

Citizens' Advisory Committee on Aged—Continued

In-state traveling by the commission provides for transportation and expenses incurred in connection with their quarterly meetings. The committee believes it will need out-of-state travel allowance for post White House Conference work.

We recommend a reduction in in-state travel of \$1,040 and in out-of-state travel of \$800 for a total reduction in travel costs of \$1,840.

Specific detailed justification of how the requested funds are to be utilized has not been provided by this agency which has a past history of gross overestimates for travel, as compared to actual expenditures. The following two tables illustrate that less than 50 percent of the proposed in-state and out-of-state travel allowances proposed for the three-year period from 1957-58 to 1959-60 were actually utilized.

Commission Traveling—In-State

<i>Fiscal year</i>	<i>Proposed expenditures</i>	<i>Actual expenditures</i>
1957-58 -----	\$2,400	\$884
1958-59 -----	2,400	994
1959-60 -----	2,400	1,297
1960-61 -----	2,400	
1961-62 -----	2,600	

Commission Traveling—Out-of-State

<i>Fiscal year</i>	<i>Proposed expenditures</i>	<i>Actual expenditures</i>
1957-58 -----	\$800	\$331
1958-59 -----	400	-
1959-60 -----	400	425
1960-61 -----	3,200*	
1961-62 -----	1,600	

* White House Conference on Aging.

If the requested amounts are reduced in accordance with our recommendation the commission will still have \$1,560 available for in-state travel and \$800 for out-of-state travel. These remaining amounts are still in excess of any requirements which this agency has experienced in the last three actual years.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 259 of the Budget Bill

Budget page 624

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM THE GENERAL FUND

Amount requested -----	\$578,607
Contribution to State Employees' Retirement System -----	37,643
Total -----	\$616,250
Estimated to be expended in 1960-61 fiscal year -----	591,639
Increase (4.2 percent) -----	24,611
TOTAL RECOMMENDED REDUCTION -----	\$1,995

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
Equipment -----	\$1,995	625	39

Department of Veterans Affairs—Continued

GENERAL SUMMARY

The Department of Veterans Affairs is organized into five divisions as follows: Farm and Home Purchases, Educational Assistance, Service and Co-ordination, Veterans Home, and Administration. The chief administrator of the department is the Director of Veterans Affairs with general policy guidance being provided by the State Veterans' Board.

ANALYSIS

The appropriation requested by the department for the 1961-62 fiscal year is \$24,611, or 4.1 percent, greater than the estimated expenditures for the current year. This increase is primarily the result of the department's proposal to fill three previously authorized positions which were not used during the current year in the Division of Service and Co-ordination's new Claims and Rights Program. The claims and rights function was handled by veterans' organizations on a contract basis prior to January 1, 1960. We should also point out that nine previously authorized but unfilled positions are being abolished as a result of workload experience gained in administering the Claims and Rights Program since it became a direct departmental responsibility.

The balance of the increases in salaries and wages result from normal merit salary adjustments. With an overall view of the department's request, it appears that the same level of service is anticipated, however, we take exception to the replacement of an automobile which would be used by the Division of Educational Assistance in the Los Angeles area. *We recommend that in lieu of replacing this car through the department's budget allocation, the division arrange to use a Department of Finance pool car on a permanent assignment basis and transfer the existing vehicle to the Department of Finance.* If this action is taken, proper adjustments should be made in this item to allow for automobile mileage. *With the above exception, we recommend approval of the item as requested.*

DEPARTMENT OF VETERANS AFFAIRS

ITEM 260 of the Budget Bill

Budget page 624

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

Amount requested	\$120,801
Estimated to be expended in 1960-61 fiscal year	119,550
Increase (1 percent)	\$1,251
TOTAL RECOMMENDED REDUCTION	None

ANALYSIS

This item provides for the pro rata share of administrative services of the Divisions of Administration, and Service and Co-ordination that benefit the Division of Farm and Home Purchases. The Division of Farm and Home Purchases is supported from a portion of the interest rate charged veterans who carry farm and home loans with the department and, therefore, is a special fund operation. *We recommend approval of the item as requested.*

DEPARTMENT OF VETERANS AFFAIRS

ITEM 261 of the Budget Bill

Budget page 627

FOR SUPPORT OF EDUCATIONAL ASSISTANCE TO VETERANS FROM THE GENERAL FUND

Amount requested -----	\$3,344,300
Estimated to be expended in 1960-61 fiscal year -----	3,344,300

Increase -----	None
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TOTAL RECOMMENDED REDUCTION -----	None
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GENERAL SUMMARY

The funds provided by this item are used to assist veterans in pursuing higher educational goals. The policy of the department is to assist only those veterans who have exhausted whatever federal entitlements they might have had available to them. The State makes available a maximum of \$1,000 for tuition, books, instructional materials and subsistence. This program was started in 1921, and up to the present time the state has expended approximately \$41 million for this purpose. The scope of the program, which is administered by the Division of Educational Assistance within the Department of Veterans Affairs, is expected to decrease in the near future since the department discontinued accepting new applications from World War II veterans, July 1, 1959, so it would appear that World War II veterans will have exhausted their entitlements within the next two fiscal years, leaving only Korean veterans to receive aid.

ANALYSIS

The \$3,344,300 requested for the support of the Educational Assistance Program to Veterans in the 1961-62 fiscal year is the same as the estimate for expenditure in the 1960-61 fiscal year. It appears to us that the program is now at its peak and that requests for assistance and payments to veterans should decline somewhat in subsequent years, especially in view of the fact that applications of World War II veterans are no longer being accepted. It has been difficult to predict enrollment trends accurately in the past since adequate statistical information has been lacking. For the past two years representatives of this division have told us and the Legislature that they were going to convert to an I.B.M. card system whereby statistical information on which predictions could be made would be readily available. In view of the fact that this conversion date never seems to arrive, it would appear to be desirable for the division to commit itself to the Legislature as to a definite date when this conversion will have been accomplished. The cost of the conversion should be relatively minor since a keypunch attachment for the existing bookkeeping machine is already available and analytical equipment is available in the Farm and Home Division. Furthermore, conversion may bring about savings due to possible elimination of some positions.

We recommend approval of this item as requested.

Department of Veterans Affairs
VETERANS HOME

ITEM 262 of the Budget Bill

Budget page 628

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

Amount requested -----	\$2,896,576
Contribution to State Employees' Retirement System -----	260,009
Total -----	\$3,156,585
Estimated to be expended in 1960-61 fiscal year -----	3,291,175
Decrease (4.1 percent) -----	<i>\$134,590</i>
TOTAL RECOMMENDED REDUCTION -----	None

GENERAL SUMMARY

The California Veterans' Home, located near Yountville in Napa County, is designed to provide medical and domiciliary care for California veterans. The legal basis for its operation is contained in the Military and Veterans Code, Chapter I, Division 5. The facility, which has been operated by the State since 1897, has a physical plant consisting of a modern medical-surgical hospital with a capacity of 475, eight domiciliary barracks, a modern recreation center, which includes a movie theater, bowling alley, snack bar, game rooms and other recreational facilities. In addition, a new chapel was recently constructed to serve the needs of the member population. The current average population is 1,825, while the plant has a capacity for over 2,000 veteran members.

The home is operated on a military basis with the chief administrator or commandant nominally having the rank of colonel with lesser ranks being held by subordinate civil service supervisors. We should point out, however, that these military rank designations are not in any way connected with the federal military services, even though the federal government does participate in the support of the home to the extent of providing a maximum of \$912.50 yearly per veteran member. This amount is the result of a recent change in federal law which increased the federal aid from \$700. The increase in aid accounts for the decrease in the budget request when compared to the current year estimated expenditures. Twenty-eight states operate veterans homes and receive federal aid which is used to help finance their operations.

During the current fiscal year, our office has co-operated with the Director of Veterans Affairs and his staff in making a management survey of various phases of operations at the Veterans Home. One of the primary areas of study has been the post fund activities which involve revenue producing operations, such as the canteens, coffee shop, bowling alley, and PX store. The profits from sales in these activities is deposited in the post fund, which is used for the benefit of the veteran members. As a result of the management survey, many changes have been made, while other recommendations have not been put into effect since further study appears to be necessary. We are confident the

Veterans Home—Continued

changes already made will provide for better management and control of post fund activities and revenues. It is our understanding that the director plans further study in various areas of the home operations with particular emphasis on the increasing per capita cost occasioned by the ever-growing demand for hospital care, while the need for domiciliary care has decreased to such an extent that one barracks building has been closed entirely. The current waiting period for hospital care exceeds six months, while domiciliary care is available immediately upon application. Growth, therefore, is geared to the hospital capacity. Consequently, we do not foresee any major increase in population at the home in the near future unless additional medical facilities are constructed.

ANALYSIS

The \$3,156,585 requested by the Department of Veterans Affairs for continuing the same level of service within its Veterans Home Division is \$134,590, or 4.1 percent, less than the estimated expenditures of \$3,291,175 for the current fiscal year. As pointed out previously, this decrease results from increased federal aid which is estimated to provide \$140,217 more in the 1961-62 fiscal year than in the current year. Salaries and wages show an increase of \$40,123 which is the result of merit salary adjustments while operating expenses indicate a decrease of \$21,870, and equipment, a decrease of \$15,546, which practically offsets the salary and wages increase.

The total amount estimated for expenditure in the 1961-62 fiscal year for operation of the Veterans Home and its recreational activities is approximately \$5,372,000, which is funded as follows:

State appropriation request (including retirement)	\$3,156,585
Estimated federal grants	1,665,312
Post-fund expenditures (estimated)	550,000
Total	\$5,371,897

While the budget request indicates a decrease as previously pointed out, this is not brought about by changes in state policy or increased efficiency. It appears to us that more state money could be saved if legislation were enacted to complement Chapter 1825, Statutes of 1959, which authorizes the Department of Veterans Affairs to investigate a veteran applicant's financial status to determine his ability to provide for or aid in his own hospital or domiciliary care. If it is determined that the applicant is financially able to provide for his own care, he may be refused admittance to the home. *We recommend that legislation be enacted providing for a veteran to give the State all but a portion of his compensation, pensions, retirement, social security payments, etc., to help defray the cost of his care while a member of the Veterans Home. Certain exceptions could be made where a veteran has dependents.* We cannot at this time estimate the savings that would accrue as a result of such legislation, however, it appears reasonable to assume that it would be substantial.

We recommend approval of this item as requested.

Department of Veterans Affairs
WOMAN'S RELIEF CORPS HOME

ITEM 263 of the Budget Bill

Budget page 631

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

Amount requested	-----	\$10,600
Estimated to be expended in 1960-61 fiscal year	-----	10,600
Increase	-----	None

TOTAL RECOMMENDED REDUCTION----- None

ANALYSIS

The Woman's Relief Corps Home was originally established in 1897 to care for army nurses, wives and destitute, unmarried daughters of veterans of the Union Army in the Civil War. The State discontinued accepting admissions to the home in 1947 as a result of legislative action. The remaining members were to be accommodated for their remaining years. A major portion of the population had deceased by 1953 so that it became uneconomical for the State to continue to operate the facility for the small group remaining. Consequently, a contract was negotiated with a private nursing home operator to care for the remaining population in the facility at \$275 per month per member. In addition, the State pays for the major medical care and major maintenance of the physical facilities. It is estimated that the population will be two members for the 1961-62 fiscal year. The State receives \$12,000 annually from the contractor as rent for the use of the state facility.

We recommend approval of the item as requested.

Department of Veterans Affairs
UNITED SPANISH WAR VETERANS COMMISSION

ITEM 264 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 1960-61 fiscal year	-----	3,400
Increase	-----	None

TOTAL RECOMMENDED REDUCTION----- None

ANALYSIS

The United Spanish War Veterans Commission was created by Chapter 430, Statutes of 1957, as a five-member body composed of unsalaried appointees of the Governor. The purpose of the commission is to promote and provide for the welfare of the Spanish War Veteran. The amount requested is to be used to maintain the headquarters of the organization and defray the general expenses of the commission members in conducting their activities. In addition to these funds the commission receives certain funds and donations from other sources. The policy with regard to this expenditure has been questioned by this office and reviewed and approved by the Legislature for each fiscal year since 1957. Consequently, *we recommend approval of the item as requested.*