

Department of Social Welfare—Continued

Intermediate Typist-clerk

This position is to aid in switchboard operation and assist in the administrative accounting unit. The need seems clearly evident and we recommend approval of this position.

RECREATION COMMISSION

ITEM 260 of the Budget Bill

Budget page 931
Budget line No. 7

For Support of Recreation Commission From the General Fund

Amount requested	\$88,363
Estimated to be expended in 1954-55 Fiscal Year	86,237
Increase (2.5 percent)	\$2,126

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$287	\$287	---	931	39
Operating expense	1,273	1,273	---	931	59
Equipment	566	566	---	931	66
Total increase	\$2,126	\$2,126	---	931	68

RECOMMENDATIONS

Amount budgeted	\$88,363
Legislative Auditor's recommendation	88,363
Reduction	None

ANALYSIS

The requested budget of \$88,363 is \$2,126 or 2.5 percent greater than the estimated expenditures for the current year. In previous years this office has recommended the elimination of the Recreation Commission in its entirety on the grounds that it was a nonessential state government function, or has recommended that it be reduced in scope and that its remaining functions be transferred to an existing state agency. These recommendations have not been concurred in by the Legislature and since the budget submitted for 1955-56 is reasonable in relation to existing policy, we have recommended no items for reduction. However, we are still of the view that the organization of State Government would be improved by abolishing this agency as a separate entity, and incorporating its functions into the Department of Natural Resources, which is responsible for the major portion of state services devoted to recreation.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 261 of the Budget Bill

Budget page 932
Budget line No. 41

For Support of Department of Veterans Affairs From the General Fund

Amount requested	\$294,511
Estimated to be expended in 1954-55 Fiscal Year	305,345
Decrease (3.5 percent)	\$10,834

Department of Veterans Affairs—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$31,214	\$31,214	---	936	9
Operating expense -----	3,235	3,235	---	936	10
Equipment -----	2,287	2,287	---	936	11
Total increase -----	\$36,736	\$36,736	---	936	13
Increased reimbursements -----	—47,570	—47,570	---	936	15
Total increase -----	—\$10,834	—\$10,834	---	936	21

RECOMMENDATIONS

Amount budgeted -----	\$294,511
Legislative Auditor's recommendation -----	294,511
Reduction -----	None

The Department of Veterans' Affairs is charged with the supervision, administration and implementation of a number of programs and services primarily aimed at providing various benefits to veterans and dependents of veterans. Among these benefits are assistance in the purchasing and financing of homes and farms, financial assistance in educational pursuits, assistance and counseling in the presentation of financial claims against the government of the United States, primarily resulting from war service, advice on the methods and procedures for obtaining the various types of benefits open to the veteran from both the State and Federal Governments, and providing medical and domiciliary service through the Veterans' Home of California, and the Woman's Relief Corps Home.

In order to provide the foregoing services, the Department of Veterans' Affairs is divided into four operational divisions. The cost of one of these divisions, Farm and Home Purchases, is defrayed entirely from the interest charges on the financial assistance rendered in the purchase of farms and homes. These interest charges are lower than can be obtained in ordinary bank financing, and are sufficient to defray not only the costs of operation of the division, but the interest charges on the several bond issues that have been authorized by the people of the State. The other three divisions: Administration, Educational Assistance, and Service and Coordination are supported almost entirely from the General Fund. A minor exception is a small contribution from the Veterans Dependents Education Fund.

The cost of operating the three divisions mentioned for the 1955-56 Fiscal Year is proposed to be reduced by \$10,834, or approximately 3.5 percent from \$305,345 estimated to be expended in the current fiscal year, to \$294,511. Actually, this reduction is a bookkeeping one, since the real over-all cost of operation is actually increased from \$305,345 estimated to be expended in the current fiscal year, to \$338,781 in the 1955-56 Fiscal Year—an increase of \$33,436, or approximately 11 percent. The apparent reduction lies in the fact that for the first time in the 1955-56 Fiscal Year it is proposed that the Division of Farm and Home Purchases make reimbursement for various overhead administrative services rendered to the division by top-level staff paid by the

Department of Veterans Affairs—Continued

General Fund. This reimbursement will amount to \$44,270. The overall increase mentioned above is almost wholly attributable to the category of salaries and wages.

The increase in salaries and wages results from three factors. The first is the normal merit salary adjustments for the regularly authorized positions, the second is the proposal to add one new position, that of Secretary to the California Veterans' Board at an annual starting salary of \$4,980, and the third is a readjustment in the personnel relationship, between the Division of Farm and Home Purchases and the Division of Educational Assistance, which results in the transfer of six positions from the Division of Farm and Home Purchases to the Division of Educational Assistance. These six positions form the "Application Section," which heretofore had been wholly supported by the Division of Farm and Home Purchases, but which in practice devoted a considerable amount of its time to activities which were more properly chargeable to the General Fund. Part of the cost of this section will continue to be defrayed by the Division of Farm and Home Purchases through the reimbursement factor mentioned above.

Section 71 of the Military and Veterans' Code, which was added by the statutes of the First Extraordinary Session of 1946 provides that the Veterans' Board "shall also appoint and fix the salary of a secretary." At the time of the 1946 enactment, the legislation provided that the then incumbent Secretary to the Veterans' Welfare Board be transferred as Secretary to the new California Veterans' Board. The position remained filled until 1947, at which time it was converted to a clerical position because of the change in character of the board from an administrative one to a policy-making one. The actual duties of a board secretary were divided among approximately six people in the Department of Veterans' Affairs. The growth of the volume of work in the department has now reached the point where it is no longer practical to continue to divide this work among these people and, consequently, it is now desired to provide a full-time secretary to the board. The cost of this new position will be divided between the General Fund and the Special Fund of the Division of Farm and Home Purchases. There appears to be sufficient workload justification for the establishment of this position.

In view of the foregoing, we recommend that the budget of the Department of Veterans' Affairs be approved as submitted.

Department of Veterans Affairs

EDUCATIONAL ASSISTANCE TO VETERANS

ITEM 262 of the Budget Bill

Budget page 932

Budget line No. 55

For Support of Educational Assistance to Veterans From the General Fund

Amount requested	\$2,624,125
Estimated to be expended in 1954-55 Fiscal Year	2,658,320
Decrease (1.3 percent)	\$34,195

RECOMMENDATIONS

Amount budgeted	\$2,624,125
Legislative Auditor's recommendation	2,624,125

Reduction	None
-----------------	------

Educational Assistance of Veterans—Continued

ANALYSIS

Article 2 of Chapter 6, Division 4 of the Military and Veterans' Code, which was added by the Statutes of 1943, provides financial assistance to veterans desiring to take advantage of educational opportunities. Such assistance is made in the form of monetary allowance for living expenses, books and tuition. The amount of assistance is based on available funds, but in no case may such assistance exceed \$40 per month for living expenses, and \$10 per month for books and supplies. The maximum which may be expended on any one veteran is limited to \$1,000. In practice, veterans are encouraged to take maximum advantage of federal benefits before state benefits are supplied.

For the 1955-56 Fiscal Year the cost of educational assistance to veterans is estimated to be \$2,624,125, which is \$34,195 or approximately 1.3 percent less than the amount estimated for the current fiscal year, which is \$2,658,320. The decrease is based on the assumption that enrollments will be somewhat less than in the current fiscal year, with the student load of World War II veterans declining as the Korean War veteran students increase.

In view of the fact that educational assistance to veterans is recognized as a state responsibility, we recommend approval of this item as submitted.

*Dept of Veterans Affairs
Veterans Claims and Rights Service*
DEPARTMENT OF VETERANS AFFAIRS

ITEM 263 of the Budget Bill

Budget page 932
Budget line No. 60

For Support of Veterans' Claims and Rights Service From the General Fund

Amount requested	\$574,000
Estimated to be expended in 1954-55 Fiscal Year	574,000
-----	-----
Increase	None

RECOMMENDATIONS

Amount budgeted	\$574,000
Legislative Auditor's recommendation	474,000
-----	-----
Reduction	\$100,000

ANALYSIS

Section 699.5 of the Military and Veterans Code provides that the Department of Veterans Affairs may assist every veteran of any war of the United States and the dependent of every such veteran in presenting and pursuing any claims which the veteran or dependent may have against the United States arising out of war service, and in establishing rights to any privilege, preference, care, or compensation provided for by the United States or by the State of California. The section further provides that the department may contract with any qualified veterans' organization to render the assistance mentioned above in the event the department determines that the confidential relationships involved are such that the veteran or his dependent may be better served by a veterans' organization.

The Department of Veterans Affairs contracts with the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and American Veterans of World War II, to render the services

Department of Veterans Affairs—Continued

mentioned above. These organizations expend some of their own funds in rendering services which are approved by the Department of Veterans Affairs and the California Veterans' Board. The board has previously expressed the policy that the State would share 75 percent of the cost of the service, and the veterans' organizations 25 percent. In actual practice, this ratio was apparently achieved only in the 1950-51 and 1951-52 Fiscal Years. Since that time, the ratio of the State's share has been dropping to 71.2 percent in the 1952-53 Fiscal Year, 67.9 percent in the 1953-54 Fiscal Year, 63.4 percent estimated for the current fiscal year, and 59.8 percent estimated for the budget year.

We believe that this type of program should be gradually reduced after a number of years following the end of active military engagements. Claims of veterans against the government should diminish in terms of the veterans' real need for this kind of aid, especially as procedures and general information are developed. We therefore recommend a reduction of \$100,000 in this item.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 264 of the Budget Bill

Budget page 937
Budget line No. 42

For Support of Educational Assistance to Veterans' Dependents From the State Lands Act Fund

Amount requested	\$114,900
Estimated to be expended in 1954-55 Fiscal Year	-----
Increase	\$114,900

RECOMMENDATIONS

Amount budgeted	\$114,900
Legislative Auditor's recommendation	114,900
Reduction	None

ANALYSIS

This item represents the deficit appropriation required to make the Veterans' Dependents' Education Fund solvent as mentioned in our analysis of the item on Veterans' Dependents' Education. We recommend approval of this item as submitted.

Department of Veterans Affairs
VETERANS' DEPENDENTS' EDUCATION

ITEM 265 of the Budget Bill

Budget page 933
Budget line No. 7

For Additional Support of the Department of Veterans' Affairs From the Veterans' Dependents' Education Fund

Amount requested	\$20,300
Estimated to be expended in 1954-55 Fiscal Year	17,000
Increase (19.4 percent)	\$3,300

RECOMMENDATIONS

Amount budgeted	\$20,300
Legislative Auditor's recommendation	20,300
Reduction	None

Veterans' Dependents Education—Continued

ANALYSIS

This item represents a pro rata charge for administrative overhead services levied against the Veterans' Dependents' Education Fund as compensation for the services rendered to a special fund activity. We recommend approval of the item as submitted.

Department of Veterans Affairs

EDUCATIONAL ASSISTANCE TO VETERANS' DEPENDENTS

ITEM 266 of the Budget Bill

Budget page 933
Budget line No. 11

For Educational Assistance to Veterans' Dependents From the Veterans' Dependents' Education Fund

Amount requested -----	\$244,600
Estimated to be expended in 1954-55 Fiscal Year -----	145,880

Increase (67.7 percent) -----	\$98,720

RECOMMENDATIONS

Amount budgeted -----	\$244,600
Legislative Auditor's recommendation -----	244,600

Reduction -----	None

ANALYSIS

Article 2 of Chapter 4, Division 4, of the Military and Veterans' Code, provides for financial assistance, in the pursuit of education, of qualified dependents of veterans who have been killed in action or have died as the result of war service. The code provides that assistance may be given so far as the Veterans' Dependents' Education Fund permits, but that in no case shall benefits exceed \$40 per month for students above high school rank, and \$20 per month for students of high school rank. Further, that the assistance shall not exceed \$400 a year for regular course students, and \$480 a year for trimester students above the high school level, and \$200 and \$240 respectively for high school level students.

Funds for the above activities are appropriated from the Veterans' Dependents' Education Fund, which in turn receives an annual, automatic appropriation of \$150,000 from the State Lands Act Fund. In practice, the Legislature has not limited this assistance to the \$150,000 available annually, but has augmented these funds by appropriation from the General Fund, in order to permit all qualified applicants to receive the maximum under the code. Apparently, the Legislature has considered this assistance to be of sufficiently high priority to justify the additional appropriations. For the 1955-56 Fiscal Year, the total cost of this assistance is estimated by the Department of Veterans Affairs to be \$264,900, which includes \$20,300 for administrative overhead, and \$244,600 for direct assistance. The latter amount appears to represent an increase of \$98,720, or approximately 68 percent more than the sum of \$145,880, which was estimated to be expended in the current fiscal year.¹ This increase is based on a significant rise in the

¹ However, in the current fiscal year the total cost is \$214,510, of which \$68,630 is from the General Fund. This represents a true increase in cost of \$30,090 or 14 percent.

Educational Assistance to Veterans' Dependents—Continued

number of orphans expected to apply for assistance. A comparatively small increase in applications from widows is also expected.

Since the total program will exceed the funds available in the Veterans' Dependents' Education Fund by \$114,900, it is proposed that this deficit be covered by an additional appropriation from the State Lands Act Fund, instead of from the General Fund as in the past. In view of the fact that it has apparently been the intention of the Legislature to provide originally for this assistance from the State Lands Act Fund through a continuing appropriation to the Veterans' Dependents' Education Fund, we believe that the additional amount needed is properly justified from the State Lands Act Fund as being of higher priority than other needs supplied by this fund. Consequently, we recommend approval of this item as submitted.

**Department of Veterans Affairs
VETERANS' HOME**

ITEMS 267 and 268 of the Budget Bill

Budget page 938
Budget lines Nos. 7, 22

For Support of Veterans' Home From the General and Athletic Commission Funds

Amount requested	\$1,685,672
Estimated to be expended in 1954-55 Fiscal Year	1,697,689
Decrease (0.7 percent)	<u>\$12,017</u>

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$195,245	\$195,245	---	945	48
Operating expense	41,671	41,671	---	945	51
Equipment	4,034	4,034	---	945	52
	<u>\$240,950</u>	<u>\$240,950</u>	---	945	54
Less:					
Increased					
reimbursements	—252,967	—252,967	---	---	---
Total decrease	<u>—\$12,017</u>	<u>—\$12,017</u>	---	---	---

RECOMMENDATIONS

Amount budgeted	\$1,685,672
Legislative Auditor's recommendation	1,677,648
Reduction	<u>\$8,024</u>

ANALYSIS

The California Department of Veterans Affairs operates a medical and domiciliary home for qualified veterans in accordance with Chapter 1 of Division 5 of the Military and Veterans' Code. The home is located approximately nine miles north of Napa and comprises a modern medical and surgical hospital, specialized facilities for the chronically ill, domiciliary barracks, including one small unit for women war veterans, dining and recreational facilities, occupational therapy shops, institutional laundry, maintenance shops, nurses' living quarters, and residential facilities for some of the other employees. Eligibility require-

Veterans' Home—Continued

ments are that the veteran shall have been a bona fide resident of the State for 10 years immediately preceding the date of application, and that he shall be an aged or disabled, honorably discharged member of any one of the armed services who has served during a war period as specified by law, or who would be eligible for hospitalization or domiciliary care in a veterans' facility in accordance with the rules and regulations of the United States Veterans Administration. Members of the home who have sufficient physical ability are given employment in the home, generally at one-half of the civil service pay specified for the position. Approximately 114 members are so employed. The Federal Government recognizes its responsibility to the veterans cared for at the home to the extent of \$700 per annum per member. This amount represents a recent increase from \$500.

For the current fiscal year it is estimated that the average member population of the home will be 1,906, and for the 1955-56 Fiscal Year it is estimated that the average population will be 2,058, based on the fact that a new chronic and convalescent barracks, with a capacity of 204, will come into service on July 1, 1955. Gross per-capita costs for the current fiscal year are estimated at \$1,574, and for the 1955-56 Fiscal Year at \$1,582; an increase of \$8, or 0.5 percent. While normally it might be said that an expanding population should result in a reduced per-capita cost, assuming no significant increase in wage scales or price levels, it should be pointed out that in this instance the increased capacity of the home is based on increasing the number of chronically ill or convalescent members who require a more expensive level of care than do the ordinary domiciliary members. This is characteristic of the gradual change in emphasis at the home, which is causing a shift towards more and more medical and surgical patients and the chronically ill.

The State's share of the cost of operating the home in the 1955-56 Fiscal Year is proposed at \$1,685,672 from both the General Fund and the Athletic Commission Fund. This is \$12,017 or approximately 0.7 percent less than the \$1,697,689 estimated to be expended during the current fiscal year. This does not take into account contributions to the Employees Retirement Fund. On the other hand, the gross operating costs, which include the contributions made by the Federal Government, are proposed to be increased by \$241,957, or approximately 8.5 percent from \$2,856,196 estimated to be expended in the current fiscal year, to \$3,098,153 in the 1955-56 Fiscal Year. This includes a proposal to add 14.8 new positions, and to reclassify four existing positions. The gross increase is fortunately offset by the new higher level of federal participation, which results in the fact that the demands on state funds are slightly reduced, as compared with the current fiscal year. The operating organization of the home is divided into four categories, referred to in the following comments.

Administration

The administration section encompasses the executive, supply, personnel, and finance services of the home. The total cost of this section is proposed to be increased in the 1955-56 Fiscal Year by \$9,829, or 7.9 percent from \$124,056 estimated to be expended in the current fiscal year, to \$133,885 in the 1955-56 Fiscal Year. The increase is primarily

Veterans' Home—Continued

the result of a request for two new positions, one intermediate-account clerk for the Finance Office, and one intermediate typist-clerk for the personnel operations. It would appear that the additional position for the Finance Office might be justified on the basis of increased work load, in view of the fact that no additional positions have been provided in this office since 1948, and since that time the population of the home has grown considerably, while accounting problems have increased to a greater degree, probably because of the change in character of the home's major operations.

On the other hand, we question whether sufficient justification exists for the intermediate typist-clerk in the Personnel Section. With the positions requested in the new budget, the total staff would consist of 653 positions, of whom 114 are members of the home. We would like to point out that in the mental institutions the standard ratio of clerical positions in personnel work is one position to 250 employees. Furthermore, we believe there is a considerably greater turnover in personnel in the mental institutions than would occur in the Veterans' Home, because of the type of patients cared for by the personnel. At the Veterans' Home the regular civil service employees will total 540 positions, with 114 member positions added. The latter positions do not require the extensive personnel records involved in the regular civil service positions, because of the fact that their records are already completely available as members of the home. In view of the foregoing, we recommend that no additional positions be allowed for the personnel unit until the new hospital wing is completed and staffed. *This recommendation would result in a savings of \$2,844 in salaries and wages, plus whatever amounts have been budgeted for operating expenses and equipment for the new positions.*

Support and Subsistence

This section comprises the feeding, clothing, housekeeping and laundering services furnished to the members. For the 1955-56 Fiscal Year the cost of these services is proposed to be increased by \$70,568, or approximately 6.4 percent, from \$1,103,550 estimated to be expended in the current fiscal year, to \$1,174,118 in the 1955-56 Fiscal Year. While a small portion of this increase is attributable to the addition of one laundress position and to the reclassification of four food service positions, the bulk of the increase is due to the feeding and service needs of the increased population of the home.

The additional laundress position appears to be justified on the basis of the increased work load anticipated from the new chronic and convalescent barracks to be opened on July 1, 1955. The comparatively small amount involved in the reclassification of the four feeding positions appears to be well justified in the light of the fact that it is anticipated that the annual cost of feeding each member will drop from \$268.37 in the current fiscal year, to \$262.32 in the 1955-56 Fiscal Year. This savings of slightly over \$6 per person per annum is being anticipated in the face of the fact that the increasing population represents types of members whose feeding is generally more costly than the average because of chronic illnesses, surgery, et cetera.

Veterans' Home—Continued

As in past years, in cooperation with the Veterans' Home and the Department of Finance, we have intensively scrutinized the equipment requests made by the home during the formation of the budget. We believe, with one exception, that all the requests contained therein are thoroughly justified. The exception is in the item for housekeeping replacement which, for 1955-56, is shown as \$3,215. This amount contains \$2,600 for the replacement of certain furnishing items. The purpose of the replacement is actually to permit the shift of existing furnishings into additional rooms to be used for employees' housing. Therefore, in effect, the item is really one of additional equipment, rather than replacement. We would like to point out that at the present time approximately 25 percent of the total employee staff is housed in state-owned facilities on the grounds of the Veterans' Home. In other institutions, such as Mental Hygiene and Corrections, it has been fairly well established that the maximum percentage that should be provided with state housing is 20 percent. Consequently, we can see no justification for treating the employees of this institution differently than in the others.

Therefore, we recommend that the equipment category for the support and subsistence function be reduced by \$2,600. With this exception, we recommend approval of the budget of the support and subsistence function as submitted.

Care and Welfare

The care and welfare function provides custodial, personal and medical care, as well as educational and recreational opportunities for the members of the home. For the 1955-56 Fiscal Year the cost of this function is proposed to be increased by \$159,307, or approximately 13.5 percent, from \$1,178,723 estimated to be expended during the current fiscal year, to \$1,338,030 for the 1955-56 Fiscal Year. This results in an increase in the per capita cost of this function from \$618.43 in the current fiscal year, to \$650.16 in the budget year. A substantial increase in the level of care is indicated by this change in cost.

The bulk of the increase is the result of a proposal to add eight new full-time positions and to convert one part-time to a full-time position, which would add the equivalent of 0.8 man years. Six of these positions, one physician-surgeon, grade II, one supervising nurse, grade I, one surgical nurse, two hospital aids, one occupational therapist, and the conversion of the nurse-anesthetist position to a full-time one, can be attributed directly to the changing make-up of the population of the home from domiciliary to surgical, medical and chronically ill. The additional position of intermediate stenographer-clerk is based on the over-all growth of hospital and chronic population, which requires additional assistance in maintaining voluminous medical records. We believe that these positions are justified by the anticipated work load. However, there is one position of laboratory helper, at a starting salary of \$2,580, which we believe is not justified at this time. The present laboratory staff of one supervising technician and two senior technicians provides a better ratio than is allowed in the mental hospitals. Consequently, we recommend that this position be deferred until the additional hospital wing is completed and ready to be staffed, which will probably not be before the 1956-57 Fiscal Year. *This recommendation would*

Veterans' Home—Continued

result in a savings of \$2,580 for salaries and wages, plus such other amounts as have been budgeted for operating expenses and equipment for this position.

We would like to point out that the increasing emphasis on surgery in the hospital results in the request for a substantial increase in equipment expenditures, particularly in the category of medical, replacement and additional items. With the foregoing exception, we recommend that the budget for the care and welfare function be approved as submitted.

Maintenance and Operation of Plant

This section provides for the maintenance of structures, grounds, and the light, heat and power systems. Also, it operates the fire protection system and maintains all the automotive vehicles, including some construction types of equipment. For the 1955-56 Fiscal Year the over-all cost of these operations is proposed to be increased by a nominal amount of \$2,559, or a little more than one-half of 1 percent from \$449,761 estimated to be expended in the current fiscal year, to \$452,320 in the budget year. As might be expected, an expanding institution generally results in a lower per capita cost for the maintenance and operation services. In this case, they are estimated to drop from \$235.86 for the current fiscal year, to \$219.68 in the budget year. However, it should be pointed out that the nominal over-all increase actually consists of larger increases in salaries and wages which are offset by reductions in operating expenses and equipment.

Three additional positions are proposed, two groundsman and flower gardeners, and one laborer. The groundsman positions are required to maintain approximately 18½ additional acres of landscaped grounds, which are now in the process of being developed. The additional laborer appears justified in order to eliminate the use of groundsman, who are required to maintain the large grounds, and should not be diverted, as helpers on trucks in delivering laundry, moving furniture, et cetera. We believe the additional positions are justified. Consequently, we recommend that the budget for the maintenance and operation of plant function be approved as submitted.

Comments on Financial Arrangements

We would like to point out that the Budget Act for the current fiscal year provided, for the first time, an appropriation for support of the Veterans' Home from the Athletic Commission Fund to the extent of \$98,000. This was based on an attorney general's decision that the fund could be used both for support and capital outlay. At the end of the current fiscal year, there will remain in the over-all appropriation for the Veterans' Home, a substantial surplus, probably exceeding \$300,000. This surplus results from two facts, the first is that on September 1, 1954, the federal contribution was raised from \$500 to \$700 per member annually, and secondly, the new chronic and convalescent barracks, which were scheduled to be opened on January 1, 1955, and for which sufficient funds were included in the current budget, will not open until July 1, 1955. Instead of reverting all of this surplus to the General Fund, it is proposed to first revert the \$98,000 item to the

Veterans' Home—Continued

Athletic Commission Fund, and then to revert the balance to the General Fund. It will be noted that for the 1955-56 Fiscal Year it is proposed to use only \$65,000 from the Athletic Commission Fund toward the support of the Veterans' Home. It would appear that with the reversion of the \$98,000 mentioned above, there should be substantially more than \$100,000 available in the Athletic Commission Fund, which could be devoted to the support of the Veterans' Home. Therefore, we recommend that consideration be given to increasing the appropriation from the Athletic Commission Fund to the maximum amount which the fund can furnish. This would in no way reduce the over-all budget of the Veterans' Home, but it would provide some small relief for the General Fund.

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

ITEM 269 of the Budget Bill

Budget page 946
Budget line No. 25

For Support of Woman's Relief Corps Home From the General Fund

Amount requested	\$46,000
Estimated to be expended in 1954-55 Fiscal Year	49,500
Decrease (7.1 percent)	<u>3,500</u>

RECOMMENDATIONS

Amount budgeted	\$46,000
Legislative Auditor's recommendation	<u>46,000</u>
Reduction	None

ANALYSIS

This item provides for the continued care, on a contractual basis, for the women who are housed in the women's relief corps home under state responsibility. The home was formerly operated by the State, but toward the end of the 1953-54 Fiscal Year was leased to the former superintendent to be operated as a general home for the aged, with the understanding that the remaining members under state responsibility would be cared for at a standard of care equal to that previously provided by the State, and one which would be continued to the satisfaction of the State.

The membership is expected to drop to 14 women who will be cared for at a total cost of \$46,000. The State receives \$12,000 annually as a rental fee for the use of the property, which makes a net cost to the State of \$34,000 to care for the 14 women. This cost figures out to \$2,428 per member, as compared with the last year in which the State operated the property, when the per capita cost was \$4,289.

In view of the above, we recommend approval of the item as submitted.