THE 1939 WELFARE Reorganization Act and the federal Social Security Act of 1935 shifted the organization and funding of relief, but brought limited actual change to Michigan’s welfare system. The law resulted in a dual system of administration in most counties, with separate departments for the categorical-aid programs, governed by federal guidelines, and the general-relief programs. Categorical-aid programs, funded in part with federal matching grants, were implemented slowly, and few grants provided adequate support for recipients. In addition, families on WPA, and those who received ADC, OAA, or AB, often could not receive any supplemental aid in some counties, despite the low grants under those programs. Categorical-aid recipients continued to be subject to means testing and financial investigation. ADC, OAA, and AB were on the assistance track of welfare, and were not administered as entitlement programs. But while immediate change was limited, and continuities persisted, the events of the 1930s began a process of centralization at the state level that would continue for the next three decades.

The 1939 reorganization law was a compromise between old and new practices, and the lack of a consensus rendered the law unsatisfactory to people on both sides of the relief issue. Debates over welfare administration continued. Many counties continued to struggle with the financial burden of relief despite federal and state funds. Local officials did not have full control over all aspects of relief, including the categorical-aid programs. The state, when computing
matching formulas for categorical-aid grants, did not consider the expenses of the county infirmary or of soldiers’ and sailors’ relief or medical and hospitalization costs, all programs that continued to be the full responsibility of counties. Local officials also wanted the state to earmark at least one-third of revenues from the 1933 sales tax for local relief. Supervisors attending the state association meeting in January 1940, just weeks after the new law was implemented, strongly endorsed resolutions on all those issues.¹

Many local officials and their organizations wanted to return home rule to all areas of relief. The new law, in creating the ADC program, which was subject to federal guidelines, effectively eliminated mothers’ pensions, a locally funded and administered program.² Some officials resented this shift, despite the accompanying federal funds. Melville McPherson, chair of the state tax commission and a vocal home rule proponent, even advocated a return to locally administered mothers’ pensions, rather than the ADC program with its federal matching funds. He argued at the 1940 supervisors’ meeting that more-efficient local administration, in conjunction with a larger OAA federal grant, would offset the $3.5 million ADC grant the state would receive.³ Saginaw County’s Arthur Hauffé, a former superintendent of the poor and member of the county’s social welfare board, advocated a wholesale return to the pre-Depression system. The reorganized relief administration resembled the WRC too much, he insisted.⁴ Both the State Association of Supervisors and the State Association of County Social Welfare Boards (the successor to the Association of Superintendents of the Poor) sought changes in the Social Security Act to allow local officials control over the categorical-aid programs. At its 1942 meeting the Michigan State Association of Supervisors urged Michigan’s federal representatives to seek amendments to the Social Security Act to permit state and local, rather than federal, control, and reiterated, the following year, the power of supervisors in welfare administration.⁵

Most local officials did not mourn the demise of the professional caseworker in general relief. Social workers, who played such a central role in

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² The 1939 law did not explicitly eliminate mothers’ pensions, but the federal funds for ADC were the key reason for a switch to that program. Landers and Tharp, *Administration and Financing of Public Relief*, 19–20.

³ “Local Control,” 4.


the battle over the 1938 referendum, largely disappeared from general-relief administration thereafter. Ira Dean, Kent County’s social welfare director and a longtime poor-relief commissioner and outspoken home rule advocate, proudly stated that he required only a high school education of his staff, which was comprised of “nine young fellows about twenty-eight years old.” They did not need a college education, he said, and “I defy anyone to pick better trained social welfare workers.” He rejected the help of “the Kent County Social Welfare group” in setting standards and selecting personnel, because “we feel we can pick our own personnel, and we have reduced our administrative costs thirty-one percent.”

Many counties reduced their costs by relying on supervisors’ recommendations on the eligibility of applicants, rather than having employees conduct extensive investigations. Kent County opted for the “professional” relief worker as defined by local officials. The absence of social workers was not one of the flaws of the 1939 law, according to Dean and other home rule advocates.

Not all counties were unhappy with the new system, although a majority sought a revision of the matching-grant formula to include all local welfare expenditures, as well as an increase in the state’s relief contribution. Ironically, Van Buren County’s supervisors, among the most critical of the WRC and SERA in the early years of the New Deal, expressed few problems with the new system. They were the only county among the four to select the integrated relief system, placing their entire relief administration under the state’s supervision. Their director, Louise Wilkinson, a former WRC caseworker, had to meet civil service requirements to hold her post, but had the board’s support from the time of her appointment as administrator in 1938. The county, which had faced a seventy-five-thousand-dollar deficit just a few years before and had suspended all poor relief and mothers’ pensions, had recovered financially in the meantime, and the county treasurer told the supervisors at the 1940 budget meeting that the county was in its best financial shape in years. Marquette and Van Buren officials did not fundamentally change their relief systems, or their personnel, in the years immediately following the new law’s passage.

Detroit continued to operate a welfare department separate from the county system after the 1939 law. But all categorical-aid programs transferred to the Wayne County Bureau of Social Aid. Probate Judge D. J. Healy resisted

the transfer of mothers’ pensions from the probate court, but those cases were nevertheless moved to the BSA beginning in January 1940. The DPW continued to provide aid for those waiting to transfer to ADC, OAA, and AB. The county chose a dual system, with the BSA separate from the DSW, and established a part-time, policy-making board with a full-time director. Wayne County supervisors were committed to maintaining the standard of living in the shift from mothers’ pension to the ADC program, and agreed to provide supplementation from county funds to make up for the minimal ADC grants, as did the Detroit DPW.

Saginaw County faced a difficult year in welfare administration. Early budget projections called for an additional twenty-five thousand dollars to run the reorganized system. Repeated requests from the county for added funds to cover deficits angered city officials, who came to believe that the reorganized system, under county administration, was still too expensive. The savings promised through local administration by home rule advocates, including many Saginaw County officials, failed to materialize. Instead, the city had spent double the amount in 1939–40 than it had in previous years, and city officials questioned the county’s ability to administer relief. Rumblings of discontent spread to the finance committee, which was upset at reports that administrative costs for the social welfare board were 25 percent, three times the rate of the WRC in the 1930s. Committee members called the costs “disgraceful,” arguing that “no business could carry an administrative burden of 25 percent.” An investigation and subsequent reorganization followed. Instead of a three-member full-time board, supervisors established a three-member commission, with only one member serving full-time—as a director. They appointed to the social welfare board two “dollar-a-year” commissioners, in addition to Grover Stine, a former county clerk, as full-time director.

11. Proceedings, Wayne County Board of Supervisors, 1939, November 28, 1939, 992.
14. Proceedings of the Council and Boards of the City of Saginaw, January 2, 1940, 1 and 8; January 22, 1940, 20; February 19, 1940, 47.
17. “County’s Relief Chief Dismissed,” Saginaw Daily News, November 8, 1940, 1; “Relief
Saginaw County’s intense conflicts over its new relief system were unique among the counties studied, although it was likely not the only one to undertake changes in the first year of the new system. One criticism of the new law was that it allowed too many administrative choices, but personality conflicts exacerbated Saginaw’s problems. Clashes over relief administration calmed after the 1940 reorganization.18

The 1939 law effectively segregated general relief (later to be General Assistance) from other federal programs. General relief included those in need who did not fit the categorical-aid programs, including those who were disabled or too ill to work, but too young to qualify for OAA.19 Funded by local and state dollars, general relief became the “third track” of welfare, often administered entirely by local officials,20 who established their own eligibility and administrative guidelines. State officials had only limited supervision over those programs, although the state provided at least 50 percent of the funding.21 Recipients of general relief, for the most part, faced a return to the pre–New Deal practices of poor relief when they sought aid from their local county social welfare boards. Relief applicants continued to face a maze of agencies, both public and private, to secure the help they needed. They also did not have the same avenues of protest—state and federal officials—as categorical-aid recipients. General relief was strictly a local concern, and recipients could appeal only to their local agency and township or city supervisor. A single agency did not guarantee change. Even states that merged the programs


18. Public officials later joined private welfare agencies from the Saginaw Council of Social Agencies in establishing a central index of relief and welfare. The council paid half the cost, and the county the other half, implementing a mechanism to facilitate coordination between public and private welfare agencies. “Food Stamps Plan Opposed,” Saginaw Daily News, January 10, 1941.

19. Single women suffered perhaps the worst, as they likely worked in programs not covered by Old Age Insurance (the program now popularly known as Social Security). Thus their only avenue of support was OAA, or general relief if they were not yet eligible for an old-age grant. See Kessler-Harris, “Designing Women and Old Fools,” 102, 104–5.


21. Landers and Tharp, Administration and Financing of Public Relief, 27. Allocation percentages were set by the State Social Welfare Commission, and some counties received up to 95 percent of their relief funds from the state. The formula was based on the county’s financial situation and its relief needs. In 1940, Marquette, Saginaw, Van Buren, and Wayne all received 50 percent funding from the state. “Minutes, State Social Welfare Commission,” November 29, 1940, 96–98.
into one department, localization, accompanied by minimal state funding, limited the changes. Jerry Thomas argues that West Virginia, which did create a single Department of Public Assistance for all relief, also saw regression in its relief programs: “What happened in West Virginia when the state and counties resumed control of relief reflected a national pattern of harsher administrative practices, reduced relief grants, and lower personnel standards.”

Michigan’s funding was more generous than many states, but local officials sought to minimize general-relief costs as much as possible.

Fiscal localism emerges in the development of this third track of welfare. Many counties, including Saginaw, used their restored authority over general relief to institute punitive measures to discourage relief applicants, reinforcing distinctions between the federal programs and general relief. A key argument for home rule was that local officials could administer programs more efficiently and economically than professional social workers, and thus could more effectively contain the contagion of dependence. Restricting eligibility for relief was a strategic means to minimize local expenditures. Saginaw County’s Charles Bois proudly told supervisors at the 1940 meeting that Saginaw’s board sought “to perfect a system whereby we can catch up to chiselers. We have a Congress . . . and a Legislature in Michigan . . . to make laws and we have five million people to figure out how to break them.”

To limit potential chiselers, several counties placed restrictions on what services or goods rendered an applicant ineligible for relief. Both Saginaw and Manistee counties refused aid unless applicants turned over their automobile license plates; when their need for relief ended, the license plates were returned. No relief was granted to anyone who owned a telephone; exceptions were made if someone other than the applicant paid the bill or if the applicant was elderly or ill. Faced with a deficit early in their fiscal year, Manistee County supervisors refused to grant aid to anyone frequenting places that served alcohol, a practice also implemented in Van Buren County. When costs continued to climb, Manistee County supervisors further restricted eligibility in 1940. Recipients had to maintain gardens and supervisors prohibited newly married couples from receiving relief for a period of one year. The supervisors also denied any supplementation for WPA workers, regardless of their family size, as well as ADC and OAA grant recipients. In addition, the supervisors told the social welfare board not to exceed budgeted amounts;

23. Proceedings, Michigan State Association of Supervisors, January 24, 1940, 43–44.
24. Ibid., 44–45; “Proceedings, Board of Supervisors, Manistee County,” February 1, 1940, 401.
when the money ran out, relief would stop. They sought more careful investigation of cases before relief was granted, and by January of 1941 the supervisors also wanted to see regular lists of recipients. The 1939 law forbade the publication of recipients’ names, but some counties persisted in that practice anyway, prompting the Social Welfare Commission to remind counties of that prohibition, stating that “it does not approve of any action which will tend to stigmatize recipients of public relief.” Fiscal localism, particularly with respect to economy and efficiency, was the guiding principle of relief administration in many counties.

Several counties continued to rely heavily on township supervisors to screen applicants. A member of the Ottawa County social welfare board reported in 1942 that the staff was small “because we depend upon getting information direct from supervisors in the local units, who we feel know better the conditions of each of those applicants. . . . We go by the recommendation of the supervisors.” A 1944 study of the role of the boards of supervisors in the administration of relief found that supervisors played a central part in eight counties. In some cases supervisors were simply consulted on applications, but in several counties supervisors were the investigating officials and determined the amount of relief granted. Such actions violated the 1939 law, but continued regardless.

The responsibility of relatives to provide support for family members remained a feature of welfare in both the categorical aids and general relief for three decades. The administration of that policy, and the formulas used in computing the amount expected, changed, but the Social Welfare Commission stayed committed to the responsibility of families to contribute. Many of the changes sought to make it easier for caseworkers to determine the ability of relatives to help family members. The expectation of adult children living in the household shifted from the 60 percent rule to the setting of a “reasonable” room and board rate. In the 1950s, the twenty-dollar-per-week limit on relatives’ contributions was rescinded to reflect rising incomes and costs of

27. Minutes of the Michigan Social Welfare Commission, November 28, 1940, 92; Box 1, Folder 1.
29. The Michigan attorney general ruled two years earlier that the law did not grant supervisors the power to grant relief or make investigations. Minutes, Michigan Social Welfare Commission, Box 2, April 12, 1944, 163; May 19, 1944, 179–84.
living. The legislature also passed a judicial-review option whereby relatives could have the decision of the agency reviewed by the probate court; while the review took place, the contribution would not be budgeted into the recipient’s grant. If the family did not request a review, the contribution was considered in the budget whether it was paid or not.31 The commission sought to alleviate the burden on caseworkers in this area of administration by simplifying budgeting procedures and the required correspondence. The mandatory rechecking of relatives by caseworkers was also moved back to every two years instead of being annual.32 By 1968 local officials requested the removal of the responsible-relative provisions from welfare law, because of the difficulty in administering them and the lack of uniformity.33 The responsibility of relatives to support family members narrowed significantly in 1970, when state law required support only of spouses and parents.34

The status of welfare recipients did not change significantly, although the targets shifted in the coming decades. The ADC program came under increasing fire as caseloads escalated in the 1960s, and the recipients increasingly were nonwhite and unmarried. The demand for OAA diminished, and the program effectively disappeared in the 1970s. The single mother on ADC, therefore, became the picture of welfare, and increasing dissatisfaction with both ADC and welfare resulted in the state reforms of the early 1990s, and the 1996 welfare-reform law. While the responsibility of relatives to support family narrowed primarily to spouses and parents, with increasing attention to “deadbeat dads,” the emphasis on individual behavior and work increased. As with the 1939 law, the most recent reforms, rather than creating an entirely new system, reshaped existing ones, producing even greater complexity for both caseworkers and recipients. The 1996 reforms added about one-third more rules, and many state manuals doubled in size.35 Although the goal was to foster the movement of people from welfare to independence and work, the outcome has been mixed, according to Sharon Hays: “What we have achieved with the decline of the welfare rolls is, in fact, the appearance of independence.”36

33. “Resolution, District X,” dated March 11, 1968, approved at Michigan County Social Services Association meeting, 1968, I–2 and I–16; Michigan County Social Services Association Records (hereafter cited as MCSSA), Box 12, Folder 4, Archives of Michigan.
35. Hays, Flat Broke with Children, 47.
36. Ibid., 61.
larger discourse about welfare has again masked the complexities of a person’s need for welfare, and equated the receipt of welfare with individual failing rather than larger structural issues or experiences, some beyond the control of the recipient.

The decades following the 1939 law saw an incremental increase in state control and shifts in the formula for funding direct relief. All counties struggled to finance their relief costs, and although the law called for a fifty-fifty match with the state, some counties secured much higher funding from the state. In mid-1940, seven counties paid just 10 percent of direct-relief costs and one paid just 5 percent. Just more than half of all counties paid 50 percent of their costs that year. By 1956 the state paid more than 50 percent in just seven counties. The formula changed to require a minimum of 30 percent contribution by the state. The state extended control over general assistance in 1967, when it enacted minimum standards for relief. The formula for funding shifted to 40 percent state and 60 percent local, but any county that expended the equivalent of a one-mill tax levy could secure state funding for any expenditures over that. The centralization of general relief, sought in the debates of the 1930s, finally occurred in 1975, when the state assumed full administrative and fiscal responsibility for General Assistance.

In the years following passage of the 1939 law, local officials and the organizations that represented them resisted further efforts to integrate Michigan’s welfare system; instead, they fought to keep the dual-system option, and home rule, available to counties. A 1942 study of the state’s welfare system, requested by Governor Murray Van Wagoner, identified duplication and the concomitant need to consolidate agencies as the key issue. The report recommended integration of both the State Department of Public Welfare and county agencies. The state commission included that recommendation in its 1942 report, and also encouraged that the county be the unit for relief administration.


39. Fifteenth Biennial Report, State Department of Social Services, July 1966–June 1968 (Lansing: December 1968), 47; Annual Report, Michigan Department of Social Services, Fiscal 1969 (Lansing: December, 1969), 51. Five counties secured additional funding under the one-mill limit; that number increased to nine the following year.


to encourage integration, however, were met with disinterest on the part of many counties, and the Michigan State Association of Supervisors passed a resolution opposed “to any county integration of welfare administration” in 1943. They also endeavored to bring the categorical-aid programs in line “with the conception of local home rule and self-government.”

Efforts to encourage consolidation of the “dual system” into an integrated department (such as Van Buren County’s) began in earnest in 1945; one year later thirty-three counties had reverted to that system. The State Department of Public Welfare, divided into two administrations in the 1939 law, as were most counties, merged, by 1944, into a single department administering all types of welfare.

Efforts to integrate at the local level continued, and the opposition of local officials waned somewhat by the 1960s. Many counties chose to merge their departments by 1965; eight counties did so in 1964 alone. Reducing administrative duplication was a major reason. Often applicants applied for one program (perhaps general relief) but were eligible for a categorical aid. The referral process slowed the application by weeks or up to three months. If the departments merged, one application could cover all programs. Medical-assistance programs further complicated the situation, particularly for the elderly. A single local welfare board overseeing all programs, with the state as an oversight, offered local officials the opportunity to play a greater role in the administration of the categorical-aid programs; some locals officials argued that merging could provide more local authority rather than less.

The consolidation of Michigan’s welfare services at the local level coincided with the 1963 revision of the state constitution, a change that strengthened executive authority and streamlined state administration, which was a trend shared by other states in this period as well. The constitution required organizing state government around no more than twenty departments (down from the estimated 130 that had existed). It mandated four commissions


45. Minutes, Welfare Advisory Committee, December 10, 1965, 1–3; Records Relating to Public Assistance, Box 2, Folder 3, Archives of Michigan.
Conclusion

(education, civil service, civil rights, and state highways). Controversy occurred over how many departments would be headed by commissions, rather than a single department director. Governor George Romney—reminding legislators that if a bill reorganizing state government was not passed in the 1965 session, the power to reorganize would rest with him—gained passage of a bill that included seven commissions and nineteen departments. All other departments were headed by single executives under direct authority of the governor, who appointed them. The senate could disapprove any appointment, but if it took no action, the appointment stood.

The reorganization affected both state and local welfare administration. Under the 1965 law, the Department of Social Services became one of the nineteen departments in the executive branch. The law also abolished the Michigan Social Welfare Commission, placing all authority in the director of DSS. The merging of county departments into a single agency administering both the categorical aids and direct relief became mandatory in 1965. In addition to creating a single county agency for all welfare programs, the law established a ten-member advisory committee comprised of representatives of the districts of the Michigan County Social Services Association. The county association thus had control over who served on the committee. Its standing, however, was advisory only; it had no administrative or policy authority. Members of the county organization sought the reinstatement of the Social Welfare Commission, arguing that they had lost an important voice and resource in the development and administration of welfare, but to no avail. Centralization of welfare services and state supervision was achieved, although local administration continued for all programs.

Michigan’s experiences during the New Deal years reveal the limited, but also important, changes of those years. The New Deal federalized parts of the welfare system, although some services provided through the Social Security

Act did exist in different forms before 1935. It injected needed federal funds into relief, and revealed the entrenched hardships of the ill, disabled, elderly, and single parents. Michigan created a third track of welfare, separating those who received general relief from those eligible for categorical aid. The New Deal also illustrates the importance of home rule ideologies, and the defense of local government, which both played out in very clear ways in the welfare-reorganization debates. Competing visions of what professional skills were necessary for relief administration were central to those debates, and for the short-term, professional social workers were excluded. Reorganization debates would continue, but the New Deal years began the process of centralization.