

Library
U.S. Children's Bureau
OF
TEXAS

UNITED STATES
DEPARTMENT
OF LABOR
FRANCES PERKINS
Secretary

CHILDREN'S
BUREAU
KATHARINE F. LENROOT
Chief



Bureau
Publication
No. 253

(Maternal and
Child-Welfare Bulletin
No. 1, Revised)

UNITED STATES
GOVERNMENT
PRINTING OFFICE
WASHINGTON : 1940

Grants to States for Maternal and Child Welfare

Under the Social Security Act of 1935
and
The Social Security Act Amendments of 1939

Title V, Parts 1, 2, and 3

Maternal and Child-Health Services
Services for Crippled Children
Child-Welfare Services

For sale by the Superintendent of Documents, Washington, D. C. - - - - Price 10 cents



627
158c
50

LIBRARY
A. W. M. COLLEGE
OF
TEXAS

Presented to the
National and Child Welfare
Board of Directors
The Federal Reserve Bank of St. Louis

Presented to the
National and Child Welfare
Board of Directors
The Federal Reserve Bank of St. Louis

362.7
 0392
 253-259

CONTENTS

	Page
General provisions	1
Provisions of title V, grants to States for maternal and child welfare.....	3
Maternal and child-health services.....	6
Purpose of Federal grants.....	6
Federal administration.....	6
Amounts available to States.....	6
Requirements for State plans.....	8
Method of payment.....	8
Provisions for withholding payments under approved plans.....	9
Services for crippled children.....	9
Purpose of Federal grants.....	9
Federal administration.....	10
Amounts available to States.....	10
Requirements for State plans.....	10
Method of payment.....	12
Provisions for withholding payments under approved plans.....	12
Child-welfare services.....	12
Purpose of Federal grants.....	12
Federal administration.....	12
Amounts available to States and conditions under which grants may be made.....	12
Method of payment.....	13
Other titles of the Social Security Act that provide direct benefits for children.....	14
Aid to dependent children.....	14
Old-age and survivors insurance benefits.....	15
State agencies administering services under title V, parts 1, 2, and 3.....	16
Text of the sections of the Social Security Act relating to grants to States for maternal and child welfare, as amended in 1939.....	20
Title V.—Grants to States for maternal and child welfare.....	20
Part 1.—Maternal and child-health services.....	20
Part 2.—Services for crippled children.....	22
Part 3.—Child-welfare services.....	24
Part 5.—Administration.....	25
Title XI.—General provisions.....	25
Chart showing provisions for grants to States for maternal and child welfare..... (Facing)	26

III

111114

1917

1917

Grants to States for Maternal and Child Welfare Under the Social Security Act of 1935 and the Social Security Act Amendments of 1939

GENERAL PROVISIONS ¹

The purpose of the Social Security Act, approved by the President August 14, 1935, is stated in the general title of the act to be the following:

To provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes.

The act, as amended, includes the following titles:

- I. Grants to States for old-age assistance.
- II. Federal old-age and survivors insurance benefits.
- III. Grants to States for unemployment-compensation administration.
- IV. Grants to States for aid to dependent children.
- V. Grants to States for maternal and child welfare.
- VI. Public-health work.
- VII. Social Security Board.
- VIII. Taxes with respect to employment (now contained in Internal Revenue Code).²
- IX. Tax on employers of eight or more (now contained in Internal Revenue Code).²
- X. Grants to States for aid to the blind.
- XI. General provisions.

The term "State" as used in the Social Security Act (except in title V, part 4, vocational rehabilitation) includes the 48 States, the District of Columbia, Alaska, and Hawaii, and, beginning January 1, 1940, when used in all parts of title V and in title VI, includes Puerto Rico also.

¹ Public, No. 271, 74th Cong., 49 Stat. 629; Public, No. 379, 76th Cong., 53 Stat. 1360.

² The provisions of title VIII and of title IX (except sec. 904) as included in the original Social Security Act are now contained in and superseded by subchs. A and C, respectively, of ch. 9 of the Internal Revenue Code.

Responsibility for the administration of the various parts of the Social Security Act is placed in several Federal agencies as follows:

The Social Security Board³ of the Federal Security Agency administers—

Title I. Grants to States for old-age assistance.

Title II. Federal old-age and survivors insurance benefits.

Title III. Grants to States for unemployment-compensation administration.

Title IV. Grants to States for aid to dependent children.

Title X. Grants to States for aid to the blind.

The Children's Bureau of the United States Department of Labor administers—

Title V. Grants to States for maternal and child welfare: Part 1, Maternal and child-health services; part 2, Services for crippled children; and part 3, Child-welfare services.

The Office of Education³ of the Federal Security Agency administers—

Title V. Grants to States for maternal and child welfare: Part 4, Vocational rehabilitation.

The Public Health Service³ of the Federal Security Agency administers—

Title VI. Public-health work.

³ Under the President's Reorganization Plan No. I, part 2, made effective July 1, 1939, by Public Res. No. 20, 76th Cong., approved June 7, 1939, the Federal Security Agency was established and the Social Security Board, the Office of Education, and the Public Health Service (among other agencies) became part of the Federal Security Agency.

PROVISIONS OF TITLE V, GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE ¹

The annual appropriations authorized in the act as amended are as follows:

Maternal and child-health services.....	\$5, 820, 000
Services for crippled children.....	3, 870, 000
Child-welfare services.....	1, 510, 000
Total.....	11, 200, 000

An appropriation was also authorized to enable the Children's Bureau to carry on necessary administrative functions and to make such studies and investigations as may be necessary to promote the efficient administration of the three parts of the act for which it is responsible. The Children's Bureau provides consultation service to State agencies in relation to the three programs. State plans requesting Federal grants are submitted to the Chief of the Children's Bureau, who approves them when they are in conformity with the requirements of the act.

Allotments to States for the three services are made each year by the Secretary of Labor, who is directed to include in his annual report to Congress a full account of the administration of the sections of the act that are administered by his Department. The Secretary also prescribes the kinds of reports and types of information to be furnished by the cooperating State agencies, and makes such investigations as may be necessary to determine the amounts to be paid to the States. The Secretary is authorized to withhold payments to a State under prescribed conditions (p. 9). All certifications of amounts to be paid to States by the Secretary of the Treasury are made by the Secretary of Labor.

The State agencies having administrative or supervisory responsibility under the sections of the act under consideration are the following:

Maternal and child-health services.....	State health agency.
Services for crippled children.....	The State agency responsible for medical care for crippled children. ²
Child-welfare services.....	State public-welfare agency.

¹ Except sec. 531, which deals with vocational rehabilitation. For text of pertinent sections of the act, see p. 20.

² The State agencies administering services for crippled children on Aug. 1, 1940, were as follows: Health departments, 27; welfare departments, 14; crippled children's commissions, 5; departments of education, 5; State university hospital, 1.

As to maternal and child-health services and services for crippled children, the act requires that the plans submitted by the State agencies shall include provision for cooperation with medical, nursing, health, and welfare groups and organizations, and, in the case of services for crippled children, with the State agency that is charged with responsibility for administering State laws for vocational rehabilitation of physically handicapped children. Plans for child-welfare services must be developed jointly by the State public-welfare agency and the Children's Bureau; and, although the content of the plans is not prescribed in the act, State plans are developed with a view to the establishment of cooperation with all groups concerned with the welfare of children, so as to avoid duplication and provide maximum service.

The strengthening of local services is emphasized in all three parts of title V relating to child welfare. State plans submitted for maternal and child-health services must show that their operation will assist in the extension and improvement of local maternal and child-health services. The sections of the act relating to crippled children's services provide for the extension and improvement of services, especially in rural areas and in areas suffering from severe economic distress. The funds for child-welfare services are to be used for payment of part of the cost of local services and for developing State services for the encouragement and assistance of community child-welfare organization, chiefly in areas predominantly rural.

Public funds expended for maternal and child-health services and services for crippled children by political subdivisions of a State may be counted in the matching funds made available by the State. Private funds can be used for matching purposes only if they are paid into the public treasury or if they otherwise are made fully available for public expenditure.

All allotments to States from maternal and child-health funds and from crippled children's funds for which State matching is required and from child-welfare funds are available until the end of the second fiscal year succeeding that for which the appropriation was made—in other words, for 3 consecutive fiscal years. Payments to a State from its allotment for any fiscal year cannot be made, however, until its allotment for the preceding fiscal year has been exhausted. Allotments to States from maternal and child-health and crippled children's funds for which matching is not required are available only for the fiscal year for which the appropriation is made.

The Federal appropriation acts have authorized payments to States for any quarter with respect to State plans approved by the Chief of the Children's Bureau prior to or during such quarter but not with respect to any plan for any period prior to the quarter in which such plan is submitted for such approval.³

All payments to States are made by the Secretary of the Treasury, through the Division of Disbursement of the Treasury Department, on certification by the Secretary of Labor and prior to audit or settlement by the General Accounting Office.

The Secretary of Labor is authorized to make and publish such rules and regulations not inconsistent with the act as may be necessary for the efficient administration of the functions with which he is charged under the act.

For reports on the administration of parts 1, 2, and 3 of title V of the act during the period February 1, 1936,⁴ to June 30, 1940, see the Children's Bureau section in the annual reports of the Secretary of Labor beginning with the fiscal year ended June 30, 1936. See also Children's Bureau publications:

No. 254. Federal and State Cooperation in Maternal and Child-Welfare Services Under the Social Security Act (Maternal and Child-Welfare Bulletin No. 2). Washington, 1938.

No. 255. Proceedings of the Conference on State Child-Welfare Services, April 4-6, 1938 (Maternal and Child-Welfare Bulletin No. 3). Washington, 1938.

No. 257. Child-Welfare Services Under the Social Security Act, Development of Program, 1936-38. Washington, 1940.

No. 258. Services for Crippled Children Under the Social Security Act, Development of Program, 1936-39. Washington (in press).

No. 259. Maternal and Child-Health Services Under the Social Security Act, Development of Program, 1936-39. Washington (in press).

The provisions of title V, parts 1, 2, and 3, which are administered by the Children's Bureau under the supervision of the Secretary of Labor, are summarized in the chart facing page 25.

³ See Third Deficiency Appropriation Act, fiscal year 1939, approved Aug. 9, 1939. Public No. 361, 76th Cong.

⁴ The first appropriation for grants to the States for maternal and child-welfare services under the Social Security Act was made for the period Feb. 1 to June 30, 1936.

MATERNAL AND CHILD-HEALTH SERVICES

Purpose of Federal Grants.

The annual appropriation authorized for grants to States for maternal and child-health services, \$5,820,000,⁵ is for the purpose of enabling each State to extend and improve, as far as is practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress.

Federal Administration.

The administration of this part of the act is under the immediate direction of the Maternal and Child Health Division of the Children's Bureau of the United States Department of Labor, headed by a physician and receiving general supervision from the Assistant Chief of the Children's Bureau, who is also a physician.

Amounts Available to States.

The apportionment of Federal funds available for the fiscal year ending June 30, 1941, under the terms of the act is shown in table 1. The amount of \$5,820,000 authorized for grants to States for maternal and child-health services is divided as follows:

Fund A (see sec. 502 (a))

Available for payment of half of total expenditure (exclusive of fund B) under approved plans (within the amount available for allotment to each State) (matching required).....	\$3, 840, 000
Uniform apportionment, \$20,000 to each State....	\$1, 040, 000
Apportionment on basis of live births.....	2, 800, 000

Fund B (see sec. 502 (b))

Available for allotment according to financial need for assistance in carrying out State plan, after number of live births is taken into consideration (matching not required).....	1, 980, 000
(If application is made for grants from this fund of \$1,980,000, evidence of need for assistance in carrying out the State plan must be submitted with the plan.)	

State funds appropriated or otherwise provided by the State itself must be made available for payment of part of the costs of approved plans. Funds appropriated or made available by counties, cities, towns, or other political subdivisions of a State may also be counted as part of the total funds made available for maternal and child-health activities, provided such local activities are brought into the State plan and are under the general supervision of the State department of health. State or local funds used for matching an allotment under any other Federal appropriation cannot be counted in establishing eligibility for Federal assistance under this portion of the Social Security Act.

⁵ The annual appropriation authorized in the original act (1935) was \$3,800,000.

TABLE 1.—Apportionment of Federal funds for fiscal year ending June 30, 1941, for grants to States for maternal and child-health services under title V, part 1 (secs. 501-502), of the Social Security Act as amended

State or Territory	Live births 1938 ¹	Apportionment of funds for fiscal year 1941		
		Total	Fund A—\$20,000 to each State and apportionment of \$2,800,000 on basis of live births (matching re- quired)	Fund B—Con- ditional ap- portionment ² on the basis of need (match- ing not re- quired)
Total	2,364,896	\$5,820,000	\$3,840,000	\$1,980,000
Alabama	62,032	168,682	93,400	75,282
Alaska	1,287	49,516	21,500	28,016
Arizona	10,878	78,753	32,900	45,853
Arkansas	37,182	107,179	64,000	43,179
California	101,844	164,783	140,600	24,183
Colorado	20,599	84,772	44,400	40,372
Connecticut	23,783	53,200	48,200	5,000
Delaware	4,431	32,901	25,300	7,601
District of Columbia	12,938	49,588	35,300	14,288
Florida	31,096	108,541	56,800	51,741
Georgia	64,636	187,773	96,500	91,273
Hawaii	9,062	47,827	30,700	17,127
Idaho	11,277	59,556	33,400	26,156
Illinois	122,562	170,100	165,100	5,000
Indiana	60,192	97,489	91,300	6,189
Iowa	43,221	86,680	71,200	15,480
Kansas	29,574	80,121	55,000	25,121
Kentucky	61,878	132,224	93,300	38,924
Louisiana	48,867	148,386	77,900	70,486
Maine	15,218	67,710	38,000	29,710
Maryland	29,013	68,739	54,400	14,339
Massachusetts	61,262	102,329	92,500	9,829
Michigan	96,963	142,700	134,800	7,900
Minnesota	50,062	98,050	79,300	18,750
Mississippi	53,694	143,018	83,600	59,418
Missouri	58,567	125,479	89,300	36,179
Montana	10,673	59,665	32,600	27,065
Nebraska	22,401	69,356	46,500	22,856
Nevada	1,888	49,947	22,200	27,747
New Hampshire	7,830	43,406	29,300	14,106
New Jersey	56,043	91,400	86,400	5,000
New Mexico	14,290	89,626	36,900	52,726
New York	189,559	253,165	244,400	8,765
North Carolina	79,934	190,016	114,600	75,416
North Dakota	13,041	61,025	35,400	25,625
Ohio	112,667	169,872	153,400	16,472
Oklahoma	44,188	108,483	72,300	36,183
Oregon	16,245	64,043	39,200	24,843
Pennsylvania	165,984	248,807	216,500	32,307
Puerto Rico	67,585	214,026	100,000	114,026
Rhode Island	10,536	37,500	32,500	5,000
South Carolina	41,120	148,041	68,700	79,341
South Dakota	11,826	58,960	34,000	24,960
Tennessee	53,651	139,787	83,500	56,287
Texas	121,156	296,160	163,500	132,660
Utah	13,214	61,247	35,700	25,547
Vermont	6,301	45,946	27,500	18,446
Virginia	53,495	137,719	83,300	54,419
Washington	26,767	73,688	51,700	21,988
West Virginia	42,434	100,614	70,200	30,414
Wisconsin	55,004	98,219	85,100	13,119
Wyoming	4,946	53,186	25,900	27,286
Reserved for continuation of special projects		200,000		200,000

¹ Latest year for which figures are available.

² The allotment to a State cannot be finally determined until the State has submitted its plan for maternal and child-health services for the year ending June 30, 1941, giving the information on which the apportionment on the basis of need can be made.

Requirements for State Plans.

State plans must be approved by the Chief of the Children's Bureau if they conform with the conditions specified in section 503 (a) of the act. These conditions are substantially as follows:

1. Financial participation by the State.
2. Administration of the plan or supervision of administration of the plan by the State health agency.
3. Such methods of administration (including after January 1, 1940, methods relating to establishment and maintenance of personnel standards on a merit basis) as are necessary for the proper and efficient operation of the plan.
4. Provision for such reports by the State health agency, in such form and containing such information, as the Secretary of Labor may from time to time require, and provision for compliance with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports.
5. Provision for extension and improvement of local maternal and child-health services.
6. Provision for cooperation with medical, nursing, and welfare groups and organizations.
7. Provision for development of demonstration services in needy areas and among groups in special need.

Forms are supplied to each State for use in submitting plans and budgets and reporting activities and expenditures. Plans for the entire year are submitted at the beginning of the fiscal year (July 1). The plans and budgets must cover the entire program, showing the part to be financed by State and local funds and the funds that have been appropriated or otherwise made available by State and local agencies for such purpose.

Method of Payment.

Payments to a State from the fund available for payment of half the expenditure under an approved plan (fund A) are made for each quarter, in accordance with the following procedure:

1. An estimate of the amount to be paid to the State is made by the Secretary of Labor prior to the beginning of each quarter, based on (a) an estimate of the amount to be expended during the quarter made by the State and (b) such investigation as the Secretary of Labor may find necessary. The State estimate

must contain also a statement of the amount appropriated or made available by the State and its political subdivisions; if such sum is less than half the estimated total expenditures, the source or sources from which the difference is to be derived must be given.

2. Certification of the amount so estimated, reduced or increased to correct any differences between estimated and actual expenditures for prior quarters, is made by the Secretary of Labor to the Secretary of the Treasury.

3. Payment to the State, at the time or times fixed by the Secretary of Labor, is made by the Secretary of the Treasury through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office.

Payments from the fund available on the basis of financial need for assistance in carrying out the approved plans (fund B) are made in a similar manner at the time or times specified by the Secretary of Labor.

Provisions for Withholding Payments Under Approved Plans.

The Secretary of Labor is directed to withhold payments under an approved plan, after giving reasonable notice and opportunity for hearing to the State agency administering the plan or supervising its administration, if he finds that in the administration of the plan there is failure to comply substantially with any provision required by the act to be included in the plan. In such case he must notify the State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply.

SERVICES FOR CRIPPLED CHILDREN

Purpose of Federal Grants.

The annual appropriation authorized for grants to States for services for crippled children, \$3,870,000,⁶ is for the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as is practicable under the conditions in such State, services for locating crippled children and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or who are suffering from conditions that lead to crippling.

⁶ The annual appropriation authorized in the original act (1935) was \$2,850,000.

Federal Administration.

The administration of this part of the act is under the immediate direction of the Crippled Children's Division of the Children's Bureau of the United States Department of Labor, headed by a physician and receiving general supervision from the Assistant Chief of the Children's Bureau, who is also a physician. The work of this division is carried on in close cooperation with the Maternal and Child Health Division and the Child Welfare Division.

Amounts Available to States.

The apportionment of Federal funds for the fiscal year ending June 30, 1941, is shown in table 2. The amount, \$3,870,000, authorized for grants to the States annually for services for crippled children is divided as follows:

Fund A (see sec. 512 (a))

Available for payment of half of total expenditure (exclusive of fund B) under approved plans (within the amount available for allotment to each State) (matching required)-----	\$2, 870, 000
Uniform apportionment, \$20,000 to each State-----	\$1, 040, 000
Apportionment on basis of need, after number of crippled children in need of services and cost of furnishing services are taken into consideration-----	1, 830, 000

Fund B (see sec. 512 (b))⁷

Available for allotment according to financial need for assistance in carrying out State plan, after number of crippled children in need of services and cost of furnishing services are taken into consideration (matching not required)-----	1, 000, 000
--	-------------

(The amount allocable to a State cannot be determined until the State has submitted its plan giving the information on which the apportionment on the basis of need can be made.)

Requirements for State Plans.

State plans must be approved by the Chief of the Children's Bureau if they conform with the conditions specified in section 513 (a) of the act. These conditions are substantially as follows:

1. Financial participation by the State.
2. Administration of the plan or supervision of administration of the plan by a State agency.
3. Such methods of administration (including after January 1, 1940, methods relating to establishment and maintenance of personnel standards on a merit basis) as are necessary for the proper and efficient operation of the plan.
4. Provision for such reports by the State agency, in such form and containing such information as the Secretary of Labor may from time to time require, and provision for compliance with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports.

⁷ Section 512 (b) is a new section added by the Social Security Act Amendments of 1939. The act as passed in 1935 provided only for Federal grants for payment of half of total expenditure under approved State plans for services for crippled children.

5. Provision for carrying out the purposes specified in this portion of the (p. 9).

6. Provision for cooperation with medical, health, nursing, and welfare groups and organizations and with any agency in the State charged with administering State laws providing for vocational rehabilitation of physically handicapped children.

TABLE 2.—Apportionment of Federal funds for fiscal year ending June 30, 1941, for grants to States for services for crippled children under title V, part 2 (secs. 511-512), of the Social Security Act as amended

State or Territory	Apportionment of funds for fiscal year 1941		
	Total	Fund A—\$20,000 to each State and conditional apportionment ¹ of \$1,-830,000 on basis of need (matching required)	Fund B—Conditional apportionment ¹ on basis of need (matching not required)
Total.....	\$3,870,000	\$2,870,000	\$1,000,000
Alabama.....	79,390	66,654	12,736
Alaska.....	23,600	20,834	2,766
Arizona.....	31,561	26,882	4,679
Arkansas.....	61,708	51,858	9,850
California.....	109,924	85,167	24,757
Colorado.....	42,583	34,820	7,763
Connecticut.....	48,060	42,328	5,732
Delaware.....	26,113	23,220	2,893
District of Columbia.....	29,276	25,227	4,049
Florida.....	48,350	41,641	6,709
Georgia.....	81,781	70,683	11,098
Hawaii.....	30,737	26,310	4,427
Idaho.....	31,578	27,127	4,451
Illinois.....	141,120	120,253	20,867
Indiana.....	72,638	64,412	8,226
Iowa.....	64,242	54,682	9,560
Kansas.....	55,897	46,988	8,909
Kentucky.....	75,242	62,855	12,387
Louisiana.....	62,676	54,752	7,924
Maine.....	37,388	31,154	6,234
Maryland.....	47,169	42,812	4,357
Massachusetts.....	90,510	76,190	14,320
Michigan.....	105,912	88,404	17,508
Minnesota.....	70,976	56,881	14,095
Mississippi.....	66,256	55,166	11,090
Missouri.....	78,343	68,878	9,465
Montana.....	32,402	27,872	4,530
Nebraska.....	47,151	40,329	6,822
Nevada.....	23,809	21,088	2,721
New Hampshire.....	30,076	26,156	3,920
New Jersey.....	85,677	74,971	10,706
New Mexico.....	32,552	27,418	5,134
New York.....	219,881	179,793	40,088
North Carolina.....	95,853	78,527	17,326
North Dakota.....	36,880	31,599	5,281
Ohio.....	122,087	110,387	11,700
Oklahoma.....	72,460	59,862	12,598
Oregon.....	37,584	31,949	5,635
Pennsylvania.....	181,533	162,875	18,658
Puerto Rico.....	59,981	51,557	8,424
Rhode Island.....	34,779	29,573	5,206
South Carolina.....	63,248	53,049	10,199
South Dakota.....	35,934	31,037	4,897
Tennessee.....	73,278	63,080	10,198
Texas.....	134,520	113,601	20,919
Utah.....	33,959	28,748	5,211
Vermont.....	29,133	25,003	4,130
Virginia.....	72,274	60,295	11,979
Washington.....	46,435	39,887	6,548
West Virginia.....	56,986	49,772	7,214
Wisconsin.....	71,796	62,065	9,731
Wyoming.....	26,702	23,329	3,373
Reserved for later apportionment on basis of special need.....	500,000		500,000

¹The allotment to a State cannot be finally determined until the State has submitted its plan for services for crippled children for the year ending June 30, 1941, giving the information on which the apportionment on the basis of need can be made.

Forms of the same character as those described under Maternal and child-health services (p. 8) are supplied to each State.

Method of Payment.

Payments to a State from fund A, available for payment of half the expenditures under an approved plan, and payments from fund B, available on the basis of financial need in carrying out a State plan, are made under the same conditions as have been described in the section on Maternal and child-health services (pp. 8-9).

Provisions for Withholding Payments Under Approved Plans.

Provisions for withholding payments are the same as those outlined under Maternal and child-health services (p. 9).

CHILD-WELFARE SERVICES

Purpose of Federal Grants.

The annual appropriation authorized for grants to States for child-welfare services, \$1,510,000,⁸ is for the purpose of enabling the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, child-welfare services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent.

Federal Administration.

The administration of this section is under the immediate direction of the Child Welfare Division of the Children's Bureau of the United States Department of Labor, headed by a social worker and receiving general supervision from the Chief of the Children's Bureau.

Amounts Available to States and Conditions Under Which Grants May Be Made.

The apportionment of funds under the terms of the act is shown in table 3.

The amounts are available for use by cooperating public-welfare agencies on the basis of plans developed jointly by the State agency and the Children's Bureau. They are to be used for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural and for 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. Forms are supplied to each State for use in submitting plans and budgets and reporting activities and expenditures.

⁸ The annual appropriation authorized in the original act (1935) was \$1,500,000.

TABLE 3.—Annual apportionment of funds for grants to States for child-welfare services under title V, part 3, of the Social Security Act as amended

State or Territory	Percent distribution of rural population, 1930 ¹	Available for allotment on basis of State plans for child-welfare services: \$10,000 to each State and apportionment of \$990,000 on basis of rural population
Total	100.000	\$1,510,000
Alabama	3.448	44,137
Alaska .....	.093	10,923
Arizona .....	.518	15,128
Arkansas	2.668	36,413
California	2.750	37,221
Colorado .....	.935	19,260
Connecticut .....	.861	18,528
Delaware .....	.209	12,068
District of Columbia		10,000
Florida	1.284	22,715
Georgia	3.650	46,130
Hawaii .....	.309	13,058
Idaho .....	.572	15,663
Illinois	3.617	45,805
Indiana	2.615	35,892
Iowa	2.704	36,772
Kansas	2.087	30,661
Kentucky	3.292	42,586
Louisiana	2.299	32,759
Maine .....	.863	18,542
Maryland	1.191	21,786
Massachusetts .....	.758	17,506
Michigan	2.792	37,645
Minnesota	2.368	33,446
Mississippi	3.029	39,991
Missouri	3.209	41,773
Montana .....	.646	16,400
Nebraska	1.617	26,007
Nevada .....	.103	11,016
New Hampshire .....	.348	13,450
New Jersey	1.273	22,601
New Mexico .....	.574	15,681
New York	3.746	47,083
North Carolina	4.279	52,365
North Dakota	1.029	20,186
Ohio	3.879	48,397
Oklahoma	2.854	38,257
Oregon .....	.841	18,329
Pennsylvania	5.616	65,601
Puerto Rico	2.025	30,043
Rhode Island .....	.094	10,935
South Carolina	2.480	34,547
South Dakota	1.019	20,086
Tennessee	3.118	40,871
Texas	6.228	71,659
Utah .....	.438	14,336
Vermont .....	.437	14,323
Virginia	2.967	39,369
Washington	1.231	22,184
West Virginia	2.244	32,215
Wisconsin	2.511	34,861
Wyoming .....	.282	12,790

¹ Based on most recent census figures available when the apportionment was made.

Method of Payment.

On certification of the Secretary of Labor, payments to the States under approved State plans are made by the Secretary of the Treasury through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office.

OTHER TITLES OF THE SOCIAL SECURITY ACT THAT PROVIDE DIRECT BENEFITS FOR CHILDREN

Two other titles of the Social Security Act, administered by the Social Security Board, provide direct benefits for children. Title IV, which provides for grants to States for aid to dependent children, was amended in 1939 by increasing the proportional share of the Federal contribution and by extending somewhat the group of children to be benefited. Title II, which provides for Federal old-age insurance benefits, was amended in 1939 by adding provisions for survivors insurance benefits, including the payment of benefits to children of deceased insured persons.

Aid to Dependent Children.

For the purpose of enabling each State to furnish financial assistance, as far as is practicable under the conditions in such State, to needy dependent children, an appropriation is authorized for each fiscal year of such sums as may be sufficient for making payments to States which have State plans for aid to dependent children approved by the Social Security Board.

The term "dependent child" is defined to mean a needy child under the age of 16 years, or under the age of 18 years if found to be regularly attending school, who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living in the home of his father, mother, or other relative or relatives as specified in the act.

State plans must provide for: State-wide operation, the plan to be in effect in all political subdivisions of the State, and, if administered by them, to be mandatory on them; financial participation by the State; administration, or supervision of administration, by a single State agency; granting to any individual whose claim with respect to aid to a dependent child is denied, opportunity for a fair hearing before the State agency; such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis) as are found by the Social Security Board to be necessary for the proper and efficient operation of the plan; such reports by the State agency as may be required by the Board; consideration of any other income and resources of any child claiming aid to dependent children; and safeguards which restrict the use or disclosure of information concerning applicants and recipients

to purposes directly concerned with the administration of aid to dependent children.

No residence requirement is to be imposed which would result in the denial of aid to an otherwise eligible child (1) who has lived in the State for 1 year immediately preceding the application for aid or (2) who was born in the State within 1 year immediately preceding the application, if his mother had lived in the State for a year immediately preceding his birth.

States with approved plans will be reimbursed to the extent of one-half of the total expenditures, except that the State or local administrative unit must bear the full cost of any payment in excess of \$18 per month for any dependent child, or, if there is more than one dependent child in the same home, in excess of \$18 for one such dependent child and \$12 for each of the other dependent children.

Old-Age and Survivors Insurance Benefits.

The Federal old-age insurance program was extensively revised and liberalized by the Social Security Act amendments of 1939. Among other changes, provision was made for survivors benefits under certain conditions to widows, dependent children, or dependent parents, and for supplementary benefits to a qualified individual whose wife is 65 or over or who has an unmarried dependent child under 18.

So far as children are concerned, this means that each child under 18, dependent on an insured individual at the time of his death, will receive a child's insurance benefit monthly until the child marries, dies, is adopted, or attains the age of 18. In addition, a widow's insurance benefit is payable to the widow of an insured worker who has in her care a child thus entitled to benefits.

The date of first payment of benefits (except lump-sum payments under the 1935 act) under the old-age and survivors insurance program was changed to January 1, 1940. The act as passed in 1935 made the first monthly payments under the old-age insurance program payable on January 1, 1942.

**STATE AGENCIES ADMINISTERING SERVICES UNDER TITLE V, PARTS 1, 2, AND 3, OF
THE SOCIAL SECURITY ACT, AUGUST 1, 1940**

STATE	Maternal and Child-Health Services Title V, Part 1	Services for Crippled Children Title V, Part 2	Child-Welfare Services Title V, Part 3
ALABAMA.....	<i>State Department of Public Health</i> Bureau of Hygiene and Nursing.....	<i>State Department of Education</i> Division of Vocational Education.....	<i>State Department of Public Welfare</i> Bureau of Child Welfare.
ALASKA.....	<i>Territorial Department of Health</i>		<i>Territorial Department of Public Welfare</i>
	Division for Maternal and Child Health and Crippled Children.	Division for Maternal and Child Health and Crippled Children.	
ARIZONA.....	<i>State Board of Health</i>	<i>State Board of Social Security and Public Welfare</i>	
	Division of Maternal and Child Health.....	Division for Crippled Children.....	Child Welfare Division.
ARKANSAS.....	<i>State Board of Health</i>	<i>State Department of Public Welfare</i>	
	Maternal and Child Health Division.....	Crippled Children's Division.....	Division of Child Welfare.
CALIFORNIA.....	<i>State Department of Public Health</i>		<i>State Department of Social Welfare</i>
	Bureau of Child Hygiene.....	Crippled Children's Services.....	Division of Child-Welfare Services.
COLORADO.....	<i>State Division of Public Health</i>		<i>State Department of Public Welfare</i>
	Division of Maternal and Child Health.....	Division of Crippled Children.....	Child Welfare Division.
CONNECTICUT.....	<i>State Department of Health</i>		<i>Office of Commissioner of Welfare</i>
	Bureau of Child Hygiene.....	Bureau of Child Hygiene, Division of Crippled Children.	Bureau of Child Welfare.
DELAWARE.....	<i>State Board of Health</i>		<i>State Board of Charities</i>
	Division of Maternal and Child Health.....	Services for Crippled Children.....	
DISTRICT OF CO- LUMBIA.....	<i>Health Department of the District of Columbia</i>		<i>Board of Public Welfare</i>
	Bureau of Maternal and Child Welfare.....	Bureau of Maternal and Child Welfare.....	
FLORIDA.....	<i>State Board of Health</i>	<i>Crippled Children's Commission</i>	<i>State Welfare Board</i>
	Bureau of Maternal and Child Health.....		Department of Child Welfare.
GEORGIA.....	<i>State Department of Public Health</i>	<i>State Department of Public Welfare</i>	
	Division of Child Hygiene.....	Crippled Children's Division.....	Division of Child Welfare.
HAWAII.....	<i>Territorial Board of Health</i>		<i>Territorial Department of Social Security</i>
	Bureau of Maternal and Infant Hygiene.....	Division of Services to Crippled Children.....	Child Welfare Division.

	<i>State Department of Public Welfare</i>		
IDAHO.....	Division of Public Health, Bureau of Maternal and Child Health and Crippled Children.	Division of Public Health, Bureau of Maternal and Child Health and Crippled Children.	Division of Public Assistance.
ILLINOIS.....	<i>State Department of Public Health</i> Division of Child Hygiene and Public-Health Nursing.	<i>State Department of Public Welfare</i> Division for Handicapped Children.....	Division of Child Welfare.
INDIANA.....	<i>State Board of Health</i> Bureau of Maternal and Child Health.....	<i>State Department of Public Welfare</i> Services for Crippled Children.....	Children's Division.
IOWA.....	<i>State Department of Health</i> Division of Maternal and Child Health.....	<i>State Board of Education</i> Crippled Children's Services.....	<i>State Board of Social Welfare</i> Division of Child Welfare.
KANSAS.....	<i>State Board of Health</i> Division of Child Hygiene.....	<i>Crippled-Children Commission</i>	<i>State Department of Social Welfare</i> Division of Child Welfare.
KENTUCKY.....	<i>State Department of Health</i> Bureau of Maternal and Child Health.....	<i>Crippled-Children Commission</i>	<i>State Department of Welfare</i> Child Welfare Division.
LOUISIANA.....	<i>State Board of Health</i> Bureau of Parish Health Administration, Division of Maternal and Child Health.	Bureau of Parish Health Administration, Division of Crippled Children.	<i>State Department of Public Welfare</i> Bureau of Public Assistance and Child Welfare.
MAINE.....	<i>State Department of Health and Welfare</i> Bureau of Health, Division of Maternal and Child Health.	Bureau of Health, Division of Services for Crippled Children.	Bureau of Social Welfare.
MARYLAND.....	<i>State Department of Health</i> Bureau of Child Hygiene.....	Services for Crippled Children.....	<i>State Department of Public Welfare</i> Child Welfare Bureau
MASSACHUSETTS.....	<i>State Department of Public Health</i> Division of Child Hygiene.....	Services for Crippled Children.....	<i>State Department of Public Welfare</i> Division of Child Guardianship.
MICHIGAN.....	<i>State Department of Health</i> Bureau of Child Hygiene.....	<i>Crippled-Children Commission</i>	<i>State Department of Social Welfare</i> Bureau of Child Welfare.
MINNESOTA.....	<i>State Department of Health</i> Division of Child Hygiene.....	<i>State Department of Social Security</i> Division of Social Welfare Bureau for Crippled Children.....	Bureau of Child Welfare.
MISSISSIPPI.....	<i>State Board of Health</i> Maternal and Child Health Division.....	<i>State Board for Vocational Education</i> Crippled Children's Services.....	<i>State Department of Public Welfare</i> Children's Division.
MISSOURI.....	<i>State Board of Health</i> Division of Child Hygiene.....	<i>University of Missouri</i> State Crippled Children's Service.....	<i>State Social-Security Commission</i> Division of Child Welfare.
MONTANA.....	<i>State Board of Health</i> Maternal and Child Health Division.....	<i>State Department of Public Welfare</i> Division of Crippled Children.....	Division of Child-Welfare Services.

**STATE AGENCIES ADMINISTERING SERVICES UNDER TITLE V, PARTS 1, 2, AND 3, OF
THE SOCIAL SECURITY ACT, AUGUST 1, 1940—Continued**

STATE	Maternal and Child-Health Services Title V, Part 1	Services for Crippled Children Title V, Part 2	Child-Welfare Services Title V, Part 3
NEBRASKA.....	<i>State Department of Health</i> Division of Maternal and Child Health.....	Child Welfare Division.....	<i>State Board of Control</i> Child Welfare Division.
NEVADA.....	<i>State Department of Health</i> Maternal and Child Health Division.....	Maternal and Child Health Division.....	<i>State Welfare Department</i>
NEW HAMPSHIRE.....	<i>State Board of Health</i> Division of Maternal and Child Health and Crippled Children's Services.	Division of Maternal and Child Health and Crippled Children's Services.	<i>State Department of Public Welfare</i>
NEW JERSEY.....	<i>State Department of Health</i> Bureau of Maternal and Child Health.....	<i>Crippled Children's Commission</i>	<i>State Department of Institutions and Agencies</i> Board of Children's Guardians.
NEW MEXICO.....	<i>State Department of Public Health</i> Division of Maternal and Child Health.....	<i>State Department of Public Welfare</i> Division of Crippled Children's Services.....	<i>State Department of Public Welfare</i> Division of Child Welfare.
NEW YORK.....	<i>State Department of Health</i> Division of Maternity, Infancy, and Child Hygiene.	Division of Orthopedics.....	<i>State Department of Social Welfare</i> Bureau of Child Welfare.
NORTH CAROLINA.....	<i>State Board of Health</i> Maternal and Child Health Services.....	Division for Crippled Children.....	<i>State Board of Charities and Public Welfare</i> Division of Child Welfare.
NORTH DAKOTA.....	<i>State Department of Public Health</i> Maternal and Child Health Division.....	Division of Child Welfare.....	<i>Public-Welfare Board of North Dakota</i> Division of Child Welfare.
OHIO.....	<i>State Department of Health</i> Bureau of Child Hygiene.....	Division of Public Assistance, Services for Crippled Children.	<i>State Department of Public Welfare</i> Division of Public Assistance, Bureau of Charities.
OKLAHOMA.....	<i>State Department of Public Health</i> Division of Maternal and Child Health.....	<i>Commission for Crippled Children</i>	<i>State Department of Public Welfare</i> Division of Child Welfare.
OREGON.....	<i>State Board of Health</i> Division of Maternal and Child Health.....	Services for Crippled Children.....	<i>State Public Welfare Commission</i> Child-Welfare Services.
PENNSYLVANIA.....	<i>State Department of Health</i> Bureau of Maternal and Child Health.....	Crippled Children's Service.....	<i>State Department of Welfare</i> Rural Child Welfare Unit.

PUERTO RICO.....	<i>Insular Department of Health</i>		
	Bureau of Infant Hygiene.....	Bureau of Infant Hygiene.....	Bureau of Social Welfare.
RHODE ISLAND.....	<i>State Department of Health</i>		<i>State Department of Social Welfare</i>
	Bureau of Child Hygiene.....	Crippled Children's Division.....	
SOUTH CAROLINA.....	<i>State Board of Health</i>		<i>State Department of Public Welfare</i>
	Division of Maternal and Child Health.....	Division of Crippled Children.....	Division of Child Welfare.
SOUTH DAKOTA.....	<i>State Board of Health</i>		<i>State Social Security Commission</i>
	Division of Maternal and Child Health.....	Division of Crippled Children.....	Division of Child Welfare.
TENNESSEE.....	<i>State Department of Public Health</i>		<i>State Department of Public Welfare</i>
	Division of Maternal and Child Health.....	Services for Crippled Children.....	Child-Welfare Division.
TEXAS.....	<i>State Department of Health</i>	<i>State Department of Education</i>	<i>State Department of Public Welfare</i>
	Division of Maternal and Child Health.....	Crippled Children's Division.....	Division of Child Welfare.
UTAH.....	<i>State Board of Health</i>		<i>State Department of Public Welfare</i>
	Bureau of Maternal and Child Health.....	Crippled Children's Service.....	Division of Child-Welfare Services.
VERMONT.....	<i>State Department of Public Health</i>		<i>State Department of Public Welfare</i>
	Maternal and Child Health Division.....	Crippled Children's Division.....	Division of Child Welfare and Blind Assistance.
VIRGINIA.....	<i>State Department of Health</i>		<i>State Department of Public Welfare</i>
	Bureau of Maternal and Child Health.....	Crippled Children's Bureau.....	Children's Bureau.
WASHINGTON.....	<i>State Department of Health</i>	<i>State Department of Social Security</i>	
	Division of Maternal and Child Hygiene.....	Division for Children.....	Division for Children.
WEST VIRGINIA.....	<i>State Department of Health</i>	<i>State Department of Public Assistance</i>	
	Division of Child Hygiene.....	Division of Crippled Children.....	Bureau of Child Welfare Division of Child-Welfare Services.
WISCONSIN.....	<i>State Board of Health</i>	<i>State Department of Public Instruction</i>	
	Bureau of Maternal and Child Health.....	Bureau for Handicapped Children, Crippled Children's Division.	<i>State Department of Public Welfare</i> Bureau of Child Welfare.
WYOMING.....	<i>State Board of Health</i>		<i>State Department of Public Welfare</i>
	Division of Maternal and Child Health.....	Division for Crippled Children.....	

Under the Social Security Act

TEXT OF THE SECTIONS OF THE SOCIAL SECURITY ACT
RELATING TO GRANTS TO STATES FOR MATERNAL
AND CHILD WELFARE, AS AMENDED IN 1939¹

[Original law printed in roman; new law printed in *italics*.]

Title V.—GRANTS TO STATES FOR MATERNAL AND CHILD
WELFARE

Part 1.—MATERNAL AND CHILD-HEALTH SERVICES
APPROPRIATION

Section 501. For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$5,820,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

ALLOTMENTS TO STATES

Sec. 502. (a) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and such part of \$2,800,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Bureau of the Census has available statistics.

(b) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to the States \$1,980,000 (in addition to the allotments made under subsection (a)) according to the financial need of each State for assistance in carrying out its State plan, as determined by him after taking into consideration the number of live births in such State.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 504 until the end of the second succeeding fiscal year. No payment to a State under section 504 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

APPROVAL OF STATE PLANS

Sec. 503. (a) A State plan for maternal and child-health services must (1) provide for financial participation by the State; (2) provide for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; (3) provide such methods of administration (*including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Board*² shall exercise no authority with respect to the selection,

¹ 49 Stat. 629; 53 Stat. 1360.

² This reference to "the Board" appears to have been made inadvertently, as uniform amendments to several titles of the act were being considered by the Conference Committee of the two Houses of Congress. In title V, secs. 503 (a) and 513 (a), it should be construed as if it read "the Chief of the Children's Bureau."

tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the *proper and efficient* operation of the plan; (4) provide that the State health agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for the extension and improvement of local maternal and child-health services administered by local child-health units; (6) provide for cooperation with medical, nursing, and welfare groups and organizations; and (7) provide for the development of demonstration services in needy areas and among groups in special need.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State health agency of his approval.

PAYMENT TO STATES

Sec. 504. (a) From the sums appropriated therefor and the allotments available under section 502 (a), the Secretary of the Treasury shall pay to each State which has an approved plan for maternal and child-health services, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

(c) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotments available under section 502 (b), and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.

OPERATION OF STATE PLANS

Sec. 505. In the case of any State plan for maternal and child-health services which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 503 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

Part 2.—SERVICES FOR CRIPPLED CHILDREN

APPROPRIATION

Sec. 511. For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$3,870,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

ALLOTMENTS TO STATES

Sec. 512. (a) Out of the sums appropriated pursuant to section 511 for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and *\$1,830,000* to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

(b) *Out of the sums appropriated pursuant to section 511 for each fiscal year the Secretary of Labor shall allot to the States \$1,000,000 (in addition to the allotments made under subsection (a)), according to the financial need of each State for assistance in carrying out its State plan, as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.*

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 514 until the end of the second succeeding fiscal year. No payment to a State under section 514 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

APPROVAL OF STATE PLANS

Sec. 513. (a) A State plan for services for crippled children must (1) provide for financial participation by the State; (2) provide for the administration of the plan by a State agency or the supervision of the administration of the plan by a State agency; (3) provide such methods of administration (*including after January 1, 1940, methods relating to the establishment and maintenance*

of personnel standards on a merit basis, except that the Board³ shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan; (4) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for carrying out the purposes specified in section 511; and (6) provide for cooperation with medical, health, nursing, and welfare groups and organizations and with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State agency of his approval.

PAYMENT TO STATES

Sec. 514. (a) From the sums appropriated therefor and the allotments available under section 512 (a), the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

³ This reference to "the Board" appears to have been made inadvertently, as uniform amendments to several titles of the act were being considered by the Conference Committee of the two Houses of Congress. In title V, secs. 503 (a) and 513 (a), it should be construed as if it read "the Chief of the Children's Bureau."

(c) *The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotment available under section 512 (b), and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.*

OPERATION OF STATE PLANS

Sec. 515. In the case of any State plan for services for crippled children which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 513 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

Part 3.—CHILD-WELFARE SERVICES

Sec. 521. (a) For the purpose of enabling the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, public-welfare services (hereinafter in this section referred to as "child-welfare services") for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$1,510,000. Such amount shall be allotted by the Secretary of Labor for use by cooperating State public-welfare agencies on the basis of plans developed jointly by the State agency and the Children's Bureau, to each State, \$10,000, and the remainder to each State on the basis of such plans, not to exceed such part of the remainder as the rural population of such State bears to the total rural population of the United States. The amount so allotted shall be expended for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, and for 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 amount of any allotment to a State under this section for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under this section until the end of the second succeeding fiscal year. No payment to a State under this section shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

(b) From the sums appropriated therefor and the allotments available under subsection (a) the Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States, and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.

* * * * *

Part 5.—ADMINISTRATION

Sec. 541. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$425,000,⁴ for all necessary expenses of the Children's Bureau in administering the provisions of this title, except section 531.⁵

(b) The Children's Bureau shall make such studies and investigations as will promote the efficient administration of this title, except section 531.

(c) The Secretary of Labor shall include in his annual report to Congress a full account of the administration of this title, except section 531.

* * * * *

Title XI.—GENERAL PROVISIONS

DEFINITIONS

Section 1101. (a) When used in this act—

(1) The term "State" (except when used in sec. 531) includes Alaska, Hawaii, and the District of Columbia, and when used in titles V and VI of such act (including sec. 531) includes Puerto Rico.⁶

(2) The term "United States" when used in a geographical sense means the States, Alaska, Hawaii, and the District of Columbia.

* * * * *

(d) Nothing in this act shall be construed as authorizing any Federal official, agent, or representative, in carrying out any of the provisions of this act, to take charge of any child over the objection of either of the parents of such child, or of the person standing in loco parentis to such child.

RULES AND REGULATIONS

Sec. 1102. The Secretary of the Treasury, the Secretary of Labor, and the Social Security Board, respectively, shall make and publish such rules and regulations, not inconsistent with this act, as may be necessary to the efficient administration of the functions with which each is charged under this act.

SEPARABILITY

Sec. 1103. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances shall not be affected thereby.

RESERVATION OF POWER

Sec. 1104. The right to alter, amend, or repeal any provision of this act is hereby reserved to the Congress.

SHORT TITLE

Sec. 1105. This act may be cited as the "Social Security Act."

⁴ The amount for each fiscal year is determined by Federal appropriation acts.

⁵ Sec. 531 deals with vocational rehabilitation.

⁶ Amendment effective January 1, 1940.



ARTICLE I

Section 1. The purpose of this corporation shall be to provide a safe and sound place for the deposit of money and to invest the same in such manner as to produce a reasonable return thereon, and to pay the interest and dividends thereon to the depositors and shareholders respectively.

ARTICLE II

Section 1. The capital of this corporation shall be \$1,000,000.00, divided into 100,000 shares of ten dollars each. The shares shall be payable in cash or in such other manner as the board of directors may determine.

Section 2. The board of directors shall have the authority to borrow money on the credit of this corporation, and to issue bonds or other securities, in such amounts and on such terms as they may deem proper.

Section 3. The board of directors shall have the authority to make and alter the bylaws of this corporation, and to suspend or repeal the same.

CHART SHOWING PROVISIONS FOR GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE AUTHORIZED BY THE SOCIAL SECURITY ACT APPROVED AUGUST 14, 1935, AND THE SOCIAL SECURITY ACT AMENDMENTS OF 1939 APPROVED AUGUST 10, 1939

TITLE V, PARTS 1, 2, 3, AND 5. TITLE XI, SECTION 1101 (d) AND SECTION 1102

[The term "State" includes the 48 States, the District of Columbia, Alaska, Hawaii, and (beginning Jan. 1, 1940) Puerto Rico]

Purpose	(1) Annual Federal appropriation authorized for allotment to States (2) Official who makes allotment (3) Period during which allotments are available	Method of apportionment to each State	Method and time of payment	Method of establishing eligibility for payments	State administrative or supervising agency	Requirements which must be met in each State plan	Provisions regarding withholding of payments to States	Federal administration of the three programs for maternal and child welfare
MATERNAL AND CHILD-HEALTH SERVICES (SECS. 501-505; TITLE V, PT. 1)								
Extension and improvement of services for promoting health of mothers and children (especially in rural areas and areas suffering from severe economic distress).	(1) \$5,820,000 annually. (2) Secretary of Labor. (3) An allotment to a State under sec. 502 (a) (fund A) for any fiscal year is available for payment until end of second succeeding fiscal year. An allotment under sec. 502 (b) (fund B) for any fiscal year is available for payment until the end of that year.	Fund A (matching required): Available for half total cost of services planned (exclusive of fund B): (1) \$1,040,000, allotted \$20,000 to each State. (2) \$2,800,000, allotted on basis of ratio of live births in State to total live births in United States in latest calendar year for which statistics are available. Fund B (matching not required): \$1,980,000, allotted on basis of financial need of each State for assistance in carrying out plan as determined by Secretary of Labor after taking into consideration number of live births.	Payments from fund A made by Secretary of Treasury, on certification and at times designated by Secretary of Labor, on basis of estimated expenditures for quarter, reduced or increased to correct overpayments or underpayments for prior quarters. (Estimate based on report filed by State, containing estimate of total sum to be expended in the quarter and amount appropriated or made available by State and its political subdivisions for expenditure in such quarter, and if less than half total sum of estimated expenditures, source or sources from which difference is expected to be derived; and such investigation as Secretary of Labor may find necessary.) Payments from fund B made by Secretary of Treasury at times designated by Secretary of Labor.	Submission of State plan for services, conforming to conditions specified, and approval of plan by Chief of Children's Bureau, who notifies Secretary of Labor and State agency of his approval.	State health agency.	(1) Financial participation by State. (2) Administration or supervision of administration by State health agency. (3) Such methods of administration (including after Jan. 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis) as are necessary for the proper and efficient operation of plan. (4) Provision of such reports by State health agency as Secretary of Labor may require. (5) Extension and improvement of local maternal and child-health services administered by local child-health units. (6) Cooperation with medical, nursing, and welfare groups and organizations. (7) Provisions for development of demonstration services in needy areas and among groups in special need.	By Secretary of Labor, after giving reasonable notice and opportunity for hearing to State agency, on finding of failure in administration to comply substantially with any provision required to be included in State plan. No further payments to be made until Secretary of Labor is satisfied that there is no longer failure to comply.	TITLE V, Pt. 5 AND TITLE XI, SECS. 1101 (d) AND 1102 Annual authorized appropriation to Children's Bureau for all necessary expenses. Children's Bureau to make such studies and investigations as will promote efficient administration.
SERVICES FOR CRIPPLED CHILDREN (SECS. 511-515; TITLE V, PT. 2)								
Extension and improvement (especially in rural areas and areas suffering from severe economic distress) of services for locating crippled children and for providing medical, surgical, corrective, and other services and care and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or suffering from conditions which lead to crippling.	(1) \$3,870,000 annually. (2) Secretary of Labor. (3) An allotment to a State under sec. 512 (a) (fund A) is available for payment until end of second succeeding fiscal year. An allotment under sec. 512 (b) (fund B) for any fiscal year is available for payment until the end of that year.	Fund A (matching required): Available for half total cost of services planned (exclusive of fund B): (1) \$1,040,000, allotted \$20,000 to each State. (2) \$1,830,000, allotted according to need of each State as determined by Secretary of Labor after taking into consideration number of crippled children in such State in need of services and cost of furnishing services to them. Fund B (matching not required): \$1,000,000, allotted on basis of financial need of each State for assistance in carrying out plan as determined by Secretary of Labor after taking into consideration number of crippled children in need of services and cost of furnishing services to them.	Same as above.	Same as above.	State agency (type not specified.)	(1) Financial participation by State. (2) Administration or supervision of administration by State agency. (3) Such methods of administration (including after Jan. 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis) as are necessary for the proper and efficient operation of plan. (4) Provision of such reports by State agency as Secretary of Labor may require. (5) Provision for carrying out the purposes specified. (See first column.) (6) Cooperation with medical, health, nursing, and welfare groups and organizations, and with any agency in State administering State laws for vocational rehabilitation of physically handicapped children	Same as above.	Secretary of Labor to include full account of administration in annual report to Congress. Secretary of Labor to make and publish rules and regulations, not inconsistent with the act, as may be necessary to the efficient administration of the functions with which he is charged. Nothing in the act shall be construed as authorizing any Federal official, agent or representative, in carrying out any of the provisions of the act, to take charge of any child over the objection of either of the parents of such child, or of the person standing in loco parentis to such child.
CHILD-WELFARE SERVICES (SEC. 521; TITLE V, PT. 3)								
Cooperation, through Children's Bureau, with State public-welfare agencies in establishing, extending, and strengthening (especially in predominantly rural areas) welfare services for protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent.	(1) \$1,510,000 annually. (2) Secretary of Labor. (3) An allotment to a State for any fiscal year is available for payment until end of second succeeding fiscal year.	Funds available for payment of part of cost of district, county, or other local child-welfare services in areas predominantly rural, and for developing State services for encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need: (1) \$520,000, allotted \$10,000 to each State. (2) \$990,000, allotted on basis of ratio of rural population of each State to total rural population of the United States.	Paid by Secretary of Treasury, on certification of Secretary of Labor and at times designated by Secretary of Labor.	Plans developed jointly by State agency and Children's Bureau.	State public-welfare agency.	Not prescribed.	Not specified.	

CHART SHOWING PROVISIONS FOR GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE AUTHORIZED BY THE SOCIAL SECURITY ACT APPROVED AUGUST 14, 1935 AND THE SOCIAL SECURITY ACT AMENDMENTS OF 1939 APPROVED AUGUST 14, 1939

TITLE V PARTIAL AND FULL SECTION (B) AND SECTION (B)

Section	Provision
(1)	...
(2)	...
(3)	...
(4)	...
(5)	...
(6)	...
(7)	...
(8)	...
(9)	...
(10)	...
(11)	...
(12)	...
(13)	...
(14)	...
(15)	...
(16)	...
(17)	...
(18)	...
(19)	...
(20)	...
(21)	...
(22)	...
(23)	...
(24)	...
(25)	...
(26)	...
(27)	...
(28)	...
(29)	...
(30)	...
(31)	...
(32)	...
(33)	...
(34)	...
(35)	...
(36)	...
(37)	...
(38)	...
(39)	...
(40)	...
(41)	...
(42)	...
(43)	...
(44)	...
(45)	...
(46)	...
(47)	...
(48)	...
(49)	...
(50)	...
(51)	...
(52)	...
(53)	...
(54)	...
(55)	...
(56)	...
(57)	...
(58)	...
(59)	...
(60)	...
(61)	...
(62)	...
(63)	...
(64)	...
(65)	...
(66)	...
(67)	...
(68)	...
(69)	...
(70)	...
(71)	...
(72)	...
(73)	...
(74)	...
(75)	...
(76)	...
(77)	...
(78)	...
(79)	...
(80)	...
(81)	...
(82)	...
(83)	...
(84)	...
(85)	...
(86)	...
(87)	...
(88)	...
(89)	...
(90)	...
(91)	...
(92)	...
(93)	...
(94)	...
(95)	...
(96)	...
(97)	...
(98)	...
(99)	...
(100)	...

Section	Provision
(1)	...
(2)	...
(3)	...
(4)	...
(5)	...
(6)	...
(7)	...
(8)	...
(9)	...
(10)	...
(11)	...
(12)	...
(13)	...
(14)	...
(15)	...
(16)	...
(17)	...
(18)	...
(19)	...
(20)	...
(21)	...
(22)	...
(23)	...
(24)	...
(25)	...
(26)	...
(27)	...
(28)	...
(29)	...
(30)	...
(31)	...
(32)	...
(33)	...
(34)	...
(35)	...
(36)	...
(37)	...
(38)	...
(39)	...
(40)	...
(41)	...
(42)	...
(43)	...
(44)	...
(45)	...
(46)	...
(47)	...
(48)	...
(49)	...
(50)	...
(51)	...
(52)	...
(53)	...
(54)	...
(55)	...
(56)	...
(57)	...
(58)	...
(59)	...
(60)	...
(61)	...
(62)	...
(63)	...
(64)	...
(65)	...
(66)	...
(67)	...
(68)	...
(69)	...
(70)	...
(71)	...
(72)	...
(73)	...
(74)	...
(75)	...
(76)	...
(77)	...
(78)	...
(79)	...
(80)	...
(81)	...
(82)	...
(83)	...
(84)	...
(85)	...
(86)	...
(87)	...
(88)	...
(89)	...
(90)	...
(91)	...
(92)	...
(93)	...
(94)	...
(95)	...
(96)	...
(97)	...
(98)	...
(99)	...
(100)	...

Section	Provision
(1)	...
(2)	...
(3)	...
(4)	...
(5)	...
(6)	...
(7)	...
(8)	...
(9)	...
(10)	...
(11)	...
(12)	...
(13)	...
(14)	...
(15)	...
(16)	...
(17)	...
(18)	...
(19)	...
(20)	...
(21)	...
(22)	...
(23)	...
(24)	...
(25)	...
(26)	...
(27)	...
(28)	...
(29)	...
(30)	...
(31)	...
(32)	...
(33)	...
(34)	...
(35)	...
(36)	...
(37)	...
(38)	...
(39)	...
(40)	...
(41)	...
(42)	...
(43)	...
(44)	...
(45)	...
(46)	...
(47)	...
(48)	...
(49)	...
(50)	...
(51)	...
(52)	...
(53)	...
(54)	...
(55)	...
(56)	...
(57)	...
(58)	...
(59)	...
(60)	...
(61)	...
(62)	...
(63)	...
(64)	...
(65)	...
(66)	...
(67)	...
(68)	...
(69)	...
(70)	...
(71)	...
(72)	...
(73)	...
(74)	...
(75)	...
(76)	...
(77)	...
(78)	...
(79)	...
(80)	...
(81)	...
(82)	...
(83)	...
(84)	...
(85)	...
(86)	...
(87)	...
(88)	...
(89)	...
(90)	...
(91)	...
(92)	...
(93)	...
(94)	...
(95)	...
(96)	...
(97)	...
(98)	...
(99)	...
(100)	...

Section	Provision
(1)	...
(2)	...
(3)	...
(4)	...
(5)	...
(6)	...
(7)	...
(8)	...
(9)	...
(10)	...
(11)	...
(12)	...
(13)	...
(14)	...
(15)	...
(16)	...
(17)	...
(18)	...
(19)	...
(20)	...
(21)	...
(22)	...
(23)	...
(24)	...
(25)	...
(26)	...
(27)	...
(28)	...
(29)	...
(30)	...
(31)	...
(32)	...
(33)	...
(34)	...
(35)	...
(36)	...
(37)	...
(38)	...
(39)	...
(40)	...
(41)	...
(42)	...
(43)	...
(44)	...
(45)	...
(46)	...
(47)	...
(48)	...
(49)	...
(50)	...
(51)	...
(52)	...
(53)	...
(54)	...
(55)	...
(56)	...
(57)	...
(58)	...
(59)	...
(60)	...
(61)	...
(62)	...
(63)	...
(64)	...
(65)	...
(66)	...
(67)	...
(68)	...
(69)	...
(70)	...
(71)	...
(72)	...
(73)	...
(74)	...
(75)	...
(76)	...
(77)	...
(78)	...
(79)	...
(80)	...
(81)	...
(82)	...
(83)	...
(84)	...
(85)	...
(86)	...
(87)	...
(88)	...
(89)	...
(90)	...
(91)	...
(92)	...
(93)	...
(94)	...
(95)	...
(96)	...
(97)	...
(98)	...
(99)	...
(100)	...