

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 13, 1979

The thirteenth meeting of the Senate Finance and Claims Committee met at 8:15 a.m. on the above date in Room 104 of the State Capitol as a joint meeting with the House Appropriations to continue the hearing on House Bill 483.

ROLL CALL: All members present with the exception of Senator Lockrem.

The report of the subcommittee on Agency I Human Services was given by Rep. Steve Waldron, Chairman of the joint subcommittee.

Rep. Waldron introduced the members of the subcommittee, members of the fiscal analysts' office and budget office who had worked with the subcommittee. He said they had had 51 meetings as of now, and that Curt Nichols, fiscal analyst, had been the one who helped them from the fiscal analysts' office. The committee had a division on the coal board, and no decision was made on this. He then went through the explanation of the bill. Copy enclosed.

Some comments in addition to the narrative were: We are overmatched on Title xx so every dollar we cut back on Title xx we cut back on general fund money. We thought there was a better way of helping the vets with the 3/4 million dollars and did not fund it. It is all general fund money and the committee thought maybe there was some way of giving greater service with this money.

Rep. Waldron said they had inquired into the question about Indian jurisdiction, and Mr. Larry Elison, said in answer to a question as to whether the funding had covered the initial purpose - we did not do precisely what we had wanted to do. There has been some confusion about what was expected, and we are going to have some problems which are probably going on beyond the life time of all of us. There are problems in regard to Fish and Game. Taxes, revenue, water rights, etc. All of the agencies of state government are struggling with these problems, and in some instances, they are going to have to go to the courts; in some congressional action. We do not feel we had the expertise to solve these problems and were to employ expert legal counsel in Indian jurisdiction problems. We would hope to employ such a staff. We advertised nationally, and were unable to get some such person. We thought \$30,000 - people in the east were talking about \$60,000. The people with this expertise are not many, and demand a very high price. We found some lawyers in the state who had some experience in the problem area. They were young and we have done this; we have compiled the background material and they will accumulate the cases. Some of the cases we are now working on. One is the Namen case out of Flathead Valley; Groff v. the State of Montana; gross proceeds on the coal tax, the Dillon case, the one with the Crows where they say no one on the reservation has to pay income tax and the one in Wolf Point in regard to buildings that were built on reservation land. By getting the information together we can see what can or has been done on a specific problem on Indian affairs, by having a consistent policy.

Senator Thiessen: Where are the documents - the original treaties we have with the Indians here in Montana? Mr. Elison: We have copies, the originals are kept in Washington.

Senator Etchart: What has been done in Southeastern Montana on the water rights suit with the BIA? Mr. Elison: Mostly monitoring so far.

Bob Cochran, supervisor here, working with the Department of Revenue said we are on call, but not actively involved.

Rep. Marks: This committee in the Legislature thought this was where the emphasis was to be placed. Water rights was a big thing. Are we going to go another biennium and give them money but have nothing done on the water rights? Mr. Elison: I did not think it was the most important. It was the Indian jurisdictional problem we worked on. The water law problem is such an immense one. We have such a few dollars we can never do a lot. We will help and be helpful. Mostly, the attorneys involved in water laws are coming from the Department of Revenue and the Department of Natural Resources.

Senator Himsel: On the Namen case - the state did not participate in that, did they? Mr. Elison: That case was already in progress. They received \$10,000 for legal help to help the retained attorney work on it. We did help on that case.

Rep. Menahan: For those of us who are not in the areas that have the water right fights, etc., why do we have to pay for it? Mr. Elison: It is such a vital case. It will affect the total revenue income for the state of Montana; it has a tremendous impact on the entire state.

Senator Smith: On the Wolf Point area, isn't Biggs a part of your staff? Mr. Elison: Yes. They said they are getting some assistance from this individual. A lot of their information came out of South Dakota and Colorado.

Senator Smith: Is your office getting background material and coordinating material with these people? Mr. Elison: We are working with them, getting information, and they help us with information. We are trying to use all these resources. We are doing all we can, but we do have limited manpower and limited resources.

Rep. Yardley: Does this fit into the Governor's office or somewhere else? Mr. Elison: It is a policy committee. It includes members of agencies from the Governor's office and the Attorney General. It is in the Governor's office because there is a lot of policy determination that will grow out of each case.

Rep. Bardanoue: Apparently we touched a sensitive nerve in recommending elimination of the field assistants' program. Rep. Waldron: The field assistance program was not operating very well and the committee realized that. Dave Wanzenried was eliminated.

Rep. Moore: Why do we need to waste several thousand dollars of federal funds on a 55 mile per hour safety program?

Rep. Waldron: If we don't use it someone else will. We cut out a lot. It is a job program probably.

Senator Himsl: Why is this in the Highway? Rep. Waldron: It was set up under this program because nobody trusts the highway department. This is our part of their required program; if we don't have it they will jerk the highway funds. It is required.

Rep. Marks: Speaking as a member of the subcommittee: This Indian Affairs Program is one that concerns me a little bit. We looked at the expenditures for the program. Almost all of it was spent on travel. Going to meetings seems to be the main thing. It has been bounced around a lot, taken out of the Governor's office, it was put back, etc., they have taken a drastic cut because they have lost their federal funds.

Rep. Bardanouve: In regard to the facilities and manpower in the EMS program. I have heard complaints about the service provided by the Emergency Medical Service, that it primarily delays cost by examination of paramedics out in the boondocks. EMS people in Helena could not get out and examine them. If they can't examine them they can't deliver the program.

Rep. Waldron: We looked at this. They have overcome a great expansion since they started.

Rep. Marks: They started with the one FTE. A lot of people with volunteer ambulance programs in the communities. They lost interest because they came in and made the local volunteer so much time and the people could not do it. They lost them, because they could not comply.

In answer to questions on the drop in FTE's the subcommittee did not replace those who had been caught in the Governor's hiring freeze, they asked that the deputy director slot be filled.

Rep. Marks: I have a question on Environmental Health. There was a request from the Department for some 208 money to the water control bureau, passed through to the SCS for their technical assistance. \$600,000 to inventory the non-point pollution. The committee did not act on this or fund it. There will be a request. At the time the committee acted on it we did not have the time and the information to work it out.

Rep. Moore: There was \$100,000 for nuclear radio activity in the Butte area.

Rep. Waldron: The executive approved a supplemental of \$78,000 for this area. There is a high level of radio activity in Butte. The slag coming from the chemical plant seems to be the source. It was used for streets, etc. It breaks down into a gas and then breaks down again into micron sized particles. You breathe these.

Senator Himsl: Could you give me your justification for the \$100,000 for an inventory for lakes that was given to the Universities? They have been studying Yellow Bay on the Flathead Lake for 25 years - why all this study?

Rep. Marks: This also concerns a number of other lakes around the state. It is Federal grant money. This would allow them to go as far as the federal funds last. Georgetown Lake is one that is heavily fished, and needs some study.

Rep. Menahan: Are they going to study Georgetown Lake? Rep. Marks: It is up to the Department which ones will be on the high priority list. Georgetown Lake is one of them.

The question was asked if under the handicapped children of Montana, any money was given to the cleft palate. Rep. Waldron: The health department had some additional money and they put it in. They put it in a contract to comprehensive development center in Missoula - about \$26,000 a year. We looked at the handicapped children's services; the CDC came to us, also doctors in their concern over lowering of federal funds, and we decided to allow them \$13,000 in general fund money for the first year of the biennium to help them in the transition from the higher level of federal funds available in the current biennium. CDC came back and said they needed \$17,000 additional money to continue at the same level of service.

Rep. Bardanouve asked about the radio activity program and said he did not understand about licensing such material. Does this mean licensing radio active slag? Answer: Yes. Rep. Bardanouve: You mean you give a contractor a license to use the slag?

Rep. Marks: This should just be a study. It should not be a control agency, just a study, in a regulatory agency.

Senator Thomas: Did you have some money for crippled children in the children's services? Rep. Waldron: The only thing we dropped out was the \$26,000 a year that was federal money.

Labor and Industry: Rep. Moore: The Human Rights is under the Department of Labor for administrative purposes only? Rep. Waldron: Yes.

Rep. Yardley: In their activities now the Human Rights are underfunded; what is your rationale for cutting them? Rep. Waldron: Our rationale was just to save general fund money.

Rep. Marks: This was rather a controversial project because of the nature of their activities. The last time we took action I visited with people from the commission and we set a policy. They felt they would be able to get along with it.

Rep. Yardley: I understand they have no place to put things, there are boxes all over the place, etc. Rep. Marks: Then they should have filed a complaint. Rep. Yardley: One person did. For two years they have said they will have a hearing. Rep. Marks: The people on the commission said they have management problems.

Senator Regan: This program is probably underfunded, if you expect them to get the job done. There was a proposal to attach the civil rights to the labor department. What you see before you is a compromised budget. Quite frankly, this is the best we could get - they deserve more.

Rep. Marks: After the last meeting the people from the commission said they would make it work. Rep. Waldron: We could not make any more cuts without making a serious mistake.

Rep. Menahan: In regard to the SRS budget - during the interim there was some hanky-panky in this department. There was an instance of someone going skiing and using the money, positions shift, etc., but do we say this is all in the past and go from there, or do we say this is our pet project and go ahead that way? Rep. Waldron: There has been some very poor management here. We chewed out Colbo and the department heads for problems such as DD, foster care, etc. It was unanimous with the committee that there is a potential to straighten out these problems. A lot of the problems that have been ironed out can be attributed to the current administrator. You have problems with the county directors. They are hired by the counties, but the position is in the state. There are agency feuds. This is a huge agency, but we think they have made some improvement in that area, too.

The question was asked about an error on the increases in day care rates - shouldn't it be 30¢ per day per year? Agreement.

Rep. Bardanouve said there are two bills in this same area. Senator Regan said she was disappointed in the way it is written up. In stating foster parents and foster group homes of not less than 7 1/4% and 6 3/4% in '81, it sounds like a contest. If you are going to address day care you address foster care - you have to take them both together.

Rep. Bardanouve explained that the committee and especially the fiscal analyst was under a lot of pressure since they were still meeting at 7:30 last evening.

Senator Smith: Is the directive clear this time? Last time we set a flat increase of 6% for foster care and foster homes. The institutions are the only ones that received it. Yellowstone is the one that got the increase.

Rep. Waldron: The institutions came in and said we need an increase and they gave it to them. Then they looked at the budget and there was no money left for the smaller ones. I checked with Norma Vestry. Keith has promised to see that it will not be done again.

Senator Smith: Is it line itemed? Rep. Waldron: Yes, it is on page 2, where it says "of not less than" in the first paragraph.

Senator Regan: It is my idea that we have funded the medical program as requested by the executive.

Rep. Bardanouve: I will commend the director of the department. There has been a change of management in that department.

Senator Himsl: On the computer eligibility system - there is a computer terminal in each county. Is the eligibility going to be determined in a central office or what?

Rep. Waldron: The terminals are already located. We junked it and

put in the MIMS system.

Rep. Bardanouve: You say "not more than 8" FTE hired in re: nursing homes, and the next paragraph you eliminate 15. How do you eliminate 15 and hire 8? Senator Regan: They are 12 originally; 12 on board. We looked into this and felt it would be a compilation of people under Mr. Colbo. We dropped 4 of the 12 so there are only 8. In addition, there were 15 dropped during the hiring freeze.

Rep. Bardanouve left the room for a time and Senator Himsl took over the chair.

Rep. Manuel: Was there any concern about the subsidized adoption program? Could it be an expensive program in future years?

Rep. Waldron: We looked at this and it looked like we are only having to subsidize for a few months. It is a good program, and it is working well.

Rep. Yardley: What was the reason for dropping the legal services?

Rep. Waldron: We have provided them with \$200,000 a year which is quite a drop. There was \$100,000 in general fund money taken out.

Senator Smith: You say not more than 8 FTE are to be added for screening. Do we now screen to know what people to send out and put into nursing homes, etc.? Rep. Waldron: This is general fund money. It is a team approach and a contract to provide a doctor, nurse, and social workers. The screening is done because they can work with alternatives for people.

Rep. Menahan: What is the reason for the 8 people? We almost have the institutions empty, why should we need more people? Rep. Waldron: These are people who would handle those who might be able to go into a nursing home, out of the hospital, to work with the doctor, and to check on them.

Rep. Manuel: On the Developmental Disabilities Advisory Council - what is the rationale for not funding it? Rep. Waldron: They got additional federal money - we just took out the general fund money. We felt the money could be used for direct service rather than to attend a council.

Rep. Bengston: We realize in the advisory council a lot of cuts were made. Last biennium \$18,000. We need some sort of match to be eligible for federal money - about \$38,000. Some of this can be in-kind services but that much is very difficult. I find it difficult to ask for an appropriation when we are trying to cut. In the bill, you have language that no flow through money go to the Montana Advocacy Program. The department would be allowed to set up some of its programs. Most of the money that goes into the advocacy program is federal money, the only state money is the match. Then you are setting priorities for the council. I am not sure just what we are trying to do.

Rep. Waldron: The money that goes into direct service in the DD program can be used to match. We can get the \$150,000. On the advocacy program the committee felt it should not put money into a group that could wind up suing us for it.

Rep. Moore: On the Medical Assistance program - how much is general

fund money? There is 34% in general fund. We are overmatched by about \$22 million, I tried to get a handle on this whole program - it is costing the state huge amounts of money. Answer: \$65.2 million for nursing care. The \$125.2 includes the \$65.2 and the 105.5 is the current biennium; it was increased by about \$10 million.

Senator Stimatz: Title xx and general fund is the same? Rep. Waldron: The title xx is a 75-25 match. We have the 25 match, and a little over it. There is no more title xx money available. Every time we put money into this we are overmatched by \$3.5 million per year. \$7 million for the biennium. The committee tried to lower the Title xx fund within reason. Title IV money is spent on a 35-65 match with more restrictions. Title IV requires about 12% more on a local match.

Senator Regan: On 4-A money - we had a lot of trouble on day care. About 30% will be funded by 4-A. When you break it down it should not be burdensome on any counties. It is about \$30,000 statewide, which is insignificant.

After a 10 minute break the committee reconvened. Rep. Waldron: There was concern on the part of Rep. Bengston in regard to the advocacy program. They get separate federal funding.

Rep. Wood: Is there some discretion on where the money goes? Rep. Waldron: You do have some discretionary money and it has to go for that type of activity. The only restrictions the committee put on was it could not go to the advocacy program.

Rep. Manning: On veterans' affairs - why did you eliminate the two secretaries in the veterans' affairs? Rep. Waldron: The savings will be about \$20,000 a year is all.

Curt Nichols: In the reductions made by the committee - the secretaries were about \$7,000 a year, about \$600 dollars a year to the Board of Veterans' Affairs, and loss of one person in Missoula, about \$13,050.

Rep. Manning: Did you look into the possibility of what might be done to make these contract services legal? Was there a possibility that this could be done?

Rep. Waldron: The wording in the contract would have to be changed considerably. Essentially, the secretaries were worked fulltime instead of 1/2 time and were paid below the minimum wage.

Senator Regan: We have done an extensive amount of work on this. It is not our intent to deny service or fund them improperly. The action the committee has taken is correct. The \$50 a month allowance recommended in the legislative audit and the chairman of the board had taken action on this just before we met. We had an extensive meeting with the board, they will be working with the SRS to place the veterans on a broader base statewide with less money. The money that was in this was \$720,000. You are looking at a lot of general fund money for delivery of services. When you look at it, you are not getting the services you should be getting. They are going to meet with Colbo. I would like the opportunity to work with them and perhaps we can come up with something to give the auditor or they are in trouble.

Rep. Hurwitz: There are 10 field officers with 10 secretaries scheduled throughout the state. The field operator travels in small towns. You might find a notice in the post office that says the state vet man will be there. They act as the legal representative for about 5 programs. They advise on deaths, service disability claims - a sort of go-between for the veterans and the federal veterans on claims.

Mr. Jack McGlynn spoke for the veterans. He said he was asking for the veterans to have a chance. He said they are not paid lobbyists; they give their time for nothing. He said the board only meets 3 or 4 times a year and every time they meet it takes money that could be used to travel to the communities to meet with and help with the problems of the veterans in smaller areas. He said the real meaning he got out of the subcommittee was that they would like them to go on welfare. They ask for a lot of information we would have to research and we do not have the time or the people for this.

Mr. John Sloan, National Service Officer at Ft. Harrison spoke. He said they have accepted 17,000 powers of attorneys to act for veterans. They are payrolled and paid by their national organization; Dave Armstrong is the area director. He said the American Legion has a lot of people they represent also. He said the V.A. regulations are pretty complex, and he has represented them in government, supreme court, U.S. Senate and in Congress. If the professional people need help, certainly the common people, G.I. Joe, needs a lot of help. We are proud of our service, he said. He said in the LFA report on page 760 it says "Payment for two part-time secretaries for the DAV and VFW at Ft. Harrison is not included in the recommendation." He objected to the conclusion of the report that this service work was not needed. He said with 100,000 veterans in the state there is more need for service work than there ever was in the past. If the contracts are illegal, why don't they rewrite them? Robert Durkee, State Adjutant, veterans organization, also objected to the statement that they were paying the secretaries 1/2 of what they were worth. He said they are in competition in this market, that this amount is less than 1/2 of what the secretaries are receiving, and that they receive benefits and retirement.

Thomas A. Mahan, individual, and a member of the DAV and the VFW said he had helped to author the contract that was in question. He had worked with the Governor's Board of Examiners, and the Attorney General on this. He said every department of the state has been involved in it. If this contract is illegal, we will offer our services to rewrite it.


Rep. Moore: I don't understand what this is all about. Rep. Waldron: In the audit report that went to the Veterans' Affairs Board, it was recommended that they rewrite the contract, it was illegal. They totally ignored the audit report. They have done nothing to straighten out this problem. They did nothing until this subcommittee started to work on it. The minutes of the Board meeting ignored the report, and the chairman of the Board, very much to his credit, wrote a letter and ordered the accountant to stop paying it.

Rep. Moore: Can we, in the legislature, get it straightened out?
Rep. Waldron: I think we did. Rep. Moore: Not by just jerking it.
We do have a Veterans' Affairs Office in Helena.

Senator Himsl: This is a joint hearing. The recommendations go to the Appropriations Committee in the House for that committee to review, then to the floor of the House. There is plenty of opportunity for review. After the House, it comes to the Senate Finance and Claims Committee and then to the Senate floor.

Mr. McIntosh: There are two points I would like to bring out. The veterans are not required to join our organization. The WWII veterans are 55 and more and more they will require services. There is no doubt that we really need the secretaries.

The meeting was adjourned until 7 P.M. this day.



Senator Himsl, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

46TH LEGISLATIVE SESSION 1979

Date 3-13

NAME	PRESENT	ABSENT	EXCUSED
SENATOR HIMSL	✓		
SENATOR STORY	✓		
SENATOR AKLESTAD	✓		
SENATOR LOCKREM		✓	
SENATOR ETCHART	✓		
SENATOR NELSON	✓		
SENATOR SMITH	✓		
SENATOR BOYLAN	✓		
SENATOR REGAN	✓		
SENATOR FASBENDER	✓		
SENATOR THIESSEN	✓		
SENATOR THOMAS	✓		
SENATOR STIMATZ	✓		

VISITORS' REGISTER

HOUSE _____

COMMITTEE _____

 Date 3-13-79 - A.M.

TITLE _____

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Gene [unclear]	Helena	Dept. SRS		
Anna Williamson	Helena	having a clinic Council for [unclear]		
Tom Wansell	"	DAV		
John McElynn		Veteran Affairs		
Joe A. Kiskoek	BOTTE MONT.	DAV		
[unclear]	Butte MT	VEW. Council		
Tom MAHAN	Helena	Tulsa DAV		
[unclear]	Helena	C.B.B.P.		
[unclear]	Helena	Local [unclear]		
Gene Bissell	Helena	EAC		
Beth Richter	Helena	MMH-DD Councils		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE _____

COMMITTEE _____

BILL _____

Date 3-13-79 - a.m.

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPO
Harold Fryslie		DCA		
Keith L. Colbo		SRS		
Neil Hartzl		MT Legal Services Assn.		
Joe Marzuch		Helena Retirement 3.16.62		
John Smith		ESR		
Bob Kinnick		ESR		
Tom Murphy		Albany Corporation		
W. Fuller		Dept of Labor Ind.		
A.C. Knight		Dept Health		
R.J. REDPATH		MSPDH & ES		
W.S. Shuman		MSPDH & ES		
Ray Steffen		Post 3031 Vets of Mont		
W.S. MACKINTOSH		DISABLED AMERICAN VETERANS		
Don G. Green		DAV		
Bob Durbin		VFW		
Larry Lamb		DHES		
Myron Sylva		DHES		
Walter Anderson		"		
Ben Wolfe		"		
Tom Van Pelt		OBPP		
Ken Thibault		Achievement Plaza		
Neil Hartzl		Post 30		
Malcolm Remington		Achievement Plaza		

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AGENCIES I - HUMAN SERVICES

	Fiscal 1980		Fiscal 1981	
	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>General Fund</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF COMMUNITY AFFAIRS				
1. General Operations	1,210,099	2,963,187	1,213,023	2,969,383
2. Research and Information Program	<u>118,016</u>	<u>107,096</u>	<u>119,124</u>	<u>109,961</u>
Total Department of Community Affairs	1,328,115	3,070,283	1,332,147	3,079,344

The above appropriation of "Other Appropriated Funds" contains in fiscal 1980, \$43,580 and in fiscal 1981, \$44,452 from revenue generated under the provisions of 15-70-204 MCA relating to other than aviation gasoline and \$332,000 in fiscal 1980 and \$275,000 in fiscal 1981 from revenues generated under the provisions of 15-35-103 MCA and as allocated by 15-35-108 (2) (f).

General funds appropriated in item 2 shall revert to the extent that revenues from other sources exceed \$107,096 in fiscal 1980 and \$109,961 in fiscal 1981.

The accounting and management systems program shall end June 30, 1981. No budget request for this program will be submitted to the 1981 legislature.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES	2,483,496	14,625,383	2,517,579	14,549,671
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Included in "Other Appropriated Funds" is \$118,000 each year received under authority of PL 93-641 which may only be expended if granted or contracted to local health departments.

Funds included in the above appropriations for study of nuclear radioactivity in the Butte area are not to be used to fund licensing programs.

DEPARTMENT OF LABOR AND INDUSTRY				
1. Employment Security Division		12,223,654		12,276,009
2. Workers' Compensation Division	948,536	3,573,692	955,098	3,603,301
3. Human Rights Division	65,091	100,000	105,091	60,000
4. Personnel Appeals Division	254,542	8,000	259,367	8,000
5. Labor Standards Division	327,364	406,827	336,754	418,305
6. Employment and Training Division		<u>1,116,517</u>		<u>1,160,992</u>
Total for Department of Labor and Industry	1,595,533	17,428,690	1,656,310	17,526,607

Any funds received by the human rights division in excess of \$100,000 in fiscal 1980 and \$60,000 in fiscal 1981 shall serve to cause reversion of general fund appropriated to the division on a dollar-for-dollar basis.

	Fiscal 1980		Fiscal 1981	
	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>General Fund</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES	37,482,415	17,736,298	39,954,279	18,004,781

The above appropriations provide for increases in payments to foster parents and foster group homes of not less than 7½ percent in fiscal 1980 and 6 3/4 percent in 1981.

The above appropriation allows the addition of five eligibility staff to be employed in selected areas of the state. The department will report on the cost effectiveness of the added staff to the next legislature.

No funds included in these appropriations may be allocated for support of or use by the developmental disabilities Montana advocacy program.

The veterans affairs division is not authorized to hire any new individuals during fiscal years 1980 or 1981. Positions that become vacant during the biennium shall remain vacant.

The board of veterans affairs and veterans affairs division shall study alternatives for providing services to veterans that are more comprehensive and less expensive. The results of these studies shall be reported to the next legislature.

AGENCIES I - HUMAN SERVICES

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6. Employment and Training Division		<u>1,116,517</u>		<u>1,160,992</u>
Total for Department of Labor and Industry	1,595,533	17,428,690	1,656,310	17,526,607

Any funds received by the human rights division in excess of \$100,000 in fiscal 1980 and \$60,000 in fiscal 1981 shall serve to cause reversion of general fund appropriated to the division on a dollar-for-dollar basis.

	Fiscal 1980		Fiscal 1981	
	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>General Fund</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES	37,482,415	17,736,298	39,954,279	18,004,781

The above appropriations provide for increases in payments to foster parents and foster group homes of not less than 7½ percent in fiscal 1980 and 6 3/4 percent in 1981.

The above appropriation allows the addition of five eligibility staff to be employed in selected areas of the state. The department will report on the cost effectiveness of the added staff to the next legislature.

No funds included in these appropriations may be allocated for support of or use by the developmental disabilities Montana advocacy program.

The veterans affairs division is not authorized to hire any new individuals during fiscal years 1980 or 1981. Positions that become vacant during the biennium shall remain vacant.

The board of veterans affairs and veterans affairs division shall study alternatives for providing services to veterans that are more comprehensive and less expensive. The results of these studies shall be reported to the next legislature.

Youth Development: The committee recommends elimination of funding for the Helena achievement home. This home has experienced chronic low occupancy. Also eliminated are payments to the state day care association and the foster parents organization.

Visual Services: The committee allows for costs increases in training and other services to rehabilitate the blind or visually impaired. The state funded visual medical services is held at \$50,000 per year.

Developmental Disabilities: The recommended appropriation allows for cost increases in current community programs and \$815,000 to place 44 individuals from Boulder and 16 individuals from Warm Springs into community homes and programs. Of that total amount, \$200,000 covers one-time start-up costs for group homes.

The committee allows \$1.0 million of medicaid federal matching funds to be used to expand community DD programs in the biennium. These funds will be used to provide day services to persons currently residing in nursing homes and possibly to pay for some group homes.

Three positions are eliminated that were dropped during the executive hiring freeze.

Developmental Disabilities Advisory Council: The committee eliminates general funding for this council and continues it with \$150,000 per year of federal developmental disabilities funds. The committee also inserts language into the bill that prevents any funds being granted or contracted to the Montana Advocacy Program.

Aging Services: The committee eliminates Title XX funding of aging services programs and increases general fund support to over \$700,000 in the biennium. Just over \$550,000 general fund had been used in the current biennium with \$1.07 million of Title XX funds. Additional federal funds are received from the Older American Act.

The committee eliminates one position dropped during the executive hiring freeze.

Veterans' Affairs: The committee recommends 1) elimination of contracted secretaries that serve the DAV and VFW at Fort Harrison, 2) elimination of \$50 per month allowance paid the secretary of the board of veterans' affairs, 3) the division freeze hiring of new individuals in the biennium and evaluate alternatives for serving veterans that are less costly and more comprehensive than the current.

Concerns of the Committee

The committee recommended \$510,000 in the biennium for preadmission screening and development of alternatives for those who would be admitted to nursing homes. The department may add no more than eight full-time equivalent employees for this purpose.

The committee was concerned that in programs where recipients participate in costs, the department make efforts to assure such participation.

The committee expressed concern that the department monitor contracted services to insure that recipients are being adequately served and state funds are being efficiently and legally expended.

The committee met with the board of veterans' affairs. The board has agreed to explore alternatives to the current method of providing services to veterans. The committee has expressed concern that the current system is too expensive. The board of veterans' affairs terminates July 1, 1981 under provisions of the "sunset law" Title 2, Chapter 8, part 1, MCA.

Summary

The appropriation of general fund is \$2,258,586 above the legislative fiscal analyst's analysis and \$4,184,440 below the executive budget.

AGENCIES I - HUMAN SERVICES
1981 Biennium

	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Executive Budget	2,395.91	\$93,274,345	\$119,152,057	\$212,426,402
LFA Recommendation	2,418.91	86,672,203	103,071,796	189,743,999
H.B. 384	2,376.76	88,349,874	106,021,057 ¹	194,370,931

1. Does not include a recommendation for the coal board.

DEPARTMENT OF COMMUNITY AFFAIRS

<u>Department of Community Affairs</u>	1979 <u>Biennium</u>	1981 <u>Biennium</u> ¹	% <u>Increase</u>
General Fund	\$ 2,994,746 ²	\$2,660,262	(11.1)
Other Funds	<u>21,426,430</u>	<u>6,149,627</u>	<u>(71.3)</u>
Total	\$24,421,176	\$8,809,889	(63.9)
FTE	134.65	119.97	

1. Includes no recommendation on the coal board.
2. Includes supplementals: \$29,924 matching funds for flood relief and \$45,221 reimbursement for Governor's air travel.

Aeronautics: The committee recommends elimination of one FTE in the safety and education bureau and continues the elimination of 2.5 FTE dropped during the executive hiring freeze. This recommendation also replaces the air transportation bureau chief with a dispatcher. These moves have been made to enable the air transportation pool to operate without deficits in the 1981 biennium. Deficits have occurred since the pool was established.

Human Resources: The committee appropriates increased federal weatherization funds, bringing the total for weatherization to nearly \$4 million in the biennium. The committee does not continue use of interest funds from the coal tax constitutional trust fund for weatherization purposes. All general funds going to this program are deleted. Approximately \$38,000 is used in the current biennium.

Highway Safety: The committee allows use of additional available federal funds for 1) \$75,000 per year for public information campaign on 55 mile per hour speed limits and seat belt use, 2) \$33,000 for a statistician to report highway accident data.

Local Government Services and Accounting and Management Systems: The committee authorizes the purchase of three new cars for this program. An FTE eliminated in the executive hiring freeze is dropped by the subcommittee.

Language is included in the bill to "sunset" the accounting and management systems program at the end of the biennium.

The department reorganized the previous centralized services program into director's office, field assistants, and centralized services. The committee recommends elimination of the field assistants program. An attorney in the director's office is also to be eliminated contingent on passage of H.B. 12 creating a legal pool in the attorney general's office.

Planning: The committee recommends elimination of three planners from the division. The committee allows \$5.5 million of federal funds to be added for a rent subsidy program. This program was begun by budget amendment in the current biennium. Three FTE are added to administer this program.

The committee makes no recommendation on the coal board.

The Indian affairs program was continued at current level.

The research and information program was reduced by 1.68 FTE. These positions were eliminated in executive hiring freeze.

Concerns of the Committee:

The executive should carryout the consolidation of air transportation services in the aeronautics division. This includes equipment and manpower. All agencies or units of government should be billed for air transportation provided them or on their behalf. The air transportation pool should be self-supporting and not create deficits.

The accounting and management system program should complete its work of assisting local governments establish uniform accounting systems in the biennium.

If H.B. 12 passes providing legal assistance through the attorney general's office, the attorney position allowed in the director's office should be deleted.

The committee expressed concern that the Indian affairs program may not be effective.

The research and information division should be reimbursed by agencies for whom services are provided. These reimbursements should serve to reduce the need for general fund appropriations to this division.

Summary

The appropriation of general fund is \$99,984 below the legislative fiscal analyst's recommendation and \$247,248 below the executive budget.

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

	<u>1979</u> <u>Biennium</u>	<u>1981</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
<u>Department of Health and Environmental Sciences</u>			
General Fund	\$ 5,561,663 ¹	\$ 5,001,075	(10.1)
Other Funds	<u>30,245,159</u>	<u>29,175,054</u>	<u>(3.5)</u>
Total	\$35,806,822	\$34,176,129	(4.6)
FTE	309.58	298.93	

1. Includes supplemental of \$100,000 for ambient air standards.

Health Planning and Resource Development: The committee recommends several new efforts with federal health planning funds, 1) \$118,000 per year to be contracted with or granted to local health departments, 2) \$48,000 for an inventory of medical facilities to determine construction needs, 3) \$11,400 for added legal assistance to the division, 4) \$47,000 to intensify certificate of need reviews, and 5) \$60,000 and one FTE to provide statistical support to the division and the health system agency. No general fund is required for these additions.

Management Services: This central services function is continued at current level. The committee supported the filling of a deputy director position which is presently vacant. A full-time secretary position in the public information unit is to be shared with the dental health program and a part-time public information officer is increased to full-time.

Communicable Disease Control: The committee approved a federally funded immunization project for fiscal 1980. This project was begun in the current biennium by budget amendment. This project costs \$43,561 and adds 2.5 FTE. Except for this project the program is continued at current level.

Laboratory Division: This division is new. In the previous biennium these expenditures were folded in with other programs of the agency. The committee recommends to delete a laboratory administrator position and use the funds for operations. The position is currently vacant and funds are being used for operations.

Facilities and Manpower: The committee has dropped all four FTE eliminated by the executive during the hiring freeze and another FTE in the emergency medical services (EMS) program. This results in elimination of five FTE from EMS and one from facilities licensing and certification programs.

Environmental Health: The committee authorized the use of federal funds for a number of program expansions. (1) \$100,000 for an inventory of water quality on publicly owned lakes in Montana. The work will be

performed by the university of Montana and Montana state university. (2) \$17,500 to complete an assessment of the pollution potential of industrial storage ponds and pits and sewage lagoons. (3) \$20,000 for a biological study on the Tongue river drainage. (4) \$39,628 to study the effects of particle size on landfilled solid waste. (5) \$3,000 of carryover funds to complete a pesticide disposal demonstration project. (6) \$594,699 and six FTE to plan, evaluate and monitor sewer treatment construction projects. These funds will help communities get funding for these projects and avoid loss of available federal funds due to lapsing of authorizations. (7) \$150,000 for a baseline air quality study on the Poplar river area. (8) \$204,000 for a baseline air quality study in the Flathead river area. (9) \$213,100 to identify, monitor and control hazardous wastes.

The committee recommends \$100,000 general fund to study nuclear radioactivity in the Butte area. This is reduced from the \$132,213 requested by the executive. This study has begun by supplemental action in fiscal 1979. The committee recommends language to prevent use of these funds for any licensing program.

The committee recommends that the subdivision bureau be funded completely from fee revenues. Two FTE added to this bureau by budget amendment in the current biennium are discontinued in the 1981 biennium.

Health Services: This program is one of those selected for the priority budgeting system. The committee recommends the "A" or 80 percent level for the administration and maternal and child health packages. However, \$42,000 per year from general fund is added in administration for screening of newborns for inborn errors of metabolism. These tests are mandated by state law.

The committee recommends \$13,000 general fund be added to the budget request for handicapped children's services in the first year of the biennium. This will aid in transition from the higher level of federal funds available in the current biennium.

The committee reduces the nursing package from 6.5 FTE to 4.0 FTE. This retains the bureau chief, two nurse consultants and a secretary.

The dental health package is reduced by .5 FTE as it will share a secretary with the public information unit as opposed to having its own full-time secretary.

The nutrition program is appropriated over \$11.7 million in the biennium. Recognizing that more federal funds may become available, the committee states that a budget amendment may be approved if department of agriculture funds in excess of the amounts appropriated become available and the amendment is justified to the approving authority. The committee reduced staff of this program by 4.65 FTE.

Family planning is authorized use of \$413,100 of Title XX funds from SRS. The staff is reduced by .5 FTE as a position lost in the executive hiring freeze is dropped by the committee.

DEPARTMENT OF LABOR AND INDUSTRY

	<u>1979</u> <u>Biennium</u>	<u>1981</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
<u>Labor Standards</u>			
General Fund	\$ 680,325 ¹	\$ 664,118	(2.4)
Other Funds	<u>795,858</u>	<u>825,132</u>	<u>3.7</u>
Total	\$1,476,183	\$1,489,250	.9
FTE	28.75	28.75	
<u>Human Rights</u>			
General Fund	\$214,475	\$170,182	(20.7)
Other Funds	<u>213,622</u>	<u>160,000</u>	<u>(25.1)</u>
Total	\$428,097	\$330,182	(22.9)
FTE	9.50	8.0	
<u>Employment and Training</u>			
Other Funds	\$1,426,541	\$2,277,509	59.7
FTE	16.0	26.0	
<u>Personnel Appeals</u>			
General Fund	\$513,511	\$513,909	---
Other Funds	<u>44,235</u>	<u>16,000</u>	<u>(63.8)</u>
Total	\$557,746	\$529,909	(5.0)
FTE	9.0	9.0	
<u>Employment Security</u>			
Other Funds	\$23,734,731	\$24,499,663	3.2
FTE	701.40	701.40	
<u>Workers' Compensation</u>			
General Fund	\$2,027,320	\$1,903,634	(6.1)
Other Funds	<u>6,574,364</u>	<u>7,176,993</u>	<u>9.2</u>
Total	\$8,601,684	\$9,080,627	5.6
FTE	163.0	164.0	

1. Includes \$30,000 for displaced homemakers.

	<u>1979</u> <u>Biennium</u>	<u>1981</u> <u>Biennium</u>	<u>%</u> <u>Increase</u>
Total Department of Labor and Industry			
General Fund	\$ 3,435,631	\$ 3,251,843	(5.3)
Other Funds	<u>32,789,351</u>	<u>34,955,297</u>	<u>6.6</u>
Total	\$36,224,982	\$38,207,140	5.5
FTE	926.98	937.15	

The labor standards division is continued at the current level. This program includes the commissioner's office, centralized services, womens' bureau, apprenticeship bureau and standards bureau.

The committee recommends expansion of the employment and training division from sixteen to twenty-six FTE. This division has responsibility for CETA in the state. Recent federal requirements have placed increased demands on the division for monitoring CETA subgrantees. Many of the ten new positions are already on board through budget amendment.

The committee reduced the human rights division to eight FTE. Federal funds of \$40,000 will be carried over from fiscal 1979 to fiscal 1980 to reduce general fund costs. In fiscal 1981 the federal funds drop back to \$60,000. Language has been added that requires a dollar-for-dollar reversion of general funds if other funds become available.

The committee recommends continuing the personnel appeals division at current level.

The recommendation allows the employment security division to expand by placing computer terminals in local job service offices. No new FTE are added.

The committee allows the workers' compensation division to add one FTE to supervise the uninsured employers program. Included in the recommended appropriation is \$150,000 per year for compensation of crime victims, \$819,000 general fund per year for payments to silicotics and their widows and \$117,500 in fiscal 1980 and \$127,500 in fiscal 1981 for social security offsets to individuals covered by compensation insurance who died in fiscal 1974.

Concerns of the Committee

The committee expressed concern that this agency has not adequately employed and promoted women.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

<u>Department of Social and Rehabilitation Services</u>	<u>1979 Biennium</u>	<u>1981 Biennium</u>	<u>% Increase</u>
General Fund	\$ 70,473,447 ¹	\$ 77,436,694	9.9
Other Funds	<u>34,876,898²</u>	<u>35,741,079</u>	<u>2.5</u>
Total	\$105,350,345	\$113,177,773	7.4
FTE	1,031.90	1,020.71	

1. Includes \$6,545,000 supplemental appropriation for fiscal 1979. This also includes funds which may be expected to revert in the amount of \$1,635,000 as a result of restrictions and reversionary clauses written in H.B. 145 which appropriated these funds in 1977.
2. Includes \$179,000 supplemental appropriation for fiscal 1979.

Assistance Payments: The committee recommendation allows \$31.5 million for aid to families with dependent children (AFDC). The payment rates are held at 80 percent of the poverty level (including food stamps). The poverty level rises with inflation. In the current biennium approximately \$27.7 million will be expended on these payments.

The foster care of children is expected to cost \$5.4 million in the biennium. The committee includes language in the bill that mandates increases of at least 7½ and 6 ¾ percent in fiscal 1980 and 1981 respectively for foster families and foster group homes. Foster families have received no increase in payments since 1975.

State supplements to persons living in group homes and foster homes is anticipated to cost nearly \$1.5 million in the biennium.

The committee allows nearly \$1.0 million for an improved computer operated eligibility system (MIMS). This system should reduce errors made in the determination of eligibility for AFDC, medicaid and food stamps. Telephone line rental costs and computer terminals previously running the social services reporting system (MSS) are transferred to this effort.

The committee also provides \$163,083 to centralize food stamp issuance. This program would work in conjunction with the previously mentioned computerized eligibility system.

Social Services: The committee provides for increases in day care rates of 30¢ per year for state licensed homes and 35¢ per year for federally licensed homes. Day care for non-working AFDC recipients will be paid as a part of the AFDC grant in the next biennium. Approximately 30 percent of day care currently paid by federal Title XX funds is for non-working AFDC recipients. This shift reduces general fund costs of day care.

Legal services are allowed \$200,000 in the biennium. This is down from \$400,000 in the current biennium.

For subsidized adoption, \$75,000 is anticipated in the 1981 biennium.

For the provisions of family planning services the committee has allowed \$459,000 in the biennium. These services are provided through the department of health and local family planning clinics.

The committee has transferred field operations of the social services reporting system (MSS) to the eligibility system (MIMS) and eliminated some costs of the system.

The committee recommends \$510,000 for preadmission screening and development of alternatives for those who would be placed in nursing homes. Not more than eight FTE are to be added by the department for this effort.

The elimination of fifteen employees dropped during the executive hiring freeze is continued by the committee.

Eligibility Determination: The committee allowed five additional county eligibility staff for a pilot project to determine if increased staff would reduce eligibility errors. The agency is to report to the next legislature on the results of this effort.

Administrative and Support Services: The committee recommends the elimination of three field representatives and the addition of three auditors. The department had requested ten auditors.

Medical Assistance: The committee recommends \$125.2 million for payments to medical service providers in the biennium. This is based upon no anticipated elimination of services. Of the total, approximately \$65.2 million would be used for the provision of nursing home care. Medical services are anticipated to cost \$105.5 million in the current biennium. Six employees are added to improve management of this expensive program.

Vocational Rehabilitation: The committee recommends \$300,000 in the biennium for the chronic renal program. This is up from \$200,000 for the current biennium. Expenditures on training and medical services for rehabilitation are increased in line with anticipated cost increases.

The committee continues the elimination of 5.76 FTE dropped during the executive hiring freeze.

Disability Determination: The committee allows the addition of two employees to intensify the disability claims review process. This program is entirely federally funded.

§ 3301. Transcript of trial records
The Administrator may purchase transcripts of the record for producing all evidence of trial of litigated cases.

Subchapter II—Investigations

§ 3311. Authority to issue subpoenas

For the purposes of the laws administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpoenas for and compel the attendance of witnesses within a radius of one hundred miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpoena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

§ 3312. Validity of affidavits

Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, may be offered or used in any court of the United States and without further proof of the identity or authority of such employee shall have like force and effect as if administered or taken before a clerk of such court.

§ 3313. Disobedience to subpoena

In case of disobedience to any such subpoena, the aid of any district court of the United States may be invoked in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which the inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any officer, agent, or employee of any corporation or to any other person, issue an order requiring such corporation or other person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

CHAPTER 59—AGENTS AND ATTORNEYS

See

3301. Prohibition against acting as claims agent or attorney.

3302. Recognition of representatives of organizations

3303. Recognition with respect to particular claims

3304. Recognition of agents and attorneys generally

3305. Penalties for certain acts.

§ 3301. Prohibition against acting as claims agent or attorney

Except as provided by section 500 of title 5, no individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Veterans' Administration unless he has been recognized for such purposes by the Administrator. (Amended P.L. 91-21, § 12(a).)

§ 3302. Recognition of representatives of organizations

(a) (1) The Administrator may recognize representatives of American National Red Cross, the American Legion, American Veterans, the United Spanish War Veterans, American Veterans, and such other organizations as in the preparation, presentation, and prosecution of claims administered by the Veterans' Administration.

(2) The Administrator may, in his discretion, fix space and office facilities for the use of paid full-time of national organizations so recognized.

(b) No individual shall be recognized under this section

(1) unless he has certified to the Administrator compensation of any nature will be charged in services rendered in connection with any claim; a

(2) unless, with respect to each claim, such individual, with the Administrator a power of attorney,

manner and form as the Administrator may prescribe

(c) Service rendered in connection with any such claim on active duty, by any retired officer, warrant officer, or member of the Armed Forces recognized under this section shall be compensated as provided in section 503, 505, 506, or 507 of title 38, (Amended P.L. 91-21, § 12(b).)

§ 3303. Recognition with respect to particular claims

The Administrator may recognize any individual as a representative of any particular claim under any of the laws administered by the Veterans' Administration if—

(1) such individual has certified to the Administrator that he is qualified to render such services, and

(2) such individual has filed with the Administrator a power of attorney, executed in such manner and in such form as the Administrator may prescribe.

§ 3304. Recognition of agents and attorneys generally

(a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, or prosecution of any claim under laws administered by the Veterans' Administration if—

(1) such individual has filed with the Administrator a power of attorney, executed in such manner and in such form as the Administrator may prescribe, and

(2) such individual has filed with the Administrator a statement of his qualifications to render such services, and

(3) such individual has filed with the Administrator a statement of his qualifications to render such services, and

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(100) such individual has filed with the Administrator a statement of his qualifications to render such services, and

(1) has engaged in any unlawful, unprofessional, or

(2) has been guilty of disreputable conduct;

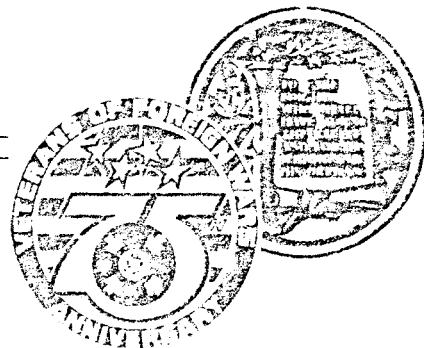
(3) is incompetent;

(4) has violated or refused to comply with any law administered by the Veterans' Administration, or

VFW

VETERANS OF FOREIGN WARS OF THE UNITED STATES

DEPARTMENT OF MONTANA



TESTIMONY ON SECRETARIAL CONTRACT SERVICE AT
VFW OFFICE, FORT HARRISON V.A.

Telephone: (406) 442-5117

TO: MEMBERS OF HOUSE & SENATE
Appropriations and Finance and Claims Committees

Thank you for the opportunity to appear before this
combined Committee on appropriations.

We are dismayed to learn that the Sub-Committee on the
Veterans Affairs Division Budget has recommended to this
full Committee that the contracts with VAD and the VFW and
DAV Secretarial Services at the Fort Harrison VA Hospital
be not renewed for the next biennium.

We have operated with secretarial contract services with
the State of Montana for the past 15 years and prior to that
the secretaries were full-time State employees.

The attached exhibits will bear out the amount of work
performed by these secretaries in this very professional
approach to filing and appealing a claim once denied by the
V.A.

Also attached is an excerpt from Title 38 of the U.S. Codes
that indicates accreditation by the VA Administrator in
keeping with the Congress's desire to give a veteran his
choice of whom he wishes to represent him. We represent any
and all veterans whether or not they are members of our
organization. You will also note that this is a free service
to all veterans.

We have been advised the contract is fraudulent and illegal,
however, the terms and particulars were prescribed by the
Board of Examiners when first established and carried on since.

We appeal to this Committee to consider the service to Montana's
veterans and provide an appropriation commensurate with the
work involved.

Bob Durkee

Bob Durkee
VFW State Service Officer



VETERANS OF FOREIGN WARS OF THE UNITED STATES
NATIONAL REHABILITATION SERVICE

VA CENTER

YEAR OF

ICE Ft. Harrison, MT 59636

REPORT PERIOD FOR 1977 - 1978

INTERVIEWS	<u>4557</u>	8. POWERS OF ATTY. FILED	<u>200</u>
CORRESPONDENCE RECEIVED	<u>809</u>	9. APPEALS FILED	<u>26</u>
CORRESPONDENCE ORIGINATED	<u>689</u>	10. ADMINISTRATIVE REVIEWS FILED	<u>0</u>
CLAIMS FILED	<u>574</u>	11. TREATMENT APPLICATIONS FILED	<u>424</u>
CASE FILES REVIEWED	<u>2270</u>	12. EDUCATION APPLICATIONS FILED	<u>108</u>
RATING BOARD APPEARANCES	<u>218</u>	13. HOSPITALIZED VETERANS VISITED	<u>364</u>
INFORMAL CONFERENCES	<u>1120</u>		

DISABILITY BENEFITS	<i>FAVORABLE</i>	<i>UNFAVORABLE</i>	LUMP SUM AND RETROACTIVE	ANNUAL AMOUNT	TOTAL
COMPENSATION	<u>33</u>	<u>11</u>	\$ <u>63,684.00</u>	\$ <u>145,572.00</u>	\$ <u>209,256.00</u>
C & C	<u>58</u>	<u>--</u>	<u>---</u>	\$ <u>220,334.00</u>	\$ <u>220,334.00</u>
PENSION	<u>281</u>	<u>60</u>	\$ <u>58,530.00</u>	\$ <u>370,546.00</u>	\$ <u>429,076.00</u>
INSURANCE					
PENSION	<u>68</u>	<u>12</u>	\$ <u>8,293.00</u>	\$ <u>58,314.00</u>	\$ <u>66,607.00</u>
INSURANCE	<u>8</u>	<u>--</u>	\$ <u>40,067.00</u>	\$ <u>---</u>	\$ <u>40,067.00</u>
BURIAL	<u>64</u>	<u>1</u>	\$ <u>26,642.00</u>	\$ <u>---</u>	\$ <u>26,642.00</u>
OTHER BENEFITS					
VR&E	<u>89</u>	<u>10</u>	\$ <u>2,321.00</u>	\$ <u>184,068.00</u>	\$ <u>186,389.00</u>
MISCELLANEOUS	<u>44</u>	<u>6</u>	\$ <u>27,928.00</u>	\$ <u>19,082.00</u>	\$ <u>47,010.00</u>
<u>TOTAL</u>	<u>647</u>	<u>107</u>	<u>\$230,299.00</u>	<u>\$1,004,360.00</u>	<u>\$1,234,559.00</u>

REVERSE SIDE FOR COMMENTS, EXPLANATORY INFORMATION AND SPECIAL PROBLEMS.)

ROBERT A. DURKEE
VFW DEPARTMENT SERVICE OFFICER

§ 3301. Transcript of trial records

The Administrator may purchase transcripts of the record, including all evidence, of trial of litigated cases.

Subchapter II—Investigations**§ 3311. Authority to issue subpoenas**

For the purpose of the laws administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpoenas for and compel the attendance of witnesses within a radius of one hundred miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpoena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

§ 3312. Validity of affidavits

Any such oath, affirmation, affidavit, or examination, when certified under the hand of any such employee by whom it was administered or taken and authenticated by the seal of the Veterans' Administration, may be offered or used in any court of the United States and without further proof of the identity or authority of such employee shall have like force and effect as if administered or taken before a clerk of such court.

§ 3313. Disobedience to subpoena

In case of disobedience to any such subpoena, the aid of any district court of the United States may be invoked in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which the inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any officer, agent, or employee of any corporation or to any other person, issue an order requiring such corporation or other person to appear or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

CHAPTER 59—AGENTS AND ATTORNEYS

See

3101. Prohibition against acting as claims agent or attorney.

3102. Recognition of representatives of organizations.

3103. Recognition with respect to particular claims.

3104. Recognition of agents and attorneys generally.

3105. Penalty for certain acts.

§ 3101. Prohibition against acting as claims agent or attorney

Except as provided by section 500 of title 38, no individual may act as an agent or attorney in the preparation, presentation, or prosecution of any claim under laws administered by the Veterans' Administration unless he has been recognized for such purposes by the Administrator. (Amended P.L. 91-24, § 12(a).)

§ 3102. Recognition of representatives of organizations

(a) (1) The Administrator may recognize representatives of the American National Red Cross, the American Legion, the Disabled American Veterans, the United Spanish War Veterans, the Veterans of Foreign Wars, and such other organizations as he may approve, in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

(2) The Administrator may, in his discretion, furnish, if available, space and office facilities for the use of paid full-time representatives of national organizations so recognized.

(b) No individual shall be recognized under this section—

(1) unless he has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with any claim; and

(2) unless, with respect to each claim, such individual has filed with the Administrator a power of attorney, executed in such manner and form as the Administrator may prescribe.

(c) Service rendered in connection with any such claim, while not on active duty, by any retired officer, warrant officer, or enlisted man of the Armed Forces recognized under this section shall not be a violation of sections 203, 205, 206, or 207 of title 18. (Amended P.L. 91-24, § 12(b).)

§ 3103. Recognition with respect to particular claims

The Administrator may recognize any individual for the preparation, presentation, and prosecution of any particular claim for benefits under any of the laws administered by the Veterans' Administration if—

(1) such individual has certified to the Administrator that no fee or compensation of any nature will be charged any individual for services rendered in connection with such claim; and

(2) such individual has filed with the Administrator a power of attorney, executed in such manner and in such form as the Administrator may prescribe.

§ 3104. Recognition of agents and attorneys generally

(a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration. The Administrator may require that individuals, before being recognized under this section, show that they are of good moral character and in good repute, are qualified to render claimants valuable service, and otherwise are competent to assist claimants in presenting claims.

(b) The Administrator, after notice and opportunity for a hearing, may suspend or exclude from further practice before the Veterans' Administration any agent or attorney recognized under this section if he finds that such agent or attorney—

(1) has engaged in any unlawful, unprofessional, or dishonest practice;

(2) has been guilty of disreputable conduct;

(3) is incompetent;

(4) has violated or refused to comply with any of the laws administered by the Veterans' Administration, or with any of the