

RELIEF COMMISSION:

Governor has right to direct expenditure of \$5,000,000.00 appropriation and to enforce self insurance plan.

8-17
August 15, 1934

Honorable Wallace Crossley
Director
Jefferson City
Missouri



Dear Mr. Crossley:

Receipt of your letter dated July 24, 1934 is acknowledged.

Your letter is as follows:

"Enclosed please find copy of letter which we have received from the Federal Emergency Relief Administration regarding self insurance plan for those injured in the performance of duty on work division.

Will you please give us your written opinion regarding the possibility of using relief funds, either state or Federal, for this purpose?

I know that funds may not be used for any purpose other than that for which they are appropriated, but our state appropriation is so worded as to cover all relief purposes, and it seems to me that in the broad interpretation a voluntary assessment plan would not conflict with the purpose of the law.

May we have your opinion at once so we can proceed with a plan for providing this insurance? "

On February 15, 1934 the President of the United States issued an Executive order as follows:

"By virtue of and pursuant to the authority vested in me by the act of February 15, 1934 (Public, No.93, 73d Cong.), appropriating \$960,000,000 to carry out the purposes of the Federal Emergency Relief Act of 1933 (ch.30,48 Stat.55), and to continue the civil-works program, and for other purposes, there is hereby allocated from the said appropriation to the Federal Emergency Relief Administration the sum of \$500,000,000, of which \$150,000,000 shall be available for expenditure during the fiscal year ending June 30, 1934, and \$350,000,000, together with any unexpended portion of the said sum of \$150,000,000, for the fiscal year ending June 30, 1935.

The sum herein allocated shall be available for making grants to States and for administrative expenses under the provisions of the said Federal Emergency Relief Act of 1933, and under the existing rules and regulations of the Federal Emergency Relief Administrator which are hereby adopted by the President.

The said Administrator is hereby authorized to prescribe such other rules and regulations as may be necessary to effectuate the purposes of the rules and regulations herein adopted by the President."

Laws of Missouri in Extra Session 1933-1934 at page 14, Section 12L, provides:

"There is hereby appropriated out of the State Treasury, chargeable to the General Revenue Fund, the sum of five

million (\$5,000,000.00) dollars, or so much thereof as may be ordered by the Governor to be used in the manner authorized and directed by the Governor, together with any funds advanced through any agency of the Government of the United States of America, for the relief of citizens of the State of Missouri, who are in need of aid, by reason of being reduced to dire distress and want through such unemployment and ruinously low prices of agricultural commodities, as to constitute, in the opinion of the Legislature, a public calamity, which the Legislature declares now exists; provided, however, that the expenses of the administration of the amount hereby appropriated shall be paid out of any appropriation made for that purpose, and shall not exceed the amount in such appropriations authorized; provided further, that this appropriation shall expire April 1st, 1935, and not more than four million dollars (\$4,000,000.00) of such appropriation shall be used during the year 1934. "

Of course, if those accepting relief from the above appropriation agree that a portion of the money that might otherwise come to such persons, be reserved by you for the purpose of carrying out a self insurance plan there could be no question as to the legality of such procedure. However, we take it that you mean to inquire if a compulsory self insurance plan among those to whom relief is afforded can be legally carried out.

Section 12L above set out does not provide the details for the expenditure of the five million dollars (\$5,000,000.00) appropriated for relief purposes. Necessarily this could not have been intelligently done; the moneys so appropriated, 'together with any funds advanced through any agency of the Government of the United States of America,' are to be used for the relief of the citizens of the State of Missouri who are in need of aid by reason of distress and want. The five million dollars (\$5,000,000.00) or so much thereof as may be ordered by

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the Governor, is to be used and expended in the manner as authorized and directed by the Governor. The amount or amounts to be paid to any person rests in the hands of the Governor or those appointed by him to determine that question. We see no reason why the Governor can not attach any reasonable and proper condition to the expenditure of the money so appropriated as will in his judgment best carry out the purposes for which such appropriation was made, and it is our opinion that the Governor by rule and order can direct the carrying out of such self insurance plan and compel compliance therewith if the same would meet the aim and end attempted to be affected by Section 12L above quoted.

Unless the United States Government attaches some contrary condition to the money granted to the State of Missouri, we are of the opinion the same provision would apply to the money granted by the United States Government to the State of Missouri for relief purposes.

Very truly yours,

GILBERT LAMB
Assistant Attorney General.

APPROVED:

ROY McKITTRICK
Attorney General.

GL:LC