

Citizens' Advisory Committee on Aging—Continued

the out-of-state trips (budget lines 60 and 62). In addition, operating and equipment expense connected with the requested position should be deleted.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 254 of the Budget Bill

Budget page 938
Budget line No. 52

FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM THE GENERAL FUND

Amount requested	\$358,201
Estimated to be expended in 1955-56 Fiscal Year	339,309
Increase (5.6 percent)	\$18,892

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$19,326	\$9,024	\$10,302	— —
Operating Expense	9,714	9,714	—	— —
Equipment	11,402	11,402	—	— —
Less increased reimbursements	—21,550	—21,550	—	— —
Total increase	\$18,892	\$8,590	\$10,302	— —

RECOMMENDATIONS

Amount budgeted	\$358,201
Legislative Auditor's recommendation	358,201
Reduction	None

GENERAL SUMMARY

Chapter 114, First Extraordinary Session of 1946, created the Department of Veterans Affairs in order to combine into one functional unit the multitude of veterans services and activities that were spread throughout the State Government. The above chapter also created the California Veterans Board as the department's policy-making body and set up four divisions within the department, Farm and Home Purchases, Educational Assistance, Service and Coordination, and Veterans Homes. Subsequently, a fifth division was added administratively, which is called Administration.

The latter division is reimbursed substantially for its services to the Division of Farm and Home Purchases, the activities of which are financed from the interest fees on veterans' real estate loans.

Generally stated, the function of the department is to administer and implement the various programs and services that provide benefits or assistance to veterans and their dependents. Aid is extended to the veteran not only to gain state benefits but also to receive whatever federal benefits to which he might be entitled.

Department of Veterans Affairs—Continued

Table of Increases 1947-48 to 1956-57

Work Index	1947-48	1956-57	Percent increase
Average for year enrolled in educational assistance program -----	3,429	4,711	37.4
Applications for federal aid -----	96,848	48,384*	—50.0
Collections -----	(\$54,158,929)	(\$52,089,640*)	—3.8
Total state veteran population -----	1,650,000	2,250,000	36.4
Members in Veterans Home -----	1,194	1,946	63.0
Number of employees (Department) (Exclusive of Veterans Home and Division of Farm and Home) -----	57.3	64.6	12.7
Department support expenditures -----	\$265,600	\$429,799	61.8
Expenditures for assistance -----	\$2,250,404	\$3,670,200	63.1

* Figure shown is actual for 1955-56 Fiscal Year.

ANALYSIS

The \$18,892, or 5.6 percent, increase proposed for the 1957-58 Fiscal Year is a net increase since the department has raised the pro-rata administrative charges to the Division of Farm and Home Purchases and Veterans Dependents Education Fund by \$21,550, which has partially offset the gross increase.

Division of Administration

1 Personnel officer I (Budget page 940, line 14) ----- \$7,008
 1 Intermediate typist-clerk (Budget page 940, line 15) ----- 3,294

The level of service is proposed to be increased in the Division of Administration by providing a personnel officer I and an intermediate typist-clerk as clerical help for the personnel function. From 1946 until June 30, 1948, provision had been made for a personnel officer position and clerical help for the 660 employees of the department at the time. However, employment conditions became somewhat stabilized and it appeared feasible to abolish this position at the end of the 1947-48 Fiscal Year and combine it with a new position of administrative service officer.

The growth experienced by the department to a total of approximately 1,300 positions at the present time and the increased number of technical employees in the Division of Farm and Home Purchases would make it appear advisable to provide this position for the purpose of conducting a personnel program which would include in-service training. Consequently, we recommend approval of the personnel officer position and the intermediate clerk.

The remaining increases in the Division of Administration are primarily the result of the proposed move into the new Department of Veterans Affairs Building at 13th and O Streets in Sacramento which will increase building rent and require some additional equipment.

Division of Educational Assistance

The increase proposed within the Division of Educational Assistance is primarily the result of normal merit salary adjustments and the two positions explained below.

Department of Veterans Affairs—Continued

2 Intermediate typist-clerks (Budget page 940, line 79)----- \$6,588

These are requested as a result of the increased number of applications and reapplications for educational assistance. The major portion of this work takes place in the district offices where these positions would be used. We have examined the work load data presented to us and feel that the additional help is justified. Consequently we recommend approval.

Equipment is increased somewhat as a result of the request for an additional automobile which will actually replace one that was surveyed during the current year.

We recommend approval of the division's budget as requested.

DIVISION OF SERVICE AND COORDINATION

The increases noted for this division are a result of normal salary adjustments and modest increases in operating expenses and some additional and replacement office equipment to meet the needs of work load anticipated by the division in their new quarters.

We recommend approval as budgeted.

ITEM 255 of the Budget Bill

Budget page 938
Budget line No. 65

FOR SUPPORT OF EDUCATIONAL ASSISTANCE FROM THE
GENERAL FUND

Amount requested	\$2,888,000
Estimated to be expended in 1956-57 Fiscal Year	2,775,000
Increase (4.1 percent)	\$113,000

RECOMMENDATIONS

Amount budgeted	\$2,888,000
Legislative Auditor's recommendation	2,888,000
Reduction	None

Department of Veterans Affairs—Continued

ANALYSIS

Sections 981 to 981.8 of the Military and Veterans Code provide for financial assistance for veterans to take advantage of educational opportunities. The maximum that may be provided is \$1,000 total per veteran 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.

This program has increased somewhat over the past few years as a result of Korean War veterans applying for aid, and a continual increase in cost per student. The 1957-58 budget request is \$113,000 higher than the current year's estimate, which is 4.1 percent. This is attributable to an increase in enrollments and the higher cost per student mentioned above.

We recommend approval of the item as submitted.

ITEM 256 of the Budget Bill

Budget page 938
Budget line No. 70

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

Amount requested	\$574,000
Estimated to be expended in 1956-57 Fiscal Year	574,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$574,000
Legislative Auditor's recommendation	574,000
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Reduction	None

ANALYSIS

Section 699 of the Military and Veterans Code provides that the Department of Veterans Affairs may contract with veterans organizations to act as representatives for veterans in presenting their claims to the Veterans Administration.

It is apparent that it is virtually impossible for the individual veteran to present his own claim due to the complexities of the laws involved. The State has recognized this service to be a state responsibility, and further, the veterans organizations inability to carry the financial burden of providing this service from organization funds. Since it is felt that this type of contractual arrangement is less costly than providing this service at state level, the department has requested a fairly static amount each year for this purpose.

The tabulation below shows the amount expended for this service over the past 10 years.

Items 257-258

Veterans Affairs

Department of Veterans Affairs—Continued

<i>Fiscal year</i>	<i>Expenditure</i>
1947-48 -----	\$474,631
1948-49 -----	498,974
1949-50 -----	548,442
1950-51 -----	547,207
1951-52 -----	542,381
1952-53 -----	566,000
1953-54 -----	574,000
1954-55 -----	574,000
1955-56 -----	574,000
1956-57 -----	574,000

We recommend approval as requested.

ITEM 257 of the Budget Bill

Budget page 939
Budget line No. 7

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

Amount requested -----	\$35,020
Estimated to be expended in 1956-57 Fiscal Year -----	22,200
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Increase (57.7 percent) -----	\$12,820

RECOMMENDATIONS

Amount budgeted -----	\$35,020
Legislative Auditor's recommendation -----	35,020
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Reduction -----	None

ANALYSIS

The appropriation proposed by this item would pay the pro-rata administrative charges resulting from services being provided for a special fund activity. The 58 percent increase over the current year is brought about by a more realistic approach to the actual cost of the veterans' dependents educational program with respect to the total operating cost of the division of educational assistance.

We recommend approval of the item as requested.

ITEM 258 of the Budget Bill

Budget page 939
Budget line No. 11

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

Amount requested -----	\$330,000
Estimated to be expended in 1956-57 Fiscal Year -----	321,200
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Increase (2.7 percent) -----	\$8,800

RECOMMENDATIONS

Amount budgeted -----	\$330,000
Legislative Auditor's recommendation -----	330,000
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Reduction -----	None

**Department of Veterans Affairs—Continued
ANALYSIS**

This item provides a program for veterans' dependents similar to the one afforded to veterans for educational assistance. To qualify for such aid, a dependent's veteran guardian, or parent must have died as a result of war service.

The Military and Veteran's Code, Sections 890 through 899, allows a maximum of \$400 per annum for subsistence to dependents attending colleges operating under the semester system, and a maximum of \$480 per annum when attending a college operating under the quarter system with the further limitation of \$40 as the maximum allowance per month. In addition to the above benefits, reasonable amounts may be allowed for tuition, books, and supplies. However, it is our understanding that as a matter of policy the veterans board has allowed only subsistence. The law also allows lesser amounts for veterans' dependents attending high schools but they must have reached the age of 16 to qualify.

The Veterans' Dependents Education Fund which supports this program derives its funds from transfers from the State Lands Act Fund as specified in Chapter 1873 of 1955.

The budget request of \$330,000 is \$8,800, or 2.7 percent greater than the current year's estimate which is attributable to increasing enrollments. However, the requested increase is not as great as might be expected from enrollment figures and experience since it is anticipated that many dependents will transfer to a recently enacted federal program.

We believe the program to be in compliance with existing legislative policy. Consequently, we recommend approval.

ITEM 259 of the Budget Bill

Budget page 939
Budget line No. 22

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

Amount requested -----	\$77,020
Estimated to be expended in 1956-57 Fiscal Year -----	68,290
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Increase (12.8 percent) -----	\$8,730

RECOMMENDATIONS

Amount budgeted -----	\$77,020
Legislative Auditor's recommendation -----	77,020
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Reduction -----	None

Department of Veterans Affairs—Continued
ANALYSIS

This item serves a purpose similar to item number 257 by providing that the administrative expenses incurred by the Divisions of Administration and Service and Coordination, which are General Fund supported, be reimbursed for the service performed for the Division of Farm and Home Purchases, which is a special fund function. It should be pointed out that this is the first time that this item has appeared in the budget bill as it was handled as an administrative emergency authorization in prior years. We recommend approval of the item as submitted.

ITEM 260 of the Budget Bill

Budget page 944
Budget line No. 7

FOR SUPPORT OF VETERANS HOME FROM THE GENERAL FUND

Amount requested	\$2,573,606
Estimated to be expended in 1956-57 Fiscal Year	2,288,947
Increase (12.4 percent)	\$284,659

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$288,032	\$256,436	\$31,596	951 55
Operating expense	55,595	55,595	--	951 58
Equipment	4,556	4,556	--	951 59
Less increased reimbursements	-1,365	-1,365	--	951 68
Less increased federal grants	-62,159	-62,159	--	944 30
Total increase	\$284,659	\$253,063	\$31,596	

RECOMMENDATIONS

Amount budgeted	\$2,573,606
Legislative Auditor's recommendation	2,542,010
Reduction	\$31,596

Summary of Recommended Reductions
SUPPORT AND SUBSISTANCE

1 Janitor (Budget page 947, line 75)	\$3,138
CARE AND WELFARE	
6 Graduate nurses (Budget page 949, line 49)	25,164
1 Intermediate file clerk (Budget page 949, line 56)	3,294
Total recommended reduction	\$31,596

The Veterans Home of California is operated by the Department of Veterans Affairs in compliance with the Military and Veterans Code, Chapter 1, Division 5. The home's facilities include a modern medical surgical hospital of 350 beds to which a 114-bed addition is being added at the present time, plus two chronic and convalescent barracks, 8

Department of Veterans Affairs—Continued

1 Intermediate file clerk (Budget page 949, line 56)..... \$3,294

This position is being requested to aid the proposed medical librarian in classifying and filing medical records. We recognize the need for a central source of medical records in lieu of the decentralized system that exists. However, we do not feel that the intermediate file clerk position is necessary at this time. We recommend that the medical record librarian position be established and that an evaluation be made at a future date to determine the actual work load needs of this function. Consequently, we recommend disapproval of one intermediate file clerk at a savings of \$3,294.

The \$55,595 increase in operating expense is brought about by increased population and facilities plus increased medical expense which we feel to be justified in view of the foregoing statements.

Equipment

The \$50,213 requested for equipment is an increase of \$4,556 over the current years authorization. However, it should be pointed out that the original amount requested by the home approximated \$120,000. This request was thoroughly screened by members of our staff and the Department of Finance with a view to allowing only the items necessary for a sound care and treatment program. Consequently, we are in agreement with the amount requested and recommend approval.

With the exceptions noted in the foregoing, we recommend approval of the Veterans Home budget in the amount of \$2,542,010, a savings of \$31,596.

ITEM 261 of the Budget Bill

Budget page 952
Budget line No. 10

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

Amount requested	\$29,700
Estimated to be expended in 1956-57 Fiscal Year	39,500
Decrease (24.8 percent)	<u>\$9,800</u>

RECOMMENDATIONS

Amount budgeted	\$29,700
Legislative Auditor's recommendation	<u>29,700</u>
Reduction	None

ANALYSIS

The Woman's Relief Corps Home was established in 1897 to care for army nurses, wives and destitute unmarried daughters of union veterans who had served honorably in the Civil War. Additional admissions to the home were stopped by Chapter 1202 of 1947 and as the population declined the per capita cost rose sharply.

As a result of the high per capita cost that ensued, the Legislature in 1953 authorized the leasing of the facility to a private contractor who, in turn, would contract with the State for the care of the remaining population.

Department of Veterans Affairs—Continued

At the present time the population is eight, which is the basis for the budget request. However, it should be pointed out that the contract cost is \$250 per month per member at the present time, but it is proposed to be increased to \$275 per month for the budget year. This would be an annual per capita cost of \$3,300 per member which we feel to be much more reasonable than attempting to have the State operate the institution.

At the time of leasing the physical facilities to the private contractor in May, 1954, a five-year lease was entered into which brings in \$12,000 in revenue per year. This would indicate that the net per capita cost is \$1,800 per year. This compares favorably with the annual per capita cost of \$1,834 in 1947-48 when the State operated the facility with a total member population of 38. It should be kept in mind that per capita costs in general have risen sharply as a result of increased costs of commodities and labor.

Consequently, we recommend approval of the amount requested.

WATER AGENCY BUDGETS

The budgets of the major water agencies are changed substantially this year from previous years. In part this reflects the reorganization enacted by the last session of the Legislature, but it also results from the initiation of work on the Feather River Project and the addition of new activities. General consideration of each of these three influences may be helpful to show the change in scope of this budget.

Chapter 52, Statutes of 1956, reorganized the major water agencies of the State. The former responsibilities of the Director of Public Works, the State Engineer and the Division of Water Resources, the State Water Resources Board and the Water Project Authority were transferred to the new Department of Water Resources except for certain water rights activities which were given to a new agency, the State Water Rights Board. The result was to create one major water agency in the State which was empowered to plan and construct projects and carry on many diverse statutory duties of importance.

The appropriation of \$9,350,000 in last year's Budget plus the deficiency appropriation of \$25,190,000 last month for the initiation of construction work on the Feather River Project, represents a monumental change in the program and budget problems of the Department of Water Resources. Considerable specific comment on this matter will be found later in this analysis.

A number of new activities are proposed in several water agency budgets. Taken individually, these new activities appear isolated and without any particular pattern. However, when placed side by side, they indicate a strong tendency to project the State into a much more active role in water problems. This role places more emphasis on supervision and policing of both water resources developments and the preservation of water rights. In some cases these new activities may result