

California-Nevada Interstate Compact Commission—Continued

tive state legislatures and the Congress. Therefore, a modest appropriation such as contained in the budget seems proper.

Approval of the budget is recommended.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 264 of the Budget Bill

Budget page 862

**FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS
FROM THE GENERAL FUND**

Amount requested -----	\$686,215
Estimated to be expended in 1964-65 fiscal year -----	678,120
Increase (1.2 percent) -----	\$8,095
TOTAL RECOMMENDED REDUCTION -----	\$8,472

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
From amount requested to maintain existing level of service:			
Delete 2 intermediate typist-clerks -----	\$8,472	863	4

PROGRAM PLANS AND BUDGET

The administrative cost of the following programs of the Department of Veterans Affairs are funded by this item. The proration of the cost of the Division of Administration and segregation of the costs of the two programs administered by the Division of Service and Coordination represent our estimates because the department has not made such a breakdown.

1. The Division of Educational Assistance assists eligible dependents of deceased or totally disabled veterans in their pursuit of a high school or college education. The cost of administering the program in 1965-66 includes \$168,592 for the support of the division and the \$2,693 pro rata share of the cost of the Division of Administration for a total of \$171,285.

2. The Division of Service and Coordination assists California veterans in their pursuit of claims and rights granted by California and United States law. The total cost for 1965-66 is \$399,229 of which \$16,925 is reimbursed from the Veterans Farm and Home Building Fund of 1943 (for service performed to determine eligibility for a loan) and \$6,129 is the pro rata share of the Division of Administration cost. Two additional veterans representatives and two and one-half clerical positions are proposed at a cost of \$27,792 to maintain the existing level of service.

3. The Division of Service and Coordination also administers the state share of support of the county veterans service officer program and provides advisory service to these offices. The cost of this activity for 1965-66 including a \$743 proration for the Division of Administration is \$49,328.

4. Operation of the California Veterans' Home is funded by a separate item but the pro rata share of the Division of Administration assignable to that activity (\$83,298) is included here.

Department of Veterans Affairs—Continued

REVIEW OF AGENCY ACCOMPLISHMENTS

1. The Division of Educational Assistance processed 5,221 veteran and 7,471 dependent enrollments in 1963-64. The 1964-65 veteran participation decreased to 1,200 because of the Governor's reduction of the 1964 Budget Act appropriation to \$600,000 for that part of the program, but dependent enrollment is expected to increase to 7,500 students.

2. The Division of Service and Coordination's claims and rights workload increased from 9,599 claims established in 1962 to 12,051 in 1963. The division established civil service veterans preference for 8,471 veterans in 1963-64, a decrease of 40 from the 1962-63 activity. The responsibility for establishing a veterans eligibility to contract for a California farm or home building loan decreased from 16,862 approvals in 1962-63 to 12,669 in 1963-64.

3. A field representative of the Division of Service and Coordination visits each of the 54 county service offices every six weeks to coordinate their mutual activities and to assist in the indoctrination of new county service office personnel. The division representative also audits and ascertains that the county's claim for its portion of the quarterly allocation of state support is valid. The workload associated with the administration and advisory service provided the county veterans services officers does not vary significantly from year to year.

4. Care for veterans admitted to the Veterans Home is discussed as part of the evaluation of the item that appropriates funds for support of the home.

ANALYSIS AND RECOMMENDATIONS

1. The budget proposes reduction of two veterans' educational representatives and two intermediate typist-clerks to reflect the termination of educational assistance to veterans. One clerical position deleted by the budget was abolished administratively by the department June 30, 1964 and the second represents a vacant position in the San Francisco office. The San Francisco office has two filled clerical positions to serve its two veterans educational representatives on a one to one basis which is typical of the remaining district offices in Westwood, West Covina, San Diego and Sacramento. Each of the district offices except San Francisco is staffed with one veterans educational representative position and one clerical position. The deletion of two veterans educational representatives without reduction of at least two more clerical positions would change the clerical to professional ratio from one to one, to a six clerical to four professional ratio. Furthermore, should the department decide to eliminate the Westwood, West Covina or San Diego representative, the clerical position in that location would be left without a professional to serve. In such a case, the office should be closed and additional operating savings realized. *We, therefore, recommend the additional deletion of at least two intermediate typist-clerks for a reduction of \$8,472.*

2. The addition of two veterans representatives and two and one-half clerical positions is proposed to maintain the existing level of claims

Department of Veterans Affairs—Continued

and rights service. Despite the fact that the division has not documented the need for additional personnel according to the workload standards set forth by Management Survey 1168 prepared by the Department of Finance in 1961, it is apparent that the staff responsible for claims and rights activity has not expanded in proportion to the level of demand. The number of claims which were established increased 34 percent in two years from 1961 to 1963 and the upward trend is continuing.

The staff level has not changed since 1961-62 as the field representative added in 1964-65 was offset by transfer of the information officer to the Division of Administration. *We recommend approval of the proposed staff increase.*

3. The normal salary level adjustments cause the only variation in the cost of headquarters administration of the county veteran's service officer contracts. *We recommend approval as budgeted.*

4. *We recommend approval of the pro rata cost of administration assigned to the Veterans Home program, included in this item.*

POLICY OPTIONS

This item essentially finances the staff required to administer programs funded by other items, so that optional reductions in those programs would necessarily affect the related costs discussed above. It should be noted, however, that the level of service provided in any of the programs is arrived at in a somewhat arbitrary manner. Thus, one can accept the value of a program but adjust the attendant level of service by adding or deleting positions funded by this item. The budget deletion of two veterans educational representatives serves as an illustration. The department expects an enrollment of approximately 7,400 dependents in 1965-66. It is doubtful that the currently budgeted six veterans educational representatives could effectively counsel that many students, but in 1963-64 these 6 men were responsible for 5,221 veteran and 7,471 dependent students. The reduction from a total student enrollment of 12,693 to the expected 7,400 prompted the staff reduction from six to four. But only two representatives could probably manage all the necessary paperwork, thus two more representatives could be cut if the current practice of visiting schools to counsel students were discontinued. In summary, it is not possible to ascertain the optimum level of service. The reduction from six to four representatives apparently reflects an attempt to maintain the existing level. Two more could be deleted to reduce the level of service to a minimum, thus placing a greater reliance on the educational counseling provided to all students in the schools.

Similar alternative levels of service could be weighed with respect to the Division of Service and Coordination, claims and rights or county service officer advisory service programs.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 265 of the Budget Bill

Budget page 862

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

Amount requested	\$160,515
Estimated to be expended in 1964-65 fiscal year	161,270
Decrease (0.5 percent)	\$755

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS AND RECOMMENDATIONS

This item provides the pro rata share of the overhead support cost incurred by the Divisions of Administration, and Service and Coordination attributable to the Division of Farm and Home Purchases.

We recommend approval.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 266 of the Budget Bill

Budget page 865

**FOR SUPPORT OF EDUCATIONAL ASSISTANCE TO VETER-
ANS' DEPENDENTS FROM THE GENERAL FUND**

Amount requested	\$1,900,000
Estimated to be expended in 1964-65 fiscal year	2,504,800
Decrease (24 percent)	\$604,800

TOTAL RECOMMENDED REDUCTION..... None

PROGRAM PLANS AND BUDGET

The budget proposes continuation of one of the two programs of educational assistance support for veterans and dependents.

1. The \$600,000 budget year reduction represents the proposal to completely phase out the veterans education program.

2. The \$1,900,000 budget proposal is required to continue state contributions for tuition and support of the dependents of deceased and totally disabled veterans. This total represents an estimate of the amount required to satisfy demand and the \$4,800 reduction is not intended to indicate a change in the proposed level of service. The December 31, 1964 enrollment total of 7,705 dependents is considerably higher than the projected 7,400 average enrollment cited in the budget. The code provision that precludes state contribution until expiration of all federal benefits coupled with the Public Law 88-361 authorization of federal aid support for college dependents of disabled veterans combine to reduce the demand for state support, and thus partially offset the apparent enrollment underestimate. The \$20 per month awarded high school students or \$50 per month allowance and tuition granted college dependents is not expected to fully support them, but it does add to their incentive to pursue additional education.

Department of Veterans Affairs—Continued
 REVIEW OF AGENCY ACCOMPLISHMENTS

1. The 1963-64 veteran enrollment peak was 5,221 of which approximately 52 percent were graduate students. The Governor's reduction of the program to \$600,000 for the current year caused the department to aid only those veterans that could qualify as hardship cases or as continuing undergraduate students in an established program. This approach produced an enrollment load of 1,200.

2. The 6,608 dependents enrolled December 31, 1963 included 1,039 (15.7 percent) attending college compared to 1,589 (20.6 percent) college students of the 7,705 enrolled December 31, 1964.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of the item as budgeted.

Department of Veterans Affairs
 VETERANS HOME OF CALIFORNIA

ITEM 267 of the Budget Bill

Budget page 868

FOR SUPPORT OF VETERANS HOME OF CALIFORNIA
 FROM THE GENERAL FUND

Amount requested	\$4,026,927
Estimated to be expended in 1964-65 fiscal year	3,930,452
Increase (2.5 percent)	\$96,475

Increase to improve level of service	\$4,140
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TOTAL RECOMMENDED REDUCTION	\$4,140
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From amount requested for new or improved services:

Delete one janitor	\$4,140
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PROGRAM PLANS AND BUDGET

The California Veterans Home provides three levels of care for California veterans who have physical disabilities and insufficient financial capability to care for themselves. The program has gradually changed from the past dominant emphasis on the ambulatory patient and use of the hospital strictly as a service unit to the rest of the home, to the present pressing demand for hospital and intermediate care and lack of interest in the domiciliary vacancies. This shift contributes to a slowly declining population and an increasing average cost per patient.

The budget proposes deletion of five food service assistants and four member baggagemen. Four new clerks are requested to replace the baggagemen; an assistant seamstress, a janitor and a member library aide are proposed based upon the need to satisfy existing workload requirements. The net effect of the personal services changes is an increase of \$828.

The total \$5,604,507 cost of the program for the budget year represents an increase of \$96,475 and can be attributed to salary adjustments. The expected \$1,577,580 federal contribution reduces the state share to \$4,026,927. The federal government contributes \$2.50 per member per day as token recognition of their responsibility for his care.

Veterans Home of California—Continued

Public Law 88-450 authorizes an increase to \$3.50 for nursing home care but an appropriation to that effect has not been made and it is not certain that California will benefit even if an appropriation is made.

REVIEW OF AGENCY ACCOMPLISHMENTS

Personnel of the Veterans Home cared for an average of 1,747 members in 1963-64 for an average cost of \$2,907 per member. The 1962-63 (1,813) average number was 3.8 percent higher while the 1962-63 (\$2,627) average cost per member was 9.6 percent lower. A midyear day found 443 patients in the hospital, 377 in the intermediate care hospital annexes and 1,008 members in the domiciliary barracks. This 1,828 member total consisted of 89 veterans of the Spanish American War, 1,193 veterans of World War I, 523 and 20 veterans of World War II and the Korean War, respectively.

There were 908 admissions to the hospital during the fiscal year indicating an average bed turnover of two per year. There were 760 discharges and presumably 148 of the Home's 239 deaths occurred in the hospital. The waiting list for admission to the hospital directly from outside the Home membership has increased in length from 114 to 168 applicants in a year. The current waiting list as of December 1, 1964 includes the first eight names in priority of a year ago within the first ten in priority now. The first two were first and second January 1, 1964. A waiting list also exists for intermediate care while there are approximately 455 unused and available domiciliary bed spaces. The domiciliary vacancy level has increased 75 in a year.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of the clerk positions to replace member baggagemen and of the seamstress and member librarian based upon workload increases. We recommend deletion of the proposed increase to the janitorial staff for a reduction of \$4,140.

Two member baggagemen account for, and store the personal possessions of hospital patients upon their admission and discharge. The admission plus discharge total of almost 2,000 transactions per year coupled with the need for seven day coverage justifies two positions and the increasing difficulty in retaining members capable of performing such responsible and physical tasks justifies substitution of civil service clerk positions.

Two member baggagemen perform similar duties in the hospital annexes in addition to handling the mail distribution and doing other errands of similar nature. The volume of baggage transactions is less than in the hospital and the full seven day coverage is not required. Nevertheless, there is a need to substitute civil service positions to maintain the activity, and the physical arrangement of the hospital annex structures make it desirable to staff one for each. However, normally only one civil service position is added for each two members deleted in recognition of the higher salaries and greater physical capacity of the civil service positions. The one-for-one exchange required by the physical environment should permit an increased level of service and we suggest that this excess service capacity be directed to the per-

Veterans Home of California—Continued

formance of janitorial duties. The budget proposal of a new janitor to service the annexes would then be unnecessary. The fact that two janitors were added in the 1964-65 budget while the number of patients served continues to decline also contributes to our recommendation for deletion of the janitor and reduction of \$4,140.

The Home's seamstresses devote the major portion of their effort to hospital related needs and the problems caused by the increasingly acute medical-surgical patients in the hospital have led to a backlog of unfinished work. The department maintains that salvage and reuse of numerous items which obviate purchase of new merchandise more than offsets the salary of an additional seamstress.

The hospital medical library has been managed by the voluntary efforts of a capable woman member for years, but her failing health makes recruitment of a paid member necessary.

We recommend approval of the item subject to deletion of the proposed additional janitor for the hospital annexes.

POLICY OPTIONS

Management Survey 1126 published by the Department of Finance December 28, 1960, recommended that "a system of charges for care, support, maintenance, and medical attention be adopted" and administered by the Veterans Home. The report indicated that the state would experience a net revenue of approximately \$500,000 per year if such action were taken. It also noted that Public Law 86-211 provides that no pension in excess of \$30 per month shall be paid a veteran without dependents who is being furnished hospital or domiciliary care in a Veterans Administration facility. Section 6657 of the California Welfare and Institutions Code authorizes the Department of Mental Hygiene to use funds in excess of \$500 in the patients' personal deposit fund for payment of the care, support, maintenance and medical attention of the patient. Thus, the estimated 4,000 veterans cared for by the Department of Mental Hygiene and 14,000 cared for by the Veterans Administration in California (as estimated in 1960) are subject to a charge for care or reduction in pension while the Veterans Home member continues to receive full pensions without an obligation of payment. The option of charging veterans who are partially able to finance the cost of their support requires new legislation.

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

ITEM 268 of the Budget Bill

Budget page 870

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

Amount requested	\$3,900
Estimated to be expended in 1964-65 fiscal year	3,900
Increase	None
TOTAL RECOMMENDED REDUCTION	None

Woman's Relief Corps Home—Continued

PROGRAM PLANS AND BUDGET

The Woman's Relief Corps Home was established in 1897 to care for widows and dependent, destitute, unmarried daughters of Union Army Veterans of the Civil War. The sole remaining member is cared for in a nursing home pursuant to a \$3,600 annual contract with the department and \$300 is proposed each year for hospital care should it be required.

ANALYSIS AND RECOMMENDATIONS

We recommend approval of the item as budgeted.

Department of Veterans Affairs

UNITED SPANISH WAR VETERANS COMMISSION

ITEM 269 of the Budget Bill

Budget page 871

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

Amount requested	\$3,400
Estimated to be expended in 1964-65 fiscal year	3,400
Increase	None

TOTAL RECOMMENDED REDUCTION	\$3,400
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Summary of Recommended Reductions

	Amount	Budget Page	Line
From amount requested to maintain existing level of service:			
Delete item	\$3,400	871	38

PROGRAM PLANS AND BUDGET

Sections 1300 through 1304 of the Military and Veterans Code provides for the commission and states that its duty is to promote and provide for the welfare of the United Spanish War Veterans including assisting in the provision of a headquarters. The \$3,400 annual allowance provides \$100 for general expense and \$900 for in-state travel of the commission, and \$2,400 toward maintenance and operation of the Department of California United Spanish War Veterans headquarters.

REVIEW OF AGENCY ACCOMPLISHMENTS

The commission meets semiannually in varying localities of the state and transmits minutes of their meetings to the General Services Department which is responsible for administering the program.

The Department of California, United Spanish War Veterans mans an office rented in the Oakland Veterans Memorial Building two hours per week. The commander disseminates monthly news bulletins from his San Francisco home. The bulletins contain information relative to the welfare of the members (whose average age is 88) and include information relative to available benefits.

ANALYSIS AND RECOMMENDATIONS

The California Department of Veterans Affairs performs services for all of the state's veterans so we question the need or the continuing

United Spanish War Veterans Commission—Continued

desirability of maintaining the precedent for a commission to pursue the presumed special needs or interests of a specific small group.

We, therefore, recommend deletion of the entire amount.

ADVISORY COMMISSION ON INDIAN AFFAIRS

ITEM 270 of the Budget Bill

Budget page 872

FOR SUPPORT OF THE ADVISORY COMMISSION ON INDIAN AFFAIRS FROM THE GENERAL FUND

Amount requested	_____	\$32,272
Estimated to be expended in 1964-65 fiscal year	_____	27,994

Increase (15.3 percent)	_____	\$4,278
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TOTAL RECOMMENDED REDUCTION	_____	None
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PROGRAM PLANS AND BUDGET

The Advisory Commission on Indian Affairs plans to continue its function of studying the problems of American Indians residing in California in order to propose possible revisions in the California code relative to the status of Indians and the four relocation centers in the state. This will be the commission's last full year of operation as the final report of the commission is due on or by September 18, 1966.

The commission proposes a total expenditure of \$32,372 for 1965-66 which is to be entirely supported by a General Fund appropriation. This represents an increased level of expenditure of 15.3 percent from the 1964-65 fiscal year. The 1965-66 budget request proposes no new or expanded services.

With an administrative reduction of 0.1 temporary help, the commission is requesting funds for an authorization of 2.2 positions in 1965-66.

REVIEW OF AGENCY ACCOMPLISHMENTS

The commission expended a total of \$16,188 in fiscal 1963-64 in its activities related to the study and review of Indian problems, with a total staff authorization of 2.3 positions. A total of \$25,000 was appropriated by 1963 legislation for the activities of this commission. Activities of the commission in 1963-64 were centered around the identification of problems and possible solutions in the field of Indian affairs in preparation for its final report in 1966.

ANALYSIS AND RECOMMENDATIONS

The major item of the increased proposed expenditures is the printing item for \$3,500. The increased expenditure for printing is to finance the cost of printing the commission's final report.

We recommend approval of the total proposed expenditure as budgeted.

CALIFORNIA ARTS COMMISSION

ITEM 271 of the Budget Bill

Budget page 873

FOR SUPPORT OF THE CALIFORNIA ARTS COMMISSION
FROM THE GENERAL FUND

Amount requested	\$52,197
Estimated to be expended in 1964-65 fiscal year	60,530
Decrease (13.8 percent)	\$8,333

TOTAL RECOMMENDED REDUCTION	None
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PROGRAM PLANS AND BUDGET

The California Arts Commission was established by Chapter 1742, Statutes of 1963. The purpose of the commission as stated in the chapter is "to insure that the role of the arts in the life of our community will continue to grow and to play an ever more significant part in the welfare and educational experience of our citizens, and establish the paramount position of this state in the nation and in the world as a cultural center."

The commission is composed of 15 members appointed by the Governor, plus two assemblymen and two senators, broadly representing all fields of the performing and visual arts.

The statute sets forth the programs to be carried out by the commission as follows:

1. Make a comprehensive survey of public and private institutions engaged within the state in artistic and cultural activities, including but not limited to music, theater, dance, painting, sculpture, architecture and allied arts and crafts, and of such other cultural resources in the state as are contemplated by this chapter.
2. Determine the legitimate needs and aspirations culturally and artistically of our citizens in all parts of the state.
3. Ascertain how these resources, including those already in existence and those which should be brought to existence, are to serve the cultural needs and aspirations of the citizens of the state.
4. Assist the communities within the state in originating and creating their own cultural and artistic programs.
5. Submit a report to the Governor and to the Legislature not later than 10 calendar days following the commencement of each general session of the Legislature concerning such studies it has made and such actions it has taken and recommending such legislation and other action as is necessary for the implementation and enforcement of this chapter.

The budget proposes a total expenditure of \$52,197 for the 1965-66 fiscal year which is \$8,333 or 13.8 percent less than that which is anticipated to be expended during the current year.

During the current year 3 permanent positions and 1.2 temporary help positions were provided administratively to carry out the programs outlined in the law. The same positions are shown as proposed new positions for the 1965-66 fiscal year.