

DEPARTMENT OF VETERANS AFFAIRS

ITEM 246 of the Budget Bill

Budget page 585

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM
THE GENERAL FUND

Amount requested ----- \$332,722

Estimated to be expended in 1957-58 Fiscal Year ----- 338,628

Decrease (1.7 percent) ----- \$5,906

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages -----	\$9,525	\$9,525	--	587 28
Operating expense -----	-6,940	-6,940	--	587 30
Equipment -----	-11,466	-11,466	--	587 32
Decreased support from other funds -----	2,975	2,975	--	
Total increase -----	-\$5,906	-\$5,906		

RECOMMENDED REDUCTIONS ----- None

GENERAL SUMMARY

The Department of Veterans Affairs with the advice of the State Veterans Board administers and implements the various programs and services that provide benefits to California veterans and their dependents. The administration of the Department of Veterans Affairs is divided into the five divisions of Farm and Home Purchases, Educational Assistance, Service and Co-ordination, Veterans' Homes, and Administration.

ANALYSIS

The \$332,722 that is requested for the 1958-59 Fiscal Year is \$5,906 or 1.7 percent less than the \$338,628 which is estimated for expenditure during the current fiscal year. The primary factor that brings this reduction about is Chapter 507, Statutes of 1957, which transfers all salaries and expenses of the California Veterans Board and its secretary and the director and the deputy director of the Department of Veterans Affairs from the General Fund support portion of the Veterans Affairs budget to the Veterans' Farm and Home Building Fund of 1943. This actually results in a savings in excess of \$30,000 per year to the General Fund. The only major increase noted in the request for General Fund support is that of an additional position in the Educational Assistance Division as follows:

1 Veterans educational representative (budget page 586, line 25) ----- \$6,060

This position is being requested to help meet the increase in workload that is expected as a result of higher enrollments during the current year, which are also predicted for the next three years. The recognized standard at the present time is one educational representative for each 1,000 veterans. Since the division has only seven such positions currently and the department is anticipating enrollments of approximately 9,000 for the 1958-59 Fiscal Year, it appears that the position

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is needed. While we are recommending curtailment of the veterans' educational assistance program in our analysis of that function, we recognize that it will be some time before this can be accomplished. Consequently, we recommend that this position be allowed on an interim basis.

The balance of the budget request under this item appears to be reasonable. We recommend the item as requested.

Economies and Improvements Requiring Legislation

The California Veterans' Farm and Home Building Loan Program is shown in the appendix of the Governor's Budget and is administered as a special fund function. No appropriations are required by the Legislature since loans are made from the proceeds of bond issues and the repayments of the farm and home loans, which also service the bond issues as well as providing funds for administration.

It would appear that the time has come for a re-evaluation of this program in light of present-day economic trends. At the close of World War II there was need for a program of the type California makes available to its veterans since there was a shortage of low-cost housing and loans were difficult to obtain and those loans obtainable required large down payments. Conditions with respect to low-cost housing, however, have changed drastically since the initiation of the veterans' loan program. Apart from the effect of recent higher interest charges in home financing, which may be a relatively short-run condition, the availability of low-cost housing with reasonable financing in California has not been unfavorable. It would appear that consideration should be given to tapering off and eventually eliminating the Farm and Home Loan Program. If this program is continued, it could ultimately hamper the State's operation by tending to limit its bonding capacity for other more essential current needs as additional bond issues are authorized.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 247 of the Budget Bill

Budget page 585

FOR ADDITIONAL SUPPORT OF THE DEPARTMENT OF VETERANS AFFAIRS FROM THE VETERANS' DEPENDENTS EDUCATION FUND

Amount requested	\$37,010
Estimated to be expended in 1957-58 Fiscal Year	35,020
Increase (5.7 percent)	\$1,990

RECOMMENDED REDUCTIONS None

ANALYSIS

The purpose served by this item is to pay the pro rata administrative charges that result from services being provided for a special fund activity. Consequently, the administrative overhead that is carried in departmental administration for this activity is reimbursed from the Veterans' Dependents Education Fund. This would appear to be proper procedure. We, therefore, recommend approval of the item as requested.

Department of Veterans Affairs
EDUCATIONAL ASSISTANCE TO VETERANS

ITEM 248 of the Budget Bill

Budget page 587

**FOR SUPPORT OF EDUCATIONAL ASSISTANCE FROM THE
 GENERAL FUND**

Amount requested	\$2,970,000
Estimated to be expended in 1957-58 Fiscal Year	2,888,000

Increase (2.8 percent)	\$82,000

RECOMMENDED REDUCTIONS..... None

GENERAL SUMMARY

The Military and Veterans Code stipulates in Sections 981 through 981.8 that financial assistance may be provided for veterans in pursuing educational opportunities. The maximum allowable is \$1,000 total per veteran. This sum is used to pay for such items as living expenses at a maximum of \$40 per month, books and instructional materials at a maximum of \$10 per month, plus tuition.

As a matter of administrative policy the department requires the veteran applicant to have either used up or not have federal benefits available in order to qualify for the State's program.

ANALYSIS

Federal educational benefits were made available to veterans of World War II by Public Law 346 of the 78th Congress. Congress subsequently decided to allow veterans of World War II to accrue entitlement for this program up to July 25, 1947, after which service was not accepted. Public Law 550 of the 82d Congress, which provided educational benefits for veterans of the Korean War, recognized service up to January 31, 1955.

In each of the above cases the veteran had nine years from the date of his discharge to complete his education or nine years from the above dates, whichever came first.

While the Federal Government has placed these limitations on a veteran's entitlement, the State has imposed no restrictions with respect to the time allowed a veteran for filing an application.

Economies and Improvements Requiring Legislation

It would appear that economies would result if the State were to set a termination date for the receipt of applications for educational assistance. For example, World War II veterans have had 10½ years to complete their education through the use of both federal and state benefits. Therefore, we recommend that consideration be given to enacting legislation which would require a veteran to apply for state educational benefits within a stipulated period following the expiration of his federal entitlement for similar benefits.

Department of Veterans Affairs
VETERANS' CLAIMS AND RIGHTS SERVICE

ITEM 249 of the Budget Bill

Budget page 587

**FOR SUPPORT OF VETERANS' CLAIMS AND RIGHTS SERVICE
 FROM THE GENERAL FUND**

Amount requested -----	\$596,700
Estimated to be expended in 1957-58 Fiscal Year -----	574,000
 Increase (4 percent) -----	 \$22,700

RECOMMENDED REDUCTIONS

Reduction in budgeted increases -----	\$22,700
Improved efficiency and policy reappraisal -----	574,000
 Total reductions -----	 \$596,700

GENERAL SUMMARY

Section 699 of the Military and Veterans Code allows the Department of Veterans Affairs to contract with veterans organizations to act as representatives for veterans in the presentation of their claims to the Veterans Administration of the Federal Government. For the past few years the amount provided annually has been \$574,000. However, it is proposed to add another contracting agency in the budget year, that of the Jewish War Veterans at an additional cost of \$22,700. Currently the American Legion receives \$349,123, the Veterans of Foreign Wars \$120,817, the Disabled American Veterans \$80,275, and AMVETS \$23,785 which brings the total proposed for the budget year to the \$596,700 shown above.

ANALYSIS

It has been our understanding that the State has entered into contractual arrangements with veterans organizations on the basis that they had knowledge of the veterans problems but were unable to carry the financial burden of providing this service from their own organization funds. In addition, presentations have been made that it is virtually impossible for an individual veteran to present a claim on his own due to the complexity of the procedures involved. However, during the current fiscal year we have visited the regional office of the Federal Veterans Administration in San Francisco and viewed first hand the operations of its contact services. From records available in the contact section of the regional office we were able to ascertain that 36,678 applications for benefits were processed in the first 11 months of 1957. Of these applications 26,647, or 73 percent, of the total caseload was handled by Veterans Administration personnel alone through direct contact with the veteran at its regional or field offices. The remaining 10,031 cases were handled initially by either county veteran service officers, the individual himself, or a service organization representative.

If a veteran were to decide to make a claim against the Federal Government he could inquire by mail or telephone and receive by return mail detailed instructions and forms for making his claim. Consequently, we fail to see the necessity of providing veterans organizations representatives at state expense to do the same job that the

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taxpayer is providing for through the Veterans Administration. As an example, if a veteran should contact the regional office in San Francisco and state to the information clerk that he wished to make a claim against the government he would be asked if he wished to see a service organization representative or a Veterans Administration employee. In either case the claim would be processed through the same channels in the Veterans Administration and receive the same treatment. This appears to be a duplication of service since the veteran has available to him the advice and assistance of trained government employees that have been directed to give the veteran all of the service he has a right to in order to secure every benefit for the veteran to which he may be entitled.

It is interesting to note that the contact office of the Veterans' Administration at San Francisco has had as many as 247 employees during periods of peak workload, whereas currently the total employed in this function on a workload basis is 39. By contrast, the veterans' service organization representatives total 57, which is actually an increase over the number available during the period of peak workload in 1947.

Whatever justification there may have been for providing some financial aid to veterans' organizations to assist the veteran in submitting his claim during the period of peak impact such as occurred in 1947, the application workload has now dropped off since that time to where this subsidy does not seem to be necessary any longer. It would appear that the veterans' organizations have had an opportunity to organize themselves over the past few years since World War II and the Korean conflict so that they can carry their own financial burden. It appears to us that California is doing a creditable job in supplying benefits to the veteran through the Educational Assistance Program, Farm and Home Loan Program, as only two examples, and in providing assistance through the County Service Officers. *Consequently, we recommend that this appropriation to the veterans' organizations should be one of the areas for re-evaluation of policy and recommend eliminating the item entirely.*

DEPARTMENT OF VETERANS AFFAIRS

ITEM 250 of the Budget Bill

Budget page 587

FOR EDUCATIONAL ASSISTANCE TO VETERANS' DEPENDENTS FROM THE VETERANS' DEPENDENTS EDUCATION FUND

Amount requested	\$293,000
Estimated to be expended in 1957-58 Fiscal Year	330,000
Decrease (11.2 percent)	\$37,000

RECOMMENDED REDUCTIONS..... None**ANALYSIS**

The amount appropriated by this item is used in providing an educational assistance program for veterans' dependents, which is similar to the one provided for veterans. In order for a veteran's dependent

Department of Veterans Affairs—Continued

to qualify for this aid the dependent's veteran guardian or parent must have died as a result of war service. Sections 890 through 899 of the Military and Veterans Code provides that a maximum of \$400 per year may be expended for subsistence of the dependent while attending college under the semester system and a maximum of \$480 per year when attending a college operated under the quarter system. While the code allows the veterans board to allocate reasonable amounts for books and supplies in addition to the subsistence allowance, we understand that as a matter of policy this has not been done. It might be pointed out that veteran's dependents attending high schools may also qualify for such aid but they must have reached the age of 16 to be admitted to the program.

The decrease noted in the request for the 1958-59 Fiscal Year is due to an estimated decrease in enrollments. We have examined the estimates and feel that they are reasonable. Consequently, we recommend approval of the item as requested.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 251 of the Budget Bill

Budget page 585

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

Amount requested	\$52,425
Estimated to be expended in 1957-58 Fiscal Year	77,020

Decrease (31.9 percent)	\$24,595
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RECOMMENDED REDUCTIONS----- None
ANALYSIS

This item provides that the administrative expenses incurred by the Divisions of Administration and Service and Co-ordination which are General Fund supported, be reimbursed for the services they perform for the Division of Farm and Home Purchases, which is a special fund function. The major portion of the decrease noted for the 1958-59 Fiscal Year is caused by new legislation, Chapter 507 of 1957, which provides that the salaries and expenses of the California Veterans Board, the secretary of the board, and the director and deputy director of the department be paid from the Farm and Home Building Fund of 1943. Consequently, the pro-rata share is less since the General Fund portion of the department's budget has been reduced.

We recommend approval of the item as budgeted.

Department of Veterans Affairs

ITEM 252 of the Budget Bill

Budget page 589

FOR SUPPORT OF VETERANS' HOME FROM THE GENERAL FUND

Amount requested	\$2,825,157
Estimated to be expended in 1957-58 Fiscal Year	2,683,761
Increase (5.3 percent)	\$141,396

Department of Veterans Affairs—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages-----	\$128,142	\$128,142	--	590 68
Operating expense -----	40,510	40,510	--	591 17
Equipment -----	714	714	--	591 25
Less increased reimbursements----	—850	—850	--	591 33
Less increased federal grants----	—27,120	—27,120	--	591 64
Total increase -----	\$141,396	\$141,396		

RECOMMENDED REDUCTIONS

Reduction in budgeted increases-----	None
Improved efficiency and policy reappraisal-----	\$10,044+
Total reductions -----	\$10,044

Summary of Reductions

	Amount	Budget Page	Line
Housekeeping			
2 Janitors -----	\$6,588	590	58
Clothing and laundry			
1 Laundryman -----	3,456	590	60
Total reduction -----	\$10,044		

GENERAL SUMMARY

The Department of Veterans Affairs operates a home for California veterans in compliance with the Military and Veterans Code, Chapter 1, Division 5. The home's modern facilities include a medical and surgical hospital of 464 beds in addition to two chronic and convalescent barracks and eight domiciliary barracks, of which one is for women veterans. A modern recreation center was recently completed and more buildings are planned for the future.

The Military and Veterans Code requires a veteran applicant to have been a bona fide resident of the State for 10 years prior to application and to have been discharged from one of the services under conditions other than dishonorable. In submitting his application a veteran is required to sign a statement that he is unable to pay necessary expenses of hospital or domiciliary care. It is not the policy of the home to accept psychotic, chronic alcoholic, tubercular and narcotic addicted applicants and if by chance an alcoholic veteran does gain admittance, disciplinary measures are available to curb his conduct.

The Federal Government supports the veterans' home to the extent of \$700 per year per member, which is theoretically 50 percent of the amount the Federal Government figures as a normal per capita cost. We should point out that the per capita cost of the California Veterans' Home in Yountville is in excess of three times the government's contribution as it is estimated at \$2,222 for 1958-59. Undoubtedly the per capita cost would be lower if the population of the home were predominately domiciliary. However, as has been pointed out in our analysis of the veterans' home budget in previous years, the hospital population has been on the increase percentagewise, whereas the domiciliary population is declining. This condition naturally causes the per capita cost to climb higher and higher due to the high cost of hospital care.

Department of Veterans Affairs—Continued
ANALYSIS

The amount requested by the veterans' home, \$2,825,157, is \$141,396 greater than the amount that is estimated for expenditure in the current fiscal year. This increase is primarily the result of merit salary adjustments; however, five additional positions are being requested for the 1958-59 Fiscal Year which would account for \$14,808 of this increase. There is workload to support each of the positions which are discussed below. However, the source of financing and the policy is questioned with respect to the two janitors and the laundryman.

1 *Intermediate stenographer-clerk (budget page 590, line 56)*— \$3,456

This position is being requested to assist the recently authorized medical record librarian position in the classification and filing of medical records. We recommend approval on the basis of workload.

Housekeeping

2 *Janitors (budget page 590, line 58)*----- \$6,588

Two janitor positions are being requested to service the recently completed third section of the recreation center. This section consists of a banquet room, clerical room, TV and radio room, game room, rest-rooms, and other general areas, totalling 14,436 square feet. While workload justifies the janitors being requested, we question the propriety of providing for their support from the State General Fund since all profits from the recreation center accrue to the Post Fund. The State has provided a recreation center from the General Fund which enables the Post Fund to receive revenues. Consequently, it would appear reasonable to request the Post Fund to support these positions and to maintain a building that was supplied at no cost to them. *We, therefore, recommend that these positions be deleted from the budget request and that the Commandant be asked to supply the janitorial help through the Post Fund.* This would result in a \$6,588 saving to the General Fund.

Clothing and Laundry

1 *Laundryman (budget page 590, line 60)*----- \$3,456

The position of an additional laundryman is requested as a result of an unanticipated increase in workload that occurred in the 1956-57 Fiscal Year and appears to be reoccurring in the current fiscal year. The home estimated a total of 25,687 pieces of dry cleaning for the 1956-57 Fiscal Year while they actually processed 33,269 pieces. It is claimed that so much time is required of one existing laundryman position to do the dry cleaning that the additional laundryman is needed.

We fail to see justification for providing an additional laundryman in order to meet the demands of workload in the dry cleaning area. While this request appears to be based on workload it should be questioned from a policy point of view as to whether the State should continue to provide service of this level for members of the home. We recommend that the cost of this service to the State be reduced either by limiting the workload by imposing regulations upon the members

Department of Veterans Affairs—Continued

or by providing help for the dry cleaning function through some other source of funds, such as the Post Fund or donated funds available to the home. This would result in a savings to the General Fund of \$3,456.

Plant Operation

1 *Electrician (budget page 590, line 62)*----- \$1,308

This position is requested effective April 1, 1959, as a result of an increased amount of electrical equipment which has been added through the construction of recently completed buildings. This equipment consists of such things as electronic controls on heating systems, lighting systems, automatic sprinkler systems, elevators, dumbwaiters, television sets and many other items. The workload data justifies the position as necessary to the proper maintenance of the plant. Consequently, we recommend its approval.

Operating expenses are proposed to increase \$40,510, which is primarily due to the anticipated growth in the population of the home for the budget year, and anticipated cost increases of goods and services. While the \$47,812 requested for equipment is only \$714 greater than the estimate for the current fiscal year, it should be pointed out that the original submission totaled \$75,695. However, the Department of Finance, representatives of the veterans' home, and our office have screened the list thoroughly and arrived at the requested figure.

Economies and Improvements Requiring Legislation

The following quotation is taken from the informational pamphlet published by the veterans' home. It is based on the Military and Veterans Code and regulations of the Veterans Board. "To be eligible for admission a veteran must have been a bona fide resident of California for at least 10 years immediately prior to making application. The veteran must have a service discharge from wartime service other than dishonorable and furnish a certified copy of such discharge with his application.

"He must have temporary or permanent disability to the extent that he is unable to follow a gainful occupation, as determined by the examining medical officer, and be financially unable to provide for this hospitalization or domiciliary care."

The question we raise with regard to the above quotation concerns the financial ability of the veteran to pay for all or part of his hospitalization or domiciliary care. In discussing this matter with representatives of the home we find that it has been the department's policy to follow substantially the same procedure used by Federal Veterans Administration. A member applicant is required to fill out a form for application for admission wherein question 25 reads as follows: "Are you financially able to pay necessary expenses of hospital or domiciliary care? Yes? No?" In addition to answering this question the member applicant must fill out an addendum to the V. A. Form 10-P-10 titled "Application for Hospital Treatment or Domiciliary Care." This questionnaire attempts to ascertain the total value of both personal and

Department of Veterans Affairs—Continued

real property, current and ready assets owned by the veteran applicant. A warning is printed on this form which states, "If you knowingly make a false statement of any material fact in or in connection with this addendum to your application for hospital treatment (domiciliary care), you are subject to possible forfeiture of veterans benefits and prosecution in a United States court." After the above information is obtained and submitted with the veteran's application, no further check is made to determine whether the information submitted is true and accurate. As we understand it, the veterans' home would have no right to check on these figures except by asking the veteran himself.

One of the rules of the home is stated as follows: "He (the veteran) agrees to deposit personal funds with the finance officer for safekeeping, with the understanding that he retains money in his immediate possession at his own risk." The following information is supplied by the finance officer with regard to the number of accounts maintained with him by veteran members.

Special Deposit Accounts of Members December 17, 1957

Balance over:	No. of members	Balance over:	No. of members
\$1,000 -----	61	\$5,000 -----	6
2,000 -----	19	6,000 -----	1
3,000 -----	9	7,000 -----	2
4,000 -----	5	8,000 -----	3

Many of the veterans at the home receive compensation, pensions, retirement and social security payments which in some cases give them considerable income. The following tabulation shows the number of members receiving various amounts each month and those receiving none.

Summary of Number of Members of the Home Receiving Monthly Compensation, Pension, Retirement and Social Security Payments
as of November 30, 1957

Compensation	Number of members
Noncompensated -----	347
Under \$50 -----	58
\$50 to 75 -----	565
75 to 100 -----	382
100 to 125 -----	277
125 to 150 -----	239
150 to 175 -----	89
175 to 200 -----	50
200 to 225 -----	23
225 to 250 -----	14
250 and above -----	25
Totals -----	2,069

The above table does not include members' salaries received for the work they do while employed at the home.

It should be pointed out that the Federal Government withholds all of the veteran's pension over \$30 after he has been living at government expense in a federal institution for a period of six months.

Department of Veterans Affairs—Continued

Furthermore, nine states maintaining veterans' homes charge for maintenance and care of members. The formula on which these charges are based varies from state to state. However, using Kansas as an example, the state deducts all of the pensions or compensations, social security or other income in excess of \$30 which is allowed for the veteran's personal expenses. The Federal Government requires those states that do charge for the care of veterans to report the amounts they have collected so that one-half of the amount collected can be deducted from the federal aid payments that would normally be due the state veterans' home. As stated earlier, the State of California follows the policy of the Federal Veterans Administration concerning the admission of members to the home, since it is required that the regional office of the Veterans Administration approve the application for admission prior to the State's receiving federal aid. The application contains the addendum mentioned earlier which shows the financial resources of the member and to our knowledge, the Federal Government has never disapproved a veteran's application on the basis of the assets stated on this addendum.

The Veterans Administration Circular No. 11, dated November 4, 1953, states the purpose and use of the addendum to the V. A. Form 10-P-10. A portion of this statement reads as follows: "3. This addendum may be used in no way whatever to deny hospitalization to a veteran as the law specifically provides that 'the statement under oath of the applicant * * * shall be accepted as sufficient evidence of inability to defray expenses'." Even though the Federal Government has seen fit to accept a veteran applicant's statement that he is unable to pay the necessary expenses for domiciliary or hospital care, it would appear from the foregoing data that many of the veteran members of the California Veterans' Home are able to pay a substantial share of their hospitalization and domiciliary care. Consequently, we recommend that consideration be given to legislation authorizing the Department of Veterans Affairs to make further inquiry into the veteran's status to the extent necessary to insure the department that the veteran was actually unable to pay for any hospitalization or domiciliary care. This is consistent with state policy in respect to mental patients, for example, even if the mental patient is a veteran. In addition, we also recommend that study be given to arriving at a formula whereby a portion of member veterans' pensions, compensation, and other benefits could be paid to the State to help defray the costs of their care.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 253 of the Budget Bill

Budget page 592

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

Amount requested	\$23,300
Estimated to be expended in 1957-58 Fiscal Year	24,125
Decrease (3.4 percent)	—\$825

RECOMMENDED REDUCTIONS None

Department of Veterans Affairs—Continued
ANALYSIS

In 1897 the Women's Relief Corps Home was established to care for army nurses, wives and destitute unmarried daughters of Union veterans who had served honorably during the Civil War. Chapter 1902 of 1947 provided that no additional admissions would be accepted at the home. As a consequence, the number of surviving members declined through the years. In light of the increased per capita costs which resulted from maintaining the home solely for the small number of members, the 1953 Legislature authorized the leasing of the facility to a private contractor who in turn contracted with the State for the care of the remaining member population. The current member population is six, which is two less than in 1956. As of the present year, the contract specifies that the State pay \$275 per month per member, or an annual per capita cost of \$3,300. The reduction for 1958-59 is due to the drop in membership.

We recommend approval of the item as requested.

UNITED SPANISH WAR VETERANS COMMISSION

ITEM 254 of the Budget Bill

Budget page 593

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

Amount requested	\$5,500
Estimated to be expended in 1957-58 Fiscal Year	4,400
Increase (25 percent)	\$1,100

RECOMMENDED REDUCTIONS

Reduction in budgeted increases	None
Improved efficiency and policy reappraisal	\$5,500
Total reductions	\$5,500

ANALYSIS

The United Spanish War Veterans Commission is a five-member non-salaried commission which was created by Chapter 430, Statutes of 1957. The commission members are appointed by the Governor to promote and provide for the welfare of the Spanish War veteran. The funds provided by this item are used to maintain headquarters of the commission for California. The \$5,500 thus provided includes the general and traveling expenses of the commission.

This would appear to be one of the areas for policy reappraisal in that it has not been the policy of the State in the past to subsidize any veterans organization to the extent of providing them with a headquarters office. If this does become a firm policy of the State, undoubtedly other veterans organizations will expect the same privileges. Consequently, we would recommend that this item be deleted from the budget at a savings of \$5,500.