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Needy Aged Persons Public Assistance Act; Charter Amendment Fixing Salary of Mayor and Commissioners

City Club of Portland (Portland, Or.)

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Report on
NEEDY AGED PERSONS
PUBLIC ASSISTANCE ACT

Purpose: Directing state public welfare commission: To prorate, allocate and uniformly distribute monthly to each qualified needy person in Oregon available funds contributed by state, county and United States, appropriated by legislature for public assistance; defining "income," "need" and "resources" for qualifying recipients to receive assistance; to provide qualified persons with necessary medical, dental, surgical, hospital, nursing care to maintain and restore health; furnish decent burial for recipients without resources. Public welfare commission may file claim against property of recipient's estate for assistance paid, when unoccupied as a home by spouse, minor dependent child or parent of decedent. Repeal conflicting laws.

308 YES, I vote for the proposed law.
309 NO, I vote against the proposed law.

To the Board of Governors
The City Club of Portland:

Your committee was directed to report on the referendum measure, Chapter 589, Oregon Laws, 1949: Ballot Title, "Needy Aged Persons Public Assistance Act."

Origin of Controversy

In the summer of 1948, certain old age groups sponsored an initiative measure, then known as the "Dunne Bill." At the general election in November, 1948, it was enacted into law by popular vote (313,212 to 172,531) and was thereafter known as Chapter 1, Oregon Laws, 1949. On November 14, 1948, by opinion of the Attorney General, the law was declared unconstitutional and inoperative because funds were not available to implement the law. The State Welfare Commission continued to operate in the same manner as prior to the enactment of Chap. 1, O.L. '49. The Federal Security Agency, the agency through which the Federal Government matches money with the state and counties, in financing the Old Age Assistance Program, advised that Chap. 1 in its original form was in conflict with the Federal requirements. It was clear that unless Chap. 1 was revised, the Federal Government would refuse to make its contribution of an estimated sixteen million dollars for the biennium.

In January, 1949, when the Legislature convened, numerous pension bills were submitted, all of which landed in the House Social Welfare Committee. This Committee worked on all the bills, finally consolidating them into one new bill (H.B. 436.) The new bill was satisfactory to most of the old age groups. However, the Ways and Means Committee made certain amendments which certain old age groups violently opposed. Nevertheless, the Legislature passed H.B. 436 as amended and it became Chap. 589, O.L. '49. Following adjournment of the 1949 Legislative session, the old age groups obtained the necessary signatures on a petition referring Chap. 589, O.L. '49 to the people, so that it will be subject to popular vote at the general election on November 7, 1950.

Identification of Laws

To avoid confusion, we will hereafter refer to the original initiative measure or the Dunne Bill, as Chap. 1, O.L. '49 and to the legislative enactment, H.B. 436, as Chap. 589, O.L. '49.

Outline of Study

Your committee interviewed Representatives John D. Logan and Joseph Harvey, both members of the House Social Welfare Committee, and the administrator of the State Welfare Commission. Rep. Joseph Harvey and ex-Senator Joseph Dunne, both leaders and spokesmen for old age groups, outlined by letter their objections to Chap. 589, O.L. '49.
The Issue

The fact that the City Club, prior to the general election of 1948, had disapproved of Chap. 1, O.L. '49, had no influence upon this committee. We believed that by mandate of the voters, the will of the people of the State of Oregon was expressed by the passage of Chap. 1, O.L. '49, and we proceeded upon the theory that it was the duty of the Legislature to properly revise Chap. 1, O.L. '49 consistent with the expressed will of the people and the best interests of the State of Oregon. Conversely we searched to see if the Legislature thwarted the voters in any substantial manner on any material point. Very close scrutiny was directed to a comparative analysis between Chap. 1 and Chap. 589, O.L. '49.

The main controversial provisions found in the two bills are presented:

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Explanation of Comparative Analysis

Regarding the main controversial provisions, numbers 1, 2 and 3 above, Chapter 589 merely corrects and clarifies the act to make it consistent with the idea we believe the voters had in mind when they passed the original measure. If Chapter 1 was not revised, the following inequities not contemplated by the voter would be put in effect. Persons otherwise qualified who had an income of less than $50.00 per month would automatically be given a minimum pension of $50.00 per month, which could work out thusly:

**Example 1:** John Doe and his wife each have an income of $49.00 per month. They own their own furnished home but lack an income of more than $50.00 per month. They would automatically receive the $50.00 per month pension and John Doe and his wife would then not only have their own furnished home and other property, but a total cash income of $99.00 each or $198.00 per month. Income as defined in Chater 1, does not include all assets but merely income. John Doe and his wife might conceivably have not only a furnished home, but considerable real estate holdings, war bonds and other assets which could readily be sold for their maintenance.

**Example 2:** John Doe has “plenty” for the proper support of himself and his wife, but as his wife has no separate income, she automatically receives $50.00 per month pension.

Chapter 589 eliminates the foregoing inequitable hidden provisions which again we believe were not contemplated by the voters, but provides as Chapter 1 states that $50.00 per month should be the minimum assistance for any needy person (see Sec. 2, Par. 3):

> “That assistance should be added to the income, sufficient to equal at least $50.00 per month.”

Thus, if John Doe has income or resources of $20.00 per month, he would at least receive an additional $30.00 per month and as elsewhere provided in the act, would receive what other money was required to enable him to have sufficient food, clothing, shelter, medication, etc., to insure a decent and healthy living.

The Federal Government will not match payments under Chapter 1, because it pro-
vides for payments regardless of the applicant's "resources" and regardless of "actual need." Chapter 589 meets Federal requirements. Hence, we see that regardless of the good intentions and liberal sounding phrases found in Chapter 1, the net result is that if Chapter 1 remains the law, the aged people will be right back in the same unhappy position they found themselves following the general election of November, 1948, because the old age assistance program will again be confronted with a defective law, a law containing unconstitutional provisions and a law which will prevent the Federal Government from paying match money at the rate of sixteen million dollars per biennium.

Providing Necessary Funds

Chapter 1 directs the Legislature to provide the money necessary to fulfill the obligations of the Old Age Assistance Act. The Legislature studied the recommendations of the Budget Director and the Public Welfare Commission and appropriated what appears to be the required money. A fear has been placed in the minds of the aged people that they would be deprived of payments if the appropriated money was insufficient to meet the demands of the law. If such a problem arises, it can and will be met in the following manner: The Emergency Board will appropriate money from the emergency fund to meet the deficiency and secondly, as the Legislature meets in January, the first of the last six months of the biennium, it can as it has in the past, enact deficiency appropriation laws to meet the deficiency. The Legislature has previously met this same problem for the aged people in the foregoing manner. It is the accepted procedure and the only practical method. Whether Chapter 1 or Chapter 589 is the law, the method of meeting the deficiency is exactly the same.

State Agency to Administer Law

Chapter 1 creates a new and separate old age pension commission, which would duplicate the same service that would have to be performed by the State Public Welfare Commission in administering:

(1) Aid to dependent children;
(2) Aid to needy blind;
(3) Aid for general assistance; and
(4) Child welfare services.

We should not add confusion and duplication of expenses.

Recovery Clause

Immediately prior to 1949, Oregon had no recovery clause in its old age assistance act. The Dunne bill itself and not the Legislature, was the instrument which first introduced the question of a recovery clause (Chap. 1, Sec. 4):

"No lien shall be placed against any old age pensioner, his wife or her husband, as the case may be, during his or her lifetime."

Thus, it may be assumed that spokesmen for the old age groups who are quarreling with Chapter 589 have consented to a lien against the property of any pensioner, providing the same is not enforced during the lifetime of the pensioner or his or her spouse. Chapter 589 is more lenient than Chapter 1, for it provides for reimbursement only if the pensioner leaves an estate and then it excepts from the estate not only property being used as the home of the spouse but properly used as a home for the minor children or parents of such deceased pensioner.

Twenty-seven states have lien or recovery clauses and the type in Oregon is one which seemingly should not be objected to by any unbiased citizen. It provides only for the repayment to the State of Oregon against property of the deceased old age recipient and then exempts any property occupied as a home by the spouse, minor child, or parent of such deceased recipient. It also gives the State Public Welfare Commission authority to use discretion in waiving or compromising the claim if the enforcement of the claim would be inequitable or defeat the purpose of the public assistance laws. This provision will act as a deterrent, discouraging applicants who have property which they could and should use, prior to asking the State to maintain them.
Conclusion

We believe that the foregoing comparison and explanation clearly demonstrates that Chap. 589, O.L. '49, is consistent with the will of the people of Oregon as expressed by their vote in the passage of the "Dunne Bill," Chap. 1, O.L. '49.

Recommendation

We therefore recommend that the City Club go on record as favoring the proposed act and that the vote be 308 X Yes.

Respectfully submitted,

NATHAN BERKHAM
DELMAR BROWN
REV. C. CORWIN CALAVAN
HENRY CORBETT, JR.
PETER LEINEWEBER
PETER TWIST
LEO SMITH, Chairman

Approved October 4, 1950 by Ed F. Averill, Section Chairman, Legislation and Elections, for transmittal to the Board of Governors.

Received by the Board of Governors October 9, 1950, and ordered published and submitted to the membership for discussion and action.

Report on

CHARTER AMENDMENT FIXING SALARY OF MAYOR AND COMMISSIONERS

Purpose: An act to amend Sec. 2-114 of the Portland City Charter to provide for raising the salaries set therein by the 1913 Charter revision from $6,000.00 to $10,000.00 annually for the Mayor and from $5,000.00 to $8,500.00 annually for each Commissioner, and to provide for payment of such salaries semi-monthly.

504 YES
505 NO

To the Board of Governors
The City Club of Portland:

In its investigation and study your committee appointed to report on the above proposed amendment to the Charter of the City of Portland, has developed the following findings:

Arguments for the Charter Amendment

1. The present salaries of the mayor and commissioners were set by Charter revision in 1913. A study of the findings of the Federal Bureau of Labor Statistics indicates that the Consumers Price Index (Cost of Living) considered as 100% in 1913 would today be 230%. Over one hundred percent of this rise has come since the prewar average in the late thirties when the Index was 128% as compared to 1913. Salaries have not been increased in step with the increase in the cost of living. During this same period (1913-1950) the salaries of other city employees have risen on the average of 250%.
2. There are this year 170 city employees who will during the fiscal year draw salaries as large as, or larger than, those paid the city commissioners. Nearly all administrative officers draw salaries in excess of that paid the mayor.

3. Salaries which will make the offices more attractive financially should encourage more citizens to seek the offices, thus giving the electorate a broader selection.

4. A salary sufficient to cover the entire cost of living should be paid to permit a commissioner to devote his entire time to the job, which he is required to do under the present Charter, although this provision is frequently violated because of economic necessity. It should not be necessary for a commissioner to have independent means or other income to meet the present standard of living.

5. While there are compensations in these positions other than actual salaries, such as use of cars, the fulfillment of a desire to help build the city, the satisfaction of doing something to benefit one's fellow man, or the honor, prestige, or glory of the office, these compensations do not pay grocery bills.

6. Lindbeck, writing recently in the Oregon Journal said, "In proportion to its ability—based on population and income—Oregon is much more generous in its treatment of its public officials than are its sister states."

Oregon citizens living in Portland should do as well for city officials.

7. The proposed salary increases would amount to less than a nickel per capita (4.85 cents), per person.

8. The Mayor's Advisory Committee on Municipal Reorganization after over a year's study recognized the need for increasing administrative salaries, whatever the form of city government in effect or to be in effect by adoption for the city.

Arguments Against the Proposed Charter Amendment

1. The present incumbents sought their positions with their present salaries.

2. An increase in the commissioners' salaries adds to the unsatisfactory financial situation in which the city finds itself.

Conclusion

We believe the justification for salary increases to keep pace with the cost of living is self-evident.

Recommendation

Your committee therefore recommends that the City Club go on record as approving the Charter amendment fixing the salaries of the mayor and commissioners and that the vote be 504 X Yes.

Respectfully submitted,

P. S. McAllister  
Donald R. Schmidt  
George W. Schoeffel  
James Frankland, Chairman

Approved October 2, 1950, by Ed F. Averill, Section Chairman, Legislation and Elections, for transmittal to the Board of Governors.

Received by the Board of Governors October 9, 1950, and ordered published and submitted to the membership for discussion and action.