by the state representative. In short, the state department assists in carrying out the CCC program in Colorado.

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