

Citizens' Advisory Committee on Aging—Continued

We have had reservations concerning the activity of this agency almost since its inception. It appears that the Governor also has reservations concerning the program by the fact that there is included in the Department of Social Welfare budget a proposal for the establishment of an interdepartment aging coordinator with a staff of five people at a total cost of \$48,616. We can neither recommend the program in the Department of Social Welfare or the existence of this committee at its present level. It appears that there is a diversification of opinion as to what should be the appropriate state activity and we recommend that should the Legislature establish the position of interdepartmental coordinator for aging in the Governor's office, then that person upon consultation with various state agencies should present a positive program in this area to both the Governor and the Legislature. We are recommending that \$11,432 be appropriated for this item due to the White House Conference on Aging in January 1961. These funds would provide for a senior clerical position to co-ordinate the activities of the committee, in-state travel money for the committee, and out-of-state travel money so the committee could attend the White House Conference and obtain information so that it could advise the Governor.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 247 of the Budget Bill

Budget page 624

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM THE GENERAL FUND

Amount requested -----	\$583,126
Estimated to be expended in 1959-60 fiscal year -----	411,261
	\$171,865

Increase (41.8 percent) ----- \$171,865

TOTAL RECOMMENDED REDUCTION ----- None

ANALYSIS

The Department of Veterans Affairs is composed of five sections which are the Divisions of Administration, Farm and Home Purchases, Educational Assistance, Service and Co-ordination, and Veterans Homes. All of the divisions receive their support from the General Fund with the exception of the Division of Farm and Home Purchases which is self-supported from interest payments made by veteran borrowers. The overall administration of the four General Fund supported divisions is provided by this item in addition to support of the State Veterans' Board.

It will be noted that \$583,126 is requested for the 1960-61 fiscal year, while \$411,261 is anticipated to be expended in the current fiscal year. This is an increase of \$171,865, or 41.78 percent. A major change in the departments' budget is the request for \$218,220 for its claims and rights service which is required to provide for its first full year of operation within the department's Service and Co-ordination Division. We should point out that this is in lieu of the \$596,700 provided annually prior to the current year and which was expended by veteran's organizations under a contract arrangement. The current year's estimate of expenditures covers only six months of operation which is commencing

Department of Veterans Affairs—Continued

at the time of this writing. Secondly, educational assistance to veterans dependents is no longer provided for from the Veterans Dependents Education Fund as a result of a change instituted by the 1959 Legislature in abolishing the Veterans Dependents Education Fund (Chapter 1744/59) and transferring its income to the General Fund. Consequently, the \$47,000 special fund support normally received by the Educational Assistance Division is lacking for the first time in the request for the 1960-61 fiscal year. Actually, all divisions show a small decrease with the exception of the Educational Assistance Division where slight increases are noted in salaries and wages and operating expenses occasioned by merit salary adjustment and some increase in workload.

*We recommend approval of the item as requested.*

**DEPARTMENT OF VETERANS AFFAIRS**

ITEM 248 of the Budget Bill

Budget page 628

**FOR ADDITIONAL SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM THE VETERANS FARM AND HOME BUILDING FUND OF 1943**

Amount requested .....	\$108,990
Estimated to be expended in 1959-60 fiscal year .....	109,389
Decrease (0.4 percent) .....	\$399

**TOTAL RECOMMENDED REDUCTION** .....

None

**ANALYSIS**

This item provides for the pro rata administrative expenses of the Division of Administration and Service and Co-ordination which is involved in servicing the Division of Farm and Home Purchases. The latter functions as a special fund operation supported from the interest charges made against those veterans having home loans with the department. We should also point out that this item provides the support funds needed to pay the salaries and expenses of the California Veterans Board and its secretary, the department director and deputy director as provided in Chapter 507 of the Statutes of 1957.

*We recommend approval of the item as requested.*

**Department of Veterans Affairs**

**EDUCATIONAL ASSISTANCE TO VETERANS AND VETERANS' DEPENDENTS**

ITEM 249 of the Budget Bill

Budget page 628

**FOR SUPPORT OF EDUCATIONAL ASSISTANCE TO VETERANS AND VETERANS' DEPENDENTS FROM THE GENERAL FUND**

Amount requested .....	\$3,420,000
Estimated to be expended in 1959-60 fiscal year .....	3,510,563
Decrease (2.6 percent) .....	\$90,563

**TOTAL RECOMMENDED REDUCTION** .....

\$300,000

**ANALYSIS**

The funds provided by this item actually provide for two programs in that \$2,850,000 of the amount requested would be expended in providing educational assistance to veterans and \$570,000 would be ex-

**Educational Assistance to Veterans and Veterans' Dependents—Continued**

pendent in providing educational assistance to veterans' dependents. With regard to the program for veterans' dependents, it should be pointed out that the Legislature enacted Chapter 1577 of the Statutes of 1959, lowering the minimum age from 16 to 14 for a veteran's dependent which has caused this program to increase in cost. For example, a deficiency of \$189,563 is forecast for the 1959-60 fiscal year which would indicate that the total to be expended for educational aid to veterans' dependents in the 1959-60 fiscal year is anticipated to be \$490,563. *We recommend approval of the \$570,000 requested for the educational assistance to veterans' dependents portion of the program.*

**Educational Assistance to Veterans**

From the inception of the veterans educational assistance program in 1921 to December 1959, the State has aided the educational aims of some 74,500 veterans at a cost of \$35,103,234.56.

The policy has been to assist only those veterans who have exhausted whatever federal entitlements might have been available to them. The maximum entitlement afforded by the State to any veteran is a total of \$1,000 which is available for tuition, books, instructional materials and subsistence.

With the exception of the applicant who is continuing his education, the department policy has been not to approve an individual program until it has been demonstrated by the veteran that he has the ability and interest to complete his proposed undertaking. This is usually accomplished by the veteran bearing the expense of his education for the first semester. The department criterion for remaining in the assistance program has been for the veteran to maintain a grade point average acceptable to the institution he attends.

The Division of Educational Assistance of the Department of Veterans Affairs has not attempted recently to make a detailed breakdown of enrollments. However, on June 13, 1958, the division prepared a table showing the types of courses in which veterans were enrolled as follows:

**Number and Percent of Veterans in Specified Educational Programs, Spring and Summer Quarter, 1958, and Continuous Authorizations**

	WORLD WAR II	
	<i>Enrollment</i>	<i>Percent of total</i>
Education -----	1,925	40.08
Business administration -----	804	16.74
Engineering -----	539	11.22
Trades -----	363	7.56
Public administration -----	296	6.16
Law -----	285	5.93
Social science -----	232	4.83
Medicine and related branches -----	118	2.46
Physical science -----	74	1.55
Theology -----	73	1.52
Flight -----	37	.77
Barber -----	31	.65
Music -----	17	.35
Veterinary medicine -----	9	.18
<b>Total -----</b>	<b>4,803</b>	<b>100.00</b>

Educational Assistance to Veterans and Veterans' Dependents—Continued  
 Number and Percent of Veterans in Specified Educational Programs, Spring and  
 Summer Quarter, 1958, and Continuous Authorizations—Continued

KOREAN WAR		
Education .....	1,114	31.65
Business administration .....	624	17.73
Engineering .....	445	12.64
Trades .....	361	10.26
Social science .....	223	6.34
Public administration .....	165	4.69
Medicine and related branches .....	150	4.26
Physical science .....	126	3.57
Law .....	102	2.90
Flight .....	69	1.96
Barber .....	55	1.56
Theology .....	46	1.31
Veterinary medicine .....	24	.68
Music .....	16	.45
<b>Total .....</b>	<b>3,520</b>	<b>100.00</b>

Grand total enrollment for both Korean and World War II 8,323

Number and Percent of Veterans in Specified Educational Programs,  
 Spring Authorization Certificates, Out of State

WORLD WAR II		<i>Enrollment</i>	<i>Percent of total</i>
Education .....	30	21.58	
Medical and related branches .....	29	20.75	
Physical science .....	20	14.39	
Law .....	19	13.67	
Theology .....	11	7.90	
Liberal arts .....	9	6.45	
Business administration .....	8	5.74	
Social science .....	8	5.74	
Engineering .....	4	2.78	
Public administration and law enforcement.....	1	1.00	
<b>Total .....</b>	<b>139</b>	<b>100.00</b>	

KOREAN WAR		
Medical and related branches .....	43	34.96
Physical science .....	16	13.00
Law .....	15	12.19
Education .....	14	11.38
Theology .....	12	9.76
Business administration .....	6	4.88
Engineering .....	6	4.88
Liberal arts .....	5	4.07
Public administration and law enforcement.....	4	3.25
Social science .....	2	1.63
<b>Total .....</b>	<b>123</b>	<b>100.00</b>

Grand total enrollment for both Korean and World War II 262

The Legislature at the 1959 Session reduced by \$250,000 the amount of the department's request for its educational assistance program. This was based largely on the belief that in view of the federal termination date of July 25, 1956, for World War II veterans, it was time to consider a cutoff date for the state program, which could be approached gradually. The division is requesting a \$300,000 deficiency appropria-

**Educational Assistance to Veterans and Veterans' Dependents—Continued**

tion to cover an estimated deficit that is anticipated at the end of the current fiscal year. The deficit is expected to occur since expenditures are currently running ahead of the record of expenditures for the same period last year. It is explained that this is due to more applications being received than originally estimated and to an increase in state college fees. It is reasonable to assume that these factors play an important part in increasing the State's cost, especially since new applications are no longer being accepted from World War II veterans. However, figures are not currently available to show what percent of the increase can be attributed to specific factors. We believe this indicates that more statistical information should be made available so the State's position with regard to the future demands of this program could be more accurately forecast. It is our understanding that considerably more than \$1 million has been authorized in the past 10 years to cover deficits occurring as a result of underestimating expenditures.

It appears that the department has the statutory authority to limit expenditures through Sections 981.2 and 981.4 of the Military and Veterans Code which read as follows:

**Section 981.2. Expenses of Education and Living Expenses**

“The department, insofar as the funds permit, may provide:

(a) For the payment of tuition and other fees other than for individual instruction or private lessons, except where such individual instruction is an integral requirement of a course leading to a vocational or professional license or to a degree from an accredited institution of higher learning.

(b) A monthly payment of an allowance for the living expenses of the student in an amount not exceeding forty dollars (\$40) per month for the time the student is in satisfactory and actual full-time attendance at a day school, absence during the month on account of illness to be included as a part of such attendance.

(c) For the student's book and supply requirements, the department may, at the student's request, increase the allowance provided under subdivision (b) of this section by an amount not to exceed ten dollars (\$10) in any one month. (As amended Stats. 1957, Ch. 1164, p. 2456, Sec. 1.)”

**Section 981.4. Order of Admission of Applicants**

“The board shall consider the application of veterans for admission to the institute in the order in which they are received. If the funds available are insufficient to meet the obligations which would arise from the guardianship of all worthy applicants, the board shall assume wardship over such veterans as are most urgently in need of further education. (Added Stats. 1943, Ch. 627, Sec. 1.)”

While it is currently the practice of the division to allow a veteran to continue in the program as long as his scholastic standing is satisfactory to the institution he is attending, it appears that the State could make a further evaluation to insure that the veteran is actually gaining or will gain from his educational pursuits to such an extent as to be of value to his chosen profession. We do not believe that this program

**Educational Assistance to Veterans and Veterans' Dependents—Continued**

was intended as an outright gift but as an assistance to those whose potential careers were interfered with by military service and whose subsequent economic status prevented the furtherance of their educational and career goals. It would appear that the language of Section 981.4 intended such judgments and evaluations by those charged with the function of the program.

In view of the above it would seem that if the division had more adequate statistical information with which to forecast enrollment trends along with a tightening of program requirements or limiting subsistence and other allowances especially when a deficit appeared to be forthcoming, the need for deficiency appropriations could be reduced, if not eliminated.

In our analysis of the Budget Bill of 1959 we recommended that legislation be enacted to establish a termination date for receiving applications for aid under the educational assistance program. Subsequently, the Legislature instructed the Department of Veterans Affairs to refuse further applications from World War II veterans at the beginning of the current fiscal year, and reduced the current year's budget by \$250,000 as was pointed out previously.

With no further applications being accepted from World War II veterans, the total program should begin to decline somewhat after the current fiscal year with only Korean veterans being accepted.

In order to accurately forecast the last years of the program, we recommend no further applications be accepted from Korean veterans after January 1, 1961, while allowing the veteran until July 1, 1967 to complete his education. This is two years past the federal termination date of January 31, 1965. This would permit the Korean veteran 12 years and five months to complete his education, with state assistance.

*With the adoption of the above recommendation \$300,000 could safely be reduced from this item and we so recommend.*

**Department of Veterans Affairs  
VETERANS' HOME**

ITEM 250 of the Budget Bill

Budget page 629

**FOR SUPPORT OF VETERANS' HOME FROM THE GENERAL FUND**

Amount requested .....	\$3,147,107
Estimated to be expended in 1959-60 fiscal year .....	3,070,813
Increase (2.5 percent) .....	\$76,294

**TOTAL RECOMMENDED REDUCTION** ..... None

**ANALYSIS**

The major construction at the Veterans' Home has virtually been completed with the completion of the new chapel in the current year and with the completion of the new domiciliary medical service wing of the hospital scheduled for the 1960-61 fiscal year. The average member population is proposed at 1,925 members, as has been estimated for the current fiscal year and was the actual figure for the 1958-59

Veterans' Home—Continued

fiscal year. The cost per member continues to climb due primarily to the increasing emphasis on hospital care.

The level of service proposed for the 1960-61 fiscal year is above that available for the current fiscal year, since it is proposed to add four positions primarily as a result of the new domiciliary medical service wing of the hospital which is scheduled for completion in the budget year. The new wing will provide an improved X-ray facility and in lieu of contracting for a roentgenologist it is proposed to provide a physician and surgeon II to operate the X-ray department. The cost of this position is partially offset by a decrease in the contractual services normally supplied. The other positions proposed are as follows:

*1 assistant supervisor of rehabilitation services*----- \$5,772

This position is proposed to provide supervision of the rehabilitation program now being conducted in the hospital. We have reviewed this position with members of the hospital staff and representatives of the department and believe justification exists for its inclusion in the budget.

*Clinical laboratory technologist*----- \$5,232

This position is justified on the basis of increasing workload.

*Hospital aid* ----- \$3,456

This position is justified to complete the staffing of the central supply area and its request is based upon the demands of increased workload.

The total amount requested for the support of the Veterans' Home is \$3,147,107. This is \$76,294, or 2.5 percent, greater than the \$3,070,813 estimated for expenditure during the current fiscal year. This increase is made up primarily of merit salary adjustments and the four positions requested above, since operating expenses are estimated to increase only \$340 and equipment shows a decrease of \$3,594 and a further offset is attributable to a \$7,000 increase in the estimate of federal funds that will be available in the budget year.

*We recommend approval of the Veterans' Home budget as requested.*

**Department of Veterans Affairs  
WOMAN'S RELIEF CORPS HOME**

ITEM 251 of the Budget Bill

Budget page 632

**FOR SUPPORT OF WOMAN'S RELIEF CORPS HOME  
FROM THE GENERAL FUND**

Amount requested -----	\$17,200
Estimated to be expended in 1959-60 fiscal year-----	17,475
Decrease (1.6 percent)-----	\$275
<b>TOTAL RECOMMENDED REDUCTION</b> -----	<b>None</b>

Woman's Relief Corps Home—Continued

ANALYSIS

The Woman's Relief Corps Home was established in 1897 to care for Army nurses, wives and destitute unmarried daughters of Union veterans who served honorably during the Civil War. In 1947 the State refused to accept further admissions to the home in compliance with legislation enacted at that time. However, the remaining population was to be cared for during their remaining years and as the population decreased it became evident to the State that it was uneconomical to operate the home with state personnel. As a result, in 1953 the Legislature authorized the State to lease the facilities to a private contractor who, in turn, contracted with the State to care for the remaining population. The above request is the amount required to pay for the contractual care, major medical care, and the major maintenance of the physical facilities for the four remaining members.

We might also point out that the State receives \$12,000 per year for the leasing of the facilities by the private contractor. *We recommend approval of the request as submitted.*

Department of Veterans Affairs

UNITED SPANISH WAR VETERANS COMMISSION

ITEM 252 of the Budget Bill

Budget page 632

FOR SUPPORT OF UNITED SPANISH WAR VETERANS COMMISSION FROM THE GENERAL FUND

Amount requested .....	\$3,400
Estimated to be expended in 1959-60 fiscal year.....	3,400
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Increase .....	None
<b>TOTAL RECOMMENDED REDUCTION.....</b>	<b>None</b>

ANALYSIS

The United Spanish War Veterans Commission was created by Chapter 430, Statutes of 1957. The commission is a 5-member body serving without salary and appointed by the Governor to promote and provide for the welfare of the Spanish war veteran.

The funds requested by this item are used to maintain the headquarters for the organization and provide for the general expenses of the commission members in carrying out their duties. While we have recommended disapproval of this item in the past, and asked for a policy reappraisal, in that we have felt that it was not a necessary state function to subsidize a veterans organization to the extent of providing it with a headquarters office, we feel that the Legislature has clearly indicated its approval of the policy expressed in this item. *Consequently, we recommend approval of the item requested.*