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Old Age Assistance

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File: 1950-0-1

INITIATIVE MEASURE TO BE PRESENTED TO THE LEGISLATURE

The Attorney General of California has prepared the following title, and summary of the chief purpose and points of the proposed measure:

OLD AGE ASSISTANCE. INITIATIVE TO THE LEGISLATURE. An Act to amend and enact Sections of the Welfare and Institutions Code, all relating to old age security; establishes adequate and uniform provisions for the needs of the aged as a matter of state-wide concern; relieves county taxpayers of all costs by providing for direct State administration and financing thereof; the disposition of property used in the administration thereof; makes an appropriation; increases in the amount thereof, and necessary health and funeral expense benefits for recipients thereof; modifies the property qualifications for eligibility therefor, and absolves relatives of mandatory contributions.

STATE OF CALIFORNIA
County (or City and County) of..... } ss.

To the Honorable Secretary of State of the State of California:

We, the undersigned, registered, qualified electors of the State of California, residents of....., County (or City and County) of....., present this petition to you and request that you transmit to the next regular session of the Legislature of the State of California, as soon as it convenes and organizes, the proposed law hereinafter set forth in full for enactment or rejection without change or amendment by the Legislature; and we further petition and request that if the Legislature rejects said proposed law or takes no action thereon within forty days from the time it is received by the Legislature you submit said proposed law to the people for their approval or rejection at the next ensuing general election, or at any prior special election that may be called for such purpose or as provided by law, pursuant to Section 1 of Article IV of the Constitution of California:

The title and full text of said proposed law is as follows:

An act to amend Sections 2011, 2020, 2025, 2141, 2163, and 2180 of the Welfare and Institutions Code, to repeal Sections 2021, 2164, 2165, 2165a, 2181, 2181.01, 2186, 2186.1, 2187, 2188, 2200, 2201, and 2224 thereof, and to add Sections 2000.3, 2000.5, 2004.5, 2020.03, 2020.04, 2021, 2163.8, 2164, 2181, 2186, 2200, 2201, 2231, and 2232 thereto, all relating to old age security, providing for direct State administration and financing thereof, the disposition of property used in the administration thereof, increases in the amount thereof, and health and funeral expense benefits for recipients thereof, modifying the property qualifications for eligibility therefor, abolishing relatives' responsibility, and making an appropriation.

The people of the State of California do enact as follows:

Section 1. Section 2000.3 is added to the Welfare and Institutions Code, to read:

2000.3. Adequate and uniform provision for the needs of the aged of California is a matter of state-wide concern. It is therefore the duty and just obligation of the State to administer the provisions of the Old Age Security Law directly, and to pay the costs of old age security from State rather than local funds.

It is the purpose of this chapter to make old age security available to the needy aged of the State in such manner that all needs of each eligible applicant and recipient shall be met, without discrimination between those who have income or resources insufficient to meet their full needs and those who are without any other income or resources whatever, in conformity with the requirements of the Constitution of the State of California and of the Federal Social Security Act.

Section 2. Section 2000.5 is added to said code, to read:

2000.5 All benefits paid or payable to individuals under this chapter shall be known and referred to as "old age security." Wherever in this chapter reference is made to "aid" to individuals, such reference shall be construed to refer to old age security under this chapter.

Section 3. Section 2004.5 is added to said code, to read:

2004.5. Notwithstanding any other provision of this code, old age security under this chapter shall be administered by the State Department of Social Welfare, and the full cost of such security, including the cost of administration and disbursement thereof, shall be paid by the State.

Except as otherwise expressly provided, and unless the context otherwise requires, wherever in any provision of this chapter which vests any power or function in, grants any right to, or imposes any duty upon, any county or any county board of supervisors, except Sections 2024, 2160.7, 2201, 2227, 2228, and 2230, reference is made to the county, or to the county board of supervisors, such reference shall be deemed and construed to refer to the State, acting through the State Department of Social Welfare, and wherever in any such provision reference is made to any other county officer or agency, such reference shall be deemed and construed to refer to the State officer or State agency authorized to exercise powers and functions and to perform duties substantially corresponding to those of the county officer or agency to which reference is made, as the case may be.

Wherever in this chapter any person is permitted to make application to the county board of supervisors, such application may be made to the State Department of Social Welfare at the local office of the department nearest to the residence of the applicant. Wherever in this chapter notice is required to be given or information disclosed to the county board of supervisors, such notice shall be given or such information disclosed to the State Department of Social Welfare at the local office of the department nearest to the residence of the person required to give the notice or to disclose the information.

Section 4. If it is impossible for the State to assume the full administration of old age security in any county by the time Section 2004.5 of the Welfare and Institutions Code, as added thereto by this act, becomes both effective and operative, the State may contract with any county, and any county may contract with the State, for the exercise of any power or function or the performance of any duty granted to or imposed on the State or any state officer or agency by the Old Age Security Law until such time as the State is able to exercise the power or function or to perform the duty but not longer than six months after Section 2004.5 of the Welfare and Institutions Code becomes operative. Any such contract may be made by the State, through the Director of the State Department of Social Welfare or through the State Controller, with the approval of the State Department of Finance, and any county, through the county board of supervisors. Every such contract shall include provision for full reimbursement of the county by the State for all expenses incurred under the contract by the county in the administration of old age security, whether for the direct cost of old age security or for the cost of administration thereof, including the cost of disbursement. The State Department of Finance shall by rule establish procedures for such reimbursement, and may authorize payments to be advanced to the contracting counties, upon the basis of estimates submitted by the counties to the State Department of Social Welfare or to the State Controller, and approved by the State Department of Finance.

Section 5. Section 2011 of said code is amended to read:

2011. No officer or employee of the State shall make any demand upon any person to contribute to the support of any applicant for or recipient of old age security or to agree so to contribute, or shall threaten any person with any legal action against him, or with any penalty whatsoever, unless he agrees so to contribute.



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OLD AGE ASSISTANCE. INITIATIVE TO THE LEGISLATURE. An Act to amend and enact Sections of the Welfare and Institutions Code, all relating to old age security; establishes adequate and uniform provisions for the needs of the aged as a matter of state-wide concern; relieves county taxpayers of all costs by providing for direct State administration and financing thereof; the disposition of property used in the administration thereof; makes an appropriation; increases in the amount thereof, and necessary health and funeral expense benefits for recipients thereof; modifies the property qualifications for eligibility therefor, and absolves relatives of mandatory contributions.

Nothing in this chapter imposes any responsibility or liability upon any relative of any applicant for or recipient of old age security to contribute to the support of the applicant or recipient, or to reimburse the State or any public agency for old age security paid to any recipient. Nothing in this chapter shall prevent any applicant or recipient from exercising any right to sue for support which he may have under any other provision of law, but security shall not be withheld unless he exercises such right.

Section 6. Section 2020 of said code is amended to read:

2020. (a) Subject to the provisions of Subdivision (b) of this section the amount of security to which any applicant shall be entitled shall be, when added to the income (including the value of currently used resources, but excepting casual income and inconsequential resources) of the applicant from all other sources, seventy-five dollars (\$75) per month. If, however, in any case it is found the actual need of an applicant exceeds seventy-five dollars (\$75) per month, such applicant shall be entitled to receive security in an amount, not to exceed seventy-five dollars (\$75) per month, which when added to his income (including the value of currently used resources, but excepting casual income and inconsequential resources) from all other sources, shall equal his actual need.

(b) Within thirty (30) days after this subdivision becomes operative, the State Department of Social Welfare shall determine the average of the latest "Consumers Price Index for Moderate Income Families in San Francisco—All Items" issued by the Bureau of Labor Statistics of the United States Department of Labor and the comparable Index of the same date for Los Angeles.

If this average of the two index numbers exceeds the average of the comparable index numbers for San Francisco and Los Angeles for March 15, 1950, by one full point or more, then the monthly old age security allowance to each recipient shall be increased in the amount of fifty cents (\$.50) for each full point by which the latest average index exceeds the average index for March 15, 1950. Such adjustment allowances shall become effective on the first of the month following the determination.

During each January and July thereafter, the State Department of Social Welfare shall similarly determine the average of the latest index for San Francisco and the comparable index of the same date for Los Angeles. The monthly old age security allowance to each recipient shall then be adjusted upward or downward in the amount of fifty cents (\$.50) for each full point of change upward or downward occurring subsequent to the last determination of the average index. In any such periodic adjustment there shall be taken into account the unapplied portion of the change in the average index which occurred in the preceding adjustment, of less than one full point, which was not used in the calculation of the amount of such preceding change in the monthly payment as provided in this subdivision.

If at any such adjustment date, the variation in such average price Index, taking into account the unapplied portion of the change which occurred in the average Index in the preceding adjustment, is less than one full point from the average Index figure used in making the adjustment for the period immediately next preceding the period in question, then the amount of security payable shall remain at the amount established at such preceding date. In any such periodic adjustment any increase in the said average Index greater than 50 points above the average Index figure determined for March 15, 1950, and any decrease therein which would bring the monthly old age security allowance to less than seventy-five dollars (\$75) shall be ignored. Each such adjustment shall become effective as of the first day of the second calendar month next succeeding the month of adjustment.

If the Bureau of Labor Statistics ceases to issue Consumers' Price Index from the base Index figure of 100, as established from average consumers' statistics for the years 1935 through 1939 inclusive, as determined by such Bureau, and the same or a substantially similar index reflecting the same base is issued by any other bureau, department, or agency of the Federal Government, then the latter index shall thereafter be used by the State Department of Social Welfare in making the periodic adjustments in security as provided in this subdivision.

In the event that such a cost of living index is not compiled by any bureau, department, or agency of the United States Government for a period in excess of six months, then the State Department of Social Welfare shall compile and publish a similar index semiannually, and the cost of living so determined shall be the basis for computing increases and decreases in the cost of living for the purposes of this section, in lieu of the cost of living index prepared by the United States Department of Labor or other Federal bureau, department, or agency.

Section 7. Section 2020.03 is added to said code, to read:

2020.03. In addition to security granted under Section 2020, each recipient of old age security shall be entitled to receive any or all of the following services and items necessary to preserve or restore his health or his normal physical functions:

(a) Medical and dental care by practitioners of any of the healing arts licensed or recognized by this State, from practitioners selected by the recipient.

(b) Nursing care in the recipient's home, ambulance service, and hospital care, all as prescribed by the practitioner of the healing arts attending the recipient.

(c) Medicine, drugs, medical and pharmaceutical supplies; eyeglasses, optical supplies, hearing aids; artificial limbs and other prosthetic devices and appliances; all as prescribed by the practitioner of the healing arts attending the recipient.

Payment for such services and items shall be made by the State Department of Social Welfare directly to the person rendering the service or supplying the items.

Until such time as Federal assistance is made available to this State for such necessary health services and other items, the amount of services and other items provided to any recipient under this section shall not exceed twenty-five dollars (\$25) a month. When and if Federal assistance is made available to the States for such health services and other items, or any of them, it shall be the duty of this State to accept such Federal assistance. During such time as Federal assistance therefor is available to and received by this State, the maximum amount of services and items to which any recipient in need thereof shall be entitled under this section shall be increased by the maximum amount of Federal assistance received by this State in respect to such services and items for each recipient.

This section shall not apply to any health services or other items necessary for a recipient who has earnings or income not taken into account in determining the amount of his grant of security under Section 2020, nor to any health services or other items included in the monthly budget of a recipient whose needs exceed the maximum amount of security to which he is entitled under Section 2020 and whose grant of security is determined on the basis of his excess need.

Section 8. Section 2020.04 is added to said code, to read:

2020.04. Upon the death of a person who was receiving old age security at the time of his death, the State Department of Social Welfare shall pay his actual and necessary funeral expenses, including the expenses of final disposition of his remains whether by burial or otherwise, to a maximum of one hundred fifty dollars (\$150). Such funeral expenses shall be paid by the State

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Department of Social Welfare only in the event and to the extent that specific provision for them has not been made by burial or other insurance or contract rights of the decedent and that his estate does not include sufficient cash or marketable securities to pay them. Nothing in this section limits the freedom of any person authorized by law to make arrangements for the funeral of any such decedent in the selection of a funeral director or in the selection of any lawful mode of disposition of the remains of the decedent, nor shall the freedom of any such person to make any such selection be limited by rule or regulation of the State Department of Social Welfare.

Section 9. Section 2021 of said code is repealed.

Section 10. Section 2021 is added to said code, to read:

2021. Out of any money in the General Fund there is hereby appropriated each month such sum as is necessary to pay the full amount of old age security, as provided in Sections 2020, 2020.03, 2020.04, and 2025, in respect to each aged person eligible therefor under this chapter, after deducting therefrom the amount of any sum received from the United States Government as old-age assistance in respect to such aged person.

Section 11. Section 2025 of said code is amended to read:

2025. If, when, and during such times as the United States Government increases or decreases its contributions in assistance of the aged in this State above or below the amount being paid on January 1, 1950, or above or below the amount payable as a result of any such increase or decrease, the amount of the grant of security provided for in this article shall be increased or decreased by an amount equal to such increase or decrease by the United States Government, but in no event shall the total security granted under this chapter be less than seventy-five dollars (\$75) per month. It is the intent of the Legislature that any change in contributions by the United States Government, whether increase or decrease, shall result in a corresponding change in the amount of this grant, within the limits established by this section.

Section 12. Section 2141 of said code is amended to read:

2141. The State Department of Social Welfare shall administer old age security under this chapter and provide for the care of needy aged citizens, to the end that they shall receive suitable care and that there shall be throughout the State a uniform standard of records and method of treatment of aged persons based upon their individual needs and circumstances.

Section 13. Section 2163 of said code is amended to read:

2163. No old age security shall be granted or paid to any person who owns personal property, the value of which, less all encumbrances of record, exceeds one thousand five hundred dollars (\$1,500).

For the purpose of this section no life insurance policy shall be valued at more than its present surrender value to the applicant or recipient. Premiums paid on life insurance policies shall not be deemed income or resources of the applicant or recipient, whether or not the person by whom the premiums are paid is a relative of the applicant or recipient, and no deduction therefor shall be made from the amount of security granted to the recipient.

Section 14. Section 2163.8 is added to said code, to read:

2163.8. For the purposes of this chapter the value of a motor vehicle of moderate value used for essential transportation of an applicant or recipient shall be excluded in determining the amount of personal property as provided in Section 2163.

Section 15. Sections 2164, 2165, and 2165a of said code are repealed.

Section 16. Section 2164 is added to said code, to read:

2164. Ownership of real property shall not render any person ineligible to receive old age security if the real property is occupied as a home by the applicant or recipient or is otherwise being used to meet the current or future identifiable needs of the applicant or recipient.

If the Federal Security Administrator requires this State to specify a maximum amount of real property which may be owned by an applicant for or recipient of old age security without loss of eligibility therefor, in order that the State plan for old age security shall conform to the requirements of the Federal Social Security Act, the State Social Welfare Board shall by rule prescribe the maximum amount of real property which may be so owned; and in so doing the State Social Welfare Board shall specify the largest amount recognized by the Federal Security Administrator as the amount of real property which an individual may own without ceasing to be a needy person.

Section 17. Section 2180 of said code is amended to read:

2180. Application for security under this chapter shall be made to the State Department of Social Welfare at the local office of the department nearest to the residence of the applicant. An applicant shall apply in person unless he is physically unable to do so, in which event the application may be made by his authorized representative in his behalf. This application may be made in writing or reduced to writing upon the standard form prescribed by the State Department of Social Welfare, and a copy of his application shall be furnished to each applicant at the time of application. The form shall contain questions, the answers to which will provide the information necessary to establish eligibility for security under this chapter. All statements in the application shall be verified, under oath, by the applicant. Employees of the State Department of Social Welfare, when authorized by the director, may administer such oaths.

Section 18. Sections 2181, 2181.01, and 2224 of said code are repealed.

Section 19. Section 2181 is added to said code, to read:

2181. The Board of Supervisors, directly or through an authorized investigator, shall upon receipt of an application for old age security promptly, without any unnecessary delay, and with all diligence, make the necessary investigation. Such investigation shall be completed within 60 days after receipt of the application.

Section 20. Sections 2186, 2186.1, 2187, and 2188 of said code are repealed.

Section 21. Section 2186 is added to said code, to read:

2186. Old age security allowances under this chapter shall be paid by Controller's warrants against the Social Welfare Disbursement Fund.

The State Department of Social Welfare shall, prior to the beginning of each month, certify to the State Controller the names and addresses of persons who will be entitled to receive old age security allowances under Section 2020 for that month or who are entitled to receive and have not been paid such allowances for any prior period of time together with the amount of the grant each such person will be or is entitled to receive. The State Controller shall draw and issue the necessary warrants to the persons and in the amounts so certified, and the warrants shall be paid by the State Treasurer.

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Old age security benefits payable under Sections 2020.03 and 2020.04 shall be paid by the State Department of Social Welfare in the same manner that other expenses of the department are paid.

Section 22. Sections 2200 and 2201 of said code are repealed.

Section 23. Section 2200 is added to said code, to read:

2200. If a recipient of old age security changes his home from one place to another place within the State, such change shall not cause any forfeiture or interruption of the old age security previously awarded him. If the place to which the recipient has moved is nearer to a different local office of the State Department of Social Welfare than it is to the local office of the department in which his application was filed, within 90 days after the department receives notice of the change of home, it shall transfer the case, together with the application for security and all documents and records pertaining to the eligibility of the recipient, to the local office of the department nearest to the new home of the recipient.

Section 24. Section 2201 is added to said code, to read:

2201. Every recipient of old age security shall be entitled to necessary medical and hospital care from the county in which he is living. If the recipient has not resided for at least one year in the county in which he is living, but does have one year's residence in another county, the county providing the necessary medical or hospital care, or both, may demand payment of the county in which the recipient has one year's residence in an amount not in excess of the cost thereof, and it shall be a proper charge and the duty of the county in which the recipient has one year's residence to pay such medical or hospital charges, or both.

For the purposes of this section, it is presumed that the period of time for the acquisition of one year's residence in the county in which a recipient is living started to run upon the date of his removal from the county in which he previously had one year's residence. Any county residence once acquired is presumed to continue unless terminated by a subsequent act of the recipient. If a recipient returns to a county in which he had one year's residence, after an absence of less than one year, he shall not be deemed to have lost his residence therein.

Section 25. Section 2231 is added to said code, to read:

2231. To insure the continued receipt of Federal assistance to this State for old age security, any provision of this chapter which is found to be in conflict with any requirement of the Federal Social Security Act or of the rules and regulations of the Federal Security Agency for the approval of the state plan for old-age assistance shall, to the extent of such conflict, cease to be operative so long as such conflict exists.

Any provision of this chapter shall be deemed to have been found in conflict with a requirement of the Federal Social Security Act or of the rules and regulations of the Federal Security Agency for the approval of the state plan for old-age assistance, within the meaning of this section, whenever the Social Welfare Board certifies to the Governor that the State Department of Social Welfare has received written notice from the Federal Security Agency, or any authorized representative thereof, that the continued operation of that provision will render the plan of this State for old age security out of conformity with such federal requirements, so that further payment of Federal assistance to this State for old age security will not be made, or that the State plan will not be approved. The Governor shall thereupon issue a proclamation declaring that the provision has become inoperative as of the date of the proclamation.

If any provision of this chapter is declared inoperative under this section, such declaration shall not affect the operation or validity of any other provision of this chapter.

Section 26. Section 2232 is added to said code, to read:

2232. If any provision of this chapter, or the application thereof to any person or circumstance, is held unconstitutional, the remainder of the chapter, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Section 27. The Legislature shall have power to amend or repeal any section of the Welfare and Institutions Code added or amended by this act, and to increase the benefits provided to recipients of old age security, or to reduce the terms and conditions of eligibility therefor, or otherwise to vary the provisions of the Old Age Security Law; except that the Legislature shall not have power to reduce the benefits provided to recipients of old age security, nor to provide for the administration of old age security other than by the State Department of Social Welfare or a similar State agency, nor to require the payment of the direct and administrative costs of old age security from any funds other than State funds, nor to impose on any relative of any recipient of old age security any responsibility or liability to reimburse the State for old age security granted to the recipient in accordance with the provisions of the Old Age Security Law.

Section 28. Thirty days prior to the date on which Section 3 of this act becomes operative, the State Department of Social Welfare shall succeed and be entitled to the possession of all county records, books, and papers pertaining to the administration of the Old Age Security Law. At the same time, the State Department of Social Welfare shall succeed and be entitled to the possession of so much of the furniture, equipment, and other personal property used by each county exclusively or primarily for the administration of the Old Age Security Law on the date this act takes effect as does not exceed in value the aggregate of the respective Federal and State interests in such property due to financial contributions by the United States Government and by the State toward the administrative costs of old age security in the county prior to the effective date of this act, or due to the expenditure of State funds for the acquisition of such property prior to transfer of the property to the county by the State.

The Legislature shall have power to supplement or amend this section, and to provide for such allocation between the State and each county of the furniture, equipment, and other personal property heretofore used by the county for the administration of the Old Age Security Law as the Legislature deems just.

Section 29. If this act is enacted by the Legislature without the necessity of approval by the people, Sections 2, 4, 5, 11, 13, 14, 15, 16, 18, 19, 25, 26, 27, 28, and 29 of this act shall become operative on the date this act takes effect, and the remaining sections of this act shall become operative on the first day of the second calendar month following the calendar month in which this act takes effect.

If this act is submitted to and approved by the people, Sections 2, 4, 11, 25, 26, 27, 28, and 29 of this act shall become operative on the date this act takes effect, and the remaining sections of this act shall become operative on the first day of the third calendar month following the calendar month in which this act takes effect.

Each section of the Welfare and Institutions Code amended or repealed by this act shall remain operative, as in effect and operation on the effective date of this act, until the section of this act by which it is amended or repealed becomes operative.

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Nothing in this chapter imposes any responsibility or liability upon any relative of any applicant for or recipient of old age security to contribute to the support of the applicant or recipient, or to reimburse the State or any public agency for old age security paid to any recipient. Nothing in this chapter shall prevent any applicant or recipient from exercising any right to sue for support which he may have under any other provision of law, but security shall not be withheld unless he exercises such right.

Section 6. Section 2020 of said code is amended to read:

2020. (a) Subject to the provisions of Subdivision (b) of this section the amount of security to which any applicant shall be entitled shall be, when added to the income (including the value of currently used resources, but excepting casual income and inconsequential resources) of the applicant from all other sources, seventy-five dollars (\$75) per month. If, however, in any case it is found the actual need of an applicant exceeds seventy-five dollars (\$75) per month, such applicant shall be entitled to receive security in an amount, not to exceed seventy-five dollars (\$75) per month, which when added to his income (including the value of currently used resources, but excepting casual income and inconsequential resources) from all other sources, shall equal his actual need.

(b) Within thirty (30) days after this subdivision becomes operative, the State Department of Social Welfare shall determine the average of the latest "Consumers Price Index for Moderate Income Families in San Francisco—All Items" issued by the Bureau of Labor Statistics of the United States Department of Labor and the comparable Index of the same date for Los Angeles.

If this average of the two index numbers exceeds the average of the comparable index numbers for San Francisco and Los Angeles for March 15, 1950, by one full point or more, then the monthly old age security allowance to each recipient shall be increased in the amount of fifty cents (\$.50) for each full point by which the latest average index exceeds the average index for March 15, 1950. Such adjustment allowances shall become effective on the first of the month following the determination.

During each January and July thereafter, the State Department of Social Welfare shall similarly determine the average of the latest index for San Francisco and the comparable index of the same date for Los Angeles. The monthly old age security allowance to each recipient shall then be adjusted upward or downward in the amount of fifty cents (\$.50) for each full point of change upward or downward occurring subsequent to the last determination of the average index. In any such periodic adjustment there shall be taken into account the unapplied portion of the change in the average index which occurred in the preceding adjustment, of less than one full point, which was not used in the calculation of the amount of such preceding change in the monthly payment as provided in this subdivision.

If at any such adjustment date, the variation in such average price Index, taking into account the unapplied portion of the change which occurred in the average Index in the preceding adjustment, is less than one full point from the average Index figure used in making the adjustment for the period immediately next preceding the period in question, then the amount of security payable shall remain at the amount established at such preceding date. In any such periodic adjustment any increase in the said average Index greater than 50 points above the average Index figure determined for March 15, 1950, and any decrease therein which would bring the monthly old age security allowance to less than seventy-five dollars (\$75) shall be ignored. Each such adjustment shall become effective as of the first day of the second calendar month next succeeding the month of adjustment.

If the Bureau of Labor Statistics ceases to issue Consumers' Price Index from the base Index figure of 100, as established from average consumers' statistics for the years 1935 through 1939 inclusive, as determined by such Bureau, and the same or a substantially similar index reflecting the same base is issued by any other bureau, department, or agency of the Federal Government, then the latter index shall thereafter be used by the State Department of Social Welfare in making the periodic adjustments in security as provided in this subdivision.

In the event that such a cost of living index is not compiled by any bureau, department, or agency of the United States Government for a period in excess of six months, then the State Department of Social Welfare shall compile and publish a similar index semiannually, and the cost of living so determined shall be the basis for computing increases and decreases in the cost of living for the purposes of this section, in lieu of the cost of living index prepared by the United States Department of Labor or other Federal bureau, department, or agency.

Section 7. Section 2020.03 is added to said code, to read:

2020.03. In addition to security granted under Section 2020, each recipient of old age security shall be entitled to receive any or all of the following services and items necessary to preserve or restore his health or his normal physical functions:

(a) Medical and dental care by practitioners of any of the healing arts licensed or recognized by this State, from practitioners selected by the recipient.

(b) Nursing care in the recipient's home, ambulance service, and hospital care, all as prescribed by the practitioner of the healing arts attending the recipient.

(c) Medicine, drugs, medical and pharmaceutical supplies; eyeglasses, optical supplies, hearing aids; artificial limbs and other prosthetic devices and appliances; all as prescribed by the practitioner of the healing arts attending the recipient.

Payment for such services and items shall be made by the State Department of Social Welfare directly to the person rendering the service or supplying the items.

Until such time as Federal assistance is made available to this State for such necessary health services and other items, the amount of services and other items provided to any recipient under this section shall not exceed twenty-five dollars (\$25) a month. When and if Federal assistance is made available to the States for such health services and other items, or any of them, it shall be the duty of this State to accept such Federal assistance. During such time as Federal assistance therefor is available to and received by this State, the maximum amount of services and items to which any recipient in need thereof shall be entitled under this section shall be increased by the maximum amount of Federal assistance received by this State in respect to such services and items for each recipient.

This section shall not apply to any health services or other items necessary for a recipient who has earnings or income not taken into account in determining the amount of his grant of security under Section 2020, nor to any health services or other items included in the monthly budget of a recipient whose needs exceed the maximum amount of security to which he is entitled under Section 2020 and whose grant of security is determined on the basis of his excess need.

Section 8. Section 2020.04 is added to said code, to read:

2020.04. Upon the death of a person who was receiving old age security at the time of his death, the State Department of Social Welfare shall pay his actual and necessary funeral expenses, including the expenses of final disposition of his remains whether by burial or otherwise, to a maximum of one hundred fifty dollars (\$150). Such funeral expenses shall be paid by the State

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Department of Social Welfare only in the event and to the extent that specific provision for them has not been made by burial or other insurance or contract rights of the decedent and that his estate does not include sufficient cash or marketable securities to pay them. Nothing in this section limits the freedom of any person authorized by law to make arrangements for the funeral of any such decedent in the selection of a funeral director or in the selection of any lawful mode of disposition of the remains of the decedent, nor shall the freedom of any such person to make any such selection be limited by rule or regulation of the State Department of Social Welfare.

Section 9. Section 2021 of said code is repealed.

Section 10. Section 2021 is added to said code, to read:

2021. Out of any money in the General Fund there is hereby appropriated each month such sum as is necessary to pay the full amount of old age security, as provided in Sections 2020, 2020.03, 2020.04, and 2025, in respect to each aged person eligible therefor under this chapter, after deducting therefrom the amount of any sum received from the United States Government as old-age assistance in respect to such aged person.

Section 11. Section 2025 of said code is amended to read:

2025. If, when, and during such times as the United States Government increases or decreases its contributions in assistance of the aged in this State above or below the amount being paid on January 1, 1950, or above or below the amount payable as a result of any such increase or decrease, the amount of the grant of security provided for in this article shall be increased or decreased by an amount equal to such increase or decrease by the United States Government, but in no event shall the total security granted under this chapter be less than seventy-five dollars (\$75) per month. It is the intent of the Legislature that any change in contributions by the United States Government, whether increase or decrease, shall result in a corresponding change in the amount of this grant, within the limits established by this section.

Section 12. Section 2141 of said code is amended to read:

2141. The State Department of Social Welfare shall administer old age security under this chapter and provide for the care of needy aged citizens, to the end that they shall receive suitable care and that there shall be throughout the State a uniform standard of records and method of treatment of aged persons based upon their individual needs and circumstances.

Section 13. Section 2163 of said code is amended to read:

2163. No old age security shall be granted or paid to any person who owns personal property, the value of which, less all encumbrances of record, exceeds one thousand five hundred dollars (\$1,500).

For the purpose of this section no life insurance policy shall be valued at more than its present surrender value to the applicant or recipient. Premiums paid on life insurance policies shall not be deemed income or resources of the applicant or recipient, whether or not the person by whom the premiums are paid is a relative of the applicant or recipient, and no deduction therefor shall be made from the amount of security granted to the recipient.

Section 14. Section 2163.8 is added to said code, to read:

2163.8. For the purposes of this chapter the value of a motor vehicle of moderate value used for essential transportation of an applicant or recipient shall be excluded in determining the amount of personal property as provided in Section 2163.

Section 15. Sections 2164, 2165, and 2165a of said code are repealed.

Section 16. Section 2164 is added to said code, to read:

2164. Ownership of real property shall not render any person ineligible to receive old age security if the real property is occupied as a home by the applicant or recipient or is otherwise being used to meet the current or future identifiable needs of the applicant or recipient.

If the Federal Security Administrator requires this State to specify a maximum amount of real property which may be owned by an applicant for or recipient of old age security without loss of eligibility therefor, in order that the State plan for old age security shall conform to the requirements of the Federal Social Security Act, the State Social Welfare Board shall by rule prescribe the maximum amount of real property which may be so owned; and in so doing the State Social Welfare Board shall specify the largest amount recognized by the Federal Security Administrator as the amount of real property which an individual may own without ceasing to be a needy person.

Section 17. Section 2180 of said code is amended to read:

2180. Application for security under this chapter shall be made to the State Department of Social Welfare at the local office of the department nearest to the residence of the applicant. An applicant shall apply in person unless he is physically unable to do so, in which event the application may be made by his authorized representative in his behalf. This application may be made in writing or reduced to writing upon the standard form prescribed by the State Department of Social Welfare, and a copy of his application shall be furnished to each applicant at the time of application. The form shall contain questions, the answers to which will provide the information necessary to establish eligibility for security under this chapter. All statements in the application shall be verified, under oath, by the applicant. Employees of the State Department of Social Welfare, when authorized by the director, may administer such oaths.

Section 18. Sections 2181, 2181.01, and 2224 of said code are repealed.

Section 19. Section 2181 is added to said code, to read:

2181. The Board of Supervisors, directly or through an authorized investigator, shall upon receipt of an application for old age security promptly, without any unnecessary delay, and with all diligence, make the necessary investigation. Such investigation shall be completed within 60 days after receipt of the application.

Section 20. Sections 2186, 2186.1, 2187, and 2188 of said code are repealed.

Section 21. Section 2186 is added to said code, to read:

2186. Old age security allowances under this chapter shall be paid by Controller's warrants against the Social Welfare Disbursement Fund.

The State Department of Social Welfare shall, prior to the beginning of each month, certify to the State Controller the names and addresses of persons who will be entitled to receive old age security allowances under Section 2020 for that month or who are entitled to receive and have not been paid such allowances for any prior period of time together with the amount of the grant each such person will be or is entitled to receive. The State Controller shall draw and issue the necessary warrants to the persons and in the amounts so certified, and the warrants shall be paid by the State Treasurer.

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Old age security benefits payable under Sections 2020.03 and 2020.04 shall be paid by the State Department of Social Welfare in the same manner that other expenses of the department are paid.

Section 22. Sections 2200 and 2201 of said code are repealed.

Section 23. Section 2200 is added to said code, to read:

2200. If a recipient of old age security changes his home from one place to another place within the State, such change shall not cause any forfeiture or interruption of the old age security previously awarded him. If the place to which the recipient has moved is nearer to a different local office of the State Department of Social Welfare than it is to the local office of the department in which his application was filed, within 90 days after the department receives notice of the change of home, it shall transfer the case, together with the application for security and all documents and records pertaining to the eligibility of the recipient, to the local office of the department nearest to the new home of the recipient.

Section 24. Section 2201 is added to said code, to read:

2201. Every recipient of old age security shall be entitled to necessary medical and hospital care from the county in which he is living. If the recipient has not resided for at least one year in the county in which he is living, but does have one year's residence in another county, the county providing the necessary medical or hospital care, or both, may demand payment of the county in which the recipient has one year's residence in an amount not in excess of the cost thereof, and it shall be a proper charge and the duty of the county in which the recipient has one year's residence to pay such medical or hospital charges, or both.

For the purposes of this section, it is presumed that the period of time for the acquisition of one year's residence in the county in which a recipient is living started to run upon the date of his removal from the county in which he previously had one year's residence. Any county residence once acquired is presumed to continue unless terminated by a subsequent act of the recipient. If a recipient returns to a county in which he had one year's residence, after an absence of less than one year, he shall not be deemed to have lost his residence therein.

Section 25. Section 2231 is added to said code, to read:

2231. To insure the continued receipt of Federal assistance to this State for old age security, any provision of this chapter which is found to be in conflict with any requirement of the Federal Social Security Act or of the rules and regulations of the Federal Security Agency for the approval of the state plan for old-age assistance shall, to the extent of such conflict, cease to be operative so long as such conflict exists.

Any provision of this chapter shall be deemed to have been found in conflict with a requirement of the Federal Social Security Act or of the rules and regulations of the Federal Security Agency for the approval of the state plan for old-age assistance, within the meaning of this section, whenever the Social Welfare Board certifies to the Governor that the State Department of Social Welfare has received written notice from the Federal Security Agency, or any authorized representative thereof, that the continued operation of that provision will render the plan of this State for old age security out of conformity with such federal requirements, so that further payment of Federal assistance to this State for old age security will not be made, or that the State plan will not be approved. The Governor shall thereupon issue a proclamation declaring that the provision has become inoperative as of the date of the proclamation.

If any provision of this chapter is declared inoperative under this section, such declaration shall not affect the operation or validity of any other provision of this chapter.

Section 26. Section 2232 is added to said code, to read:

2232. If any provision of this chapter, or the application thereof to any person or circumstance, is held unconstitutional, the remainder of the chapter, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Section 27. The Legislature shall have power to amend or repeal any section of the Welfare and Institutions Code added or amended by this act, and to increase the benefits provided to recipients of old age security, or to reduce the terms and conditions of eligibility therefor, or otherwise to vary the provisions of the Old Age Security Law; except that the Legislature shall not have power to reduce the benefits provided to recipients of old age security, nor to provide for the administration of old age security other than by the State Department of Social Welfare or a similar State agency, nor to require the payment of the direct and administrative costs of old age security from any funds other than State funds, nor to impose on any relative of any recipient of old age security any responsibility or liability to reimburse the State for old age security granted to the recipient in accordance with the provisions of the Old Age Security Law.

Section 28. Thirty days prior to the date on which Section 3 of this act becomes operative, the State Department of Social Welfare shall succeed and be entitled to the possession of all county records, books, and papers pertaining to the administration of the Old Age Security Law. At the same time, the State Department of Social Welfare shall succeed and be entitled to the possession of so much of the furniture, equipment, and other personal property used by each county exclusively or primarily for the administration of the Old Age Security Law on the date this act takes effect as does not exceed in value the aggregate of the respective Federal and State interests in such property due to financial contributions by the United States Government and by the State toward the administrative costs of old age security in the county prior to the effective date of this act, or due to the expenditure of State funds for the acquisition of such property prior to transfer of the property to the county by the State.

The Legislature shall have power to supplement or amend this section, and to provide for such allocation between the State and each county of the furniture, equipment, and other personal property heretofore used by the county for the administration of the Old Age Security Law as the Legislature deems just.

Section 29. If this act is enacted by the Legislature without the necessity of approval by the people, Sections 2, 4, 5, 11, 13, 14, 15, 16, 18, 19, 25, 26, 27, 28, and 29 of this act shall become operative on the date this act takes effect, and the remaining sections of this act shall become operative on the first day of the second calendar month following the calendar month in which this act takes effect.

If this act is submitted to and approved by the people, Sections 2, 4, 11, 25, 26, 27, 28, and 29 of this act shall become operative on the date this act takes effect, and the remaining sections of this act shall become operative on the first day of the third calendar month following the calendar month in which this act takes effect.

Each section of the Welfare and Institutions Code amended or repealed by this act shall remain operative, as in effect and operation on the effective date of this act, until the section of this act by which it is amended or repealed becomes operative.