

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE
February 20, 1981

The meeting of the Business and Industry Committee was called to order by Chairman Frank W. Hazelbaker on February 20, 1981, at 10:00 a.m. in Room 404 of the State Capitol.

All members of the Committee were present.

Chairman Hazelbaker introduced Senator Matt Himsl of District 9, Kalispell, who is the sponsor of Senate Bill 386. This Bill provides that boards allocated to the Department of Professional and Occupational Licensing have authority to establish continuing education programs. This Bill has permissive language, and establishes uniformity for all boards. It has an option from the Audit Committee which requires that implementing any such programs which would take more money will come from increased fees. (Please see handout). The idea of this Bill was to standardize this situation so that the boards themselves could establish the requirements under their own rules and regulations.

PROPONENTS:

Harry Olsen, a retired person, representing the State Bankers Association, from Helena, Montana, stated that he is in favor of the Bill.

Roland D. Pratt, Executive Director, representing the Montana Optometric Association, also advised that his organization was in favor of Senate Bill 386.

Frank Davis, Executive Director of The Montana Pharmaceutical Association, stated that his association favored Senate Bill 386.

OPPONENTS:

Cliff Christian, Montana Association of Realtors.

Mr. Christian stated that he commends the persons who drew up this Bill. He said that the previous Board had harassed association members for political reasons; they allowed trips to Hawaii for personal reasons, and they had very bad relations with the official Board of Realtors. This is not the case with the present Board. At this time Mr. Christian gave a report from Doctor Crowley of Montana State University. He advised that the Board of Real Estate is the third largest within the Board of Licensing. He suggested that the Committee amend the Board of Realty out of this, and put it into a separate statute with continuing education requirements set by the State.

2--February 20, 1981

QUESTIONS FROM THE COMMITTEE:

Senator Blaylock asked Senator Himsl: Who would see to it that these boards do not make unreasonable demands upon the members of a group? Some people make unreasonable demands on people as to what they have to do.

Senator Himsl replied: Most of these organizations are professions and occupations where something outside of the Board will govern them. If the Board's demands were considered unreasonable, they would have pressure put upon them, by their own members as to what their programs would be.

Senator Blaylock said: In referring to that committee, for instance, the Real Estate Boards, when the neophytes took the tests the first time, they failed. The next time it was \$100. for them to take the test, and actually, it was costing \$13.00 to administer the test. The question from the Legislative Committee was, why don't you charge what it costs? I think that their own association should have said, "Stop, and do not do this anymore."

Senator Regan said, in dealing with continuing education, we have had a number of bills introduced in which we were supposed to support education which was mandated, including real estate, and this mandated education was just for young people. Why do we maintain, or even allow, them to mandate it? Why is this not done by professional competency through their own profession, but not mandated?

Senator Himsl replied, this Board does not mandate this. It is optional; it is not mandatory.

Senator Regan questioned, does this mean that if the Real Estate Board says every board member shall take up such a course within the next two years, and someone refuses to take it, what happens?

Senator Himsl replied, if they refuse to follow the rules, they will not be licensed.

Senator Lee asked, Cliff, you are against this Bill because you want the Legislature to write statutes to make the continuing education criteria, rather than the Board?

Mr. Cristian replied, yes.

Senator Dover asked, this does not take the prerogative away from the Legislature? And Mr. Christian replied, we could always set requirements the next time. The man who comes in and charges \$5,000 to give a speech - it turns out that he is a friend of the Chairman of the Board! He gives several examples of politics between the Board of Real Estate and the Commission, again emphasizing that relations between his association and the former Board were very bad, but that relations between his association and the present Board are much better.

Senator Lee asked, you are saying that the previous Board would

3--February 20, 1981

not sanction private education institutions?

Mr. Christian replied, the previous Board was opposed to private continuing education.

This closed the Hearing on Senate Bill 368.

At this time Chairman Hazelbaker again introduced Senator Hims1, who identified himself as saying that he represents District 9, Kalispell, and he is the sponsor of Senate Bill 387 This Bill includes the Board of Veterans Affairs. He stated that they wish to continue the Board. He explains that most of Montanas' veterans (which number 106,000), will need assistance in obtaining Federal benefits. The Veterans Administration does not provide complete service to veterans. The Board is the only source of providing statewide field service. The termination of the Board would result ina loss to veterans who would not be able to obtain veterans services. He said that these people do need help because of the complications of the different programs which are involved. For this reason, they recommend the re-establishment of the Veterans Board.

PROPONENTS:

Bob Durkee, who represents the Veterans of Foreign Wars.

Tom Cummins, State Adjutant - American Legion.

John McGlynn - former State C ommander of the Disabled American Veterans, and former member of the Board of Veterans Affairs.

Dave Armstron, Administrator of the Veterans Affairs Division.

OPPONENTS:

None:

QUESTIONS FROM THE COMMITTEE:

Senator Blaylock asked, who is on the Board of Veterans Affairs right now?

Mr. McGlynn replid, they rotate - one goes off every year. They are appointed by the Governor.

Senator Regan stated: There are other statutory requirements to serve on that Board. Who sends in the names for appointment to the Board?

Mr. Secat replied: We always submit a list; the Governor is not committed by Law to choose from this list.

Senator Blaylock then questioned: There are objections from the Legislative Audit Committee that laymen don't go on this Board?

4--February 20, 1981

Senator Hims1 responded: This isn't a professional or licensing Board. They are veterans.

Senator Regan stated: I am not going to belabor this. I have spent a lot of time in looking at the Veterans Board. We found them with three-quarters of \$1,000,000. The Board itself, however, once that Board is appointed - do they really answer to anyone?

Dave Armstrong replied, it is the Board that makes the rules.

Senator Regan advised: Autonomous. They do not answer to anyone except yourself. You hire an Executive Administrator, and you are answerable to only the Board; you are attached to SRS administratively. They should be attached to SRS, not only for administrative purposes, but also they should be accountable to them. One of the problems we have had is to require accountability.

Senator Blaylock stated: I want this to go to the veterans.

Senator Boylan commented: I haven't heard any of the veterans complain.

Senator Regan stated, some of these veterans never see any help. They are completely unaccountable!

Senator Dover asked: Is this a Revolving Account, or a General Account:

Senator Regan replied: It is a General Fund Account. It is state money - 100%!

Senate Hims1 explained that they are subject to an Audit Review which we conduct; you people have seen it. What the Senator says in regard to the General Fund is correct. The appropriation runs about \$350,000 a year. It is not only an obligation on the part of this Committee to provide the services for people who need them; this Board is necessary to make possible normal delivery of certain services which are available through the Veterans Administration. This has to be done on the local level. I would urge the continuation of the Board. If you want to make it accountable in some other way, I am sure that the Board would have no objections to that; they are reasonable, and they manage well.

Chairman Hazelbaker then introduced Senator Keating, who explained that he is speaking on behalf of Senate Bill 444. He explained that this bill is to repeal sections concerning the regulation, registration, and inspection of passenger tramways. Senator Keating said that this is a duplicate inspection; the state is self-insured on liability and casualty. There is a possibility of some bad lawsuits because the state is inspecting and has inspected these various tramways. The State Architect stated that they needed \$25,000 for contracted services for the biennium

5--February 20, 1981

to effect the inspections. The Forest Service requires it, and private carriers require it. Since the State accepts the obligation of inspecting these ski lifts, if something happens, the State could be liable. Since we are self-insured, we are sticking our necks out with the taxpayers' dollars. We can end up with litigation and maybe a costly settlement. I do not think that the State should be involved in such a way that they would be liable.

Senator Keating explained that Mr. Young from the Legal and Insurance Division is here to testify as to our self-insurance responsibility.

Mike Young, Attorney for the Department of Administration, stated that in regard to Senator Keating's concern, he informs the State Insurance Department. We are basically down to \$1,000,000 surplus amount in the Self-insurance Fund as the Legislature goes on. The difficulty he has had with this Bill is that there is some degree on liability that could result in a catastrophic loss. They have never had any problem with this. The State of Colorado recently had a case of this type which resulted in the death of three persons. Our concern is that the State of Montana, if it had a similar situation, could have a problem.

PROPONENTS:

None.

OPPONENTS:

Pat Melby, representing the Northern Ski Operators Association, said that he is representing 12 of the 18 ski areas in Montana. He stated that they are against this Bill because the State, when it enacted the legislation, said the purpose was to protect the public. What has changed since 1971 when this Bill was introduced, that makes this Bill no longer applicable to the State of Montana? The State is involved in a public service. He asks, how many accidents have there been, where people have been injured in this type of thing, and the answer is "none". There have been no accidents of this type. The State has never had to take a ski area to Court to enforce a correction. This is usually done by telephone. He said that we have to look at every other program in which the State is involved. He asked, what kinds of lawsuits is the Insurance Department getting? How can we be safe in everything that the State has control of? He urges that the Bill be given a "Do Not Pass".

George Willett, who owns the Showdown Ski Area in Neihart, Montana, said that the ski industry in the State of Montana pays over \$100,000 in wages to people of the State. They feel that they contribute considerably to the economy of the State of Montana in the Wintertime. They have asked the State Legislature to enact the State Tramway Law, and it is now being called the State Tramway Authority. Most of the duplication has been eliminated. The Forewt Service relinquished the inspection to the State Tramway Board. If the Tramway Law did not remain in effect, most of these

6--February 20, 1981

areas would not be required to have insurance. We feel that in the best interests of the State, ski areas, and the people who ski there, it is necessary to retain the Tramway Law as it is to give the people who use these services protection, and to give the Law authority.

Velma Green, Marshall Ski Area, Missoula, advised that she has been in this location for 22 years. The insurance company which insured them did not send anyone to look at their lifts. They sent an agent who knew nothing about the mechanics of a lift. She said that they got a poor inspection. She said that at that time they were not on Forst Service land. When the State of Montana passed the Tramway Law, she was asked to serve on that Board. It was a chance to learn more about safety and to contribute to the safety of lifts. The first thing that the Board did was to make themselves financially independent. The second thing they did was to send copies of the Law to the operators. She said that she has been on this Board for 10 years, and it has recently been her privilege to work with the National Association, the Association of Tramway Authorities on a national basis. She asked for a "Do Not Pass" recommendation.

Bill Downs, representing the Northern Association of Tramway Operators, said that the tramway operators are afraid that the State Tramway Law will be abolished. This control will be taken over by the Federal Government.

Phil Ralston, President of the Northern Ski Area Operators Association, stated that if the State doesn't take care of this problem, we will have at least one or more Federal regulatory agencies working on it. It is much easier to work with the people at the State level.

Dave Pickett, of Butte, who is a volunteer member of the National Ski Patrol, said that he represents just one individual ski patron. The Committee should consider what will happen if you pass this Bill. All of the other controls will be in Federal hands. It will be extremely foolish to be afraid of a lawsuit. He does not consider this much of a risk. The general public is represented by one-half the members on the Tramway Board.

Phil Hauck, State Architect, stated that his office administers this program in the State of Montana. He explained that it is a unique situation when an industry in Montana asks to be regulated and comes back and asks for help from the Legislature. He explained that he has no full-time employees in his office who work on this program. Inspections are done on a contracted basis. He and his secretary work on this program. There are 18 ski areas at this time; four operate intermittently. The ski area operators will oppose this Bill 100%. He is against the Bill.

QUESTIONS FROM THE COMMITTEE:

Senator Regan to Mr. Hauck: Since you control this by telephone, and you simply contact your engineers, what's the matter with the ski people doing the same thing, and taking us out of business?

7--February 20, 1981

Mr. Hauck replied, if it were left up to individual operators, they would do it. The State actually has a co-ordinating service. These regulations are a national standard.

Senator Blaylock said to Mr. Hauck: I don't know how many people would be riding a ski lift at any one time. If we have 300 people, suppose that the ski line snaps, and you drop 300 people, and you hurt them. How much lawsuit would the State be up against?

Mr. Hauck replied, the record around the country for this type of catastrophe has never happened. This is nothing like a problem on the roads or a hotel fire, etc. We have a good industry here; it is the type of clean industry that hires people in the Winter; it is our intention to protect people; to keep that industry growing. There is some liability.

Senator Lee to Mike Young: Does the State buy insurance policies to pay for this liability?

Senator Lee to Phil Ralson, President of the Northern Ski Area Operators, people that buy a ticket don't know the difference.

Senator Keating said that he and his family have skied since 1968. He said that he thinks that it is a wonderful industry. He advised that there is no guarantee that an inspection will prevent an accident. The risk is still there. They bring people into the state, and he is in favor of this. The Committee will have to handle the problem of liability.

Senator Blaylock to Mike Young: The State insurance is comparable to private rates. Why don't we go there? We used to. The rates increase. We have been subject to liability since the removal of sovereign immunity. The State is a self-insurer. The 1977 Legislature did put a limitation on the State's liability. The liability might be a big issue here. You could give the State sovereign immunity.

Senate Bill 445 was presented. The purpose of it was to clarify authority of a rural electric or telephone cooperative to establish compensation for its directors. No opponents were present, and the Committee recommended a Committee Bill on this. The Committee took executive action on Senate Bill 445. Senator Kolstad moved that Senate Bill 445 "Do Pass". The vote was unanimous - Senate Bill 445 was given a "Do Pass".

Senate Bill 420 - sponsored by Senator Mike Anderson. This Bill would amend 31-1-202 to clarify the applicability of the Retail Installment Sales Act; this Act does not apply to individuals who do not operate a retail business and sell on time for a finance charge.

PROPOSERS:

John Cadby, Montana Bankers Association - he stated that he is in favor of the Bill.

8--February 20, 1981

OPPONENTS:

None.

Senator Lee moved that the Bill be given a "Do Pass". The Bill passed unanimously.

Senate Bill 420, sponsored by Senator Mike Anderson. This is a Judiciary Bill to increase the maximum trustees' and attorneys' fees upon default and reinstatement of an obligation and trust indenture prior to a trustee's sale.

PROPONENTS:

David Brown of the First Bank of Helena, supports the Bill. He said that the actual cost of foreclosing a trust indenture runs about \$650., and the work is largely completed by the time it is reinstated.

Larry Huss, who represented the Montana Savings and Loan League, also supported the Bill.

John Cadby of the Montana Bankers Association, stated that he supports the Bill.

Senator Kolstad moved that the Bill "Do Pass". The Bill passed, four-to-one, with Senator Boylan voting "no".

The Committee then adopted a Statement of Intent for Senate Bill 386.

There being no further business, Chairman Hazelbaker adjourned the meeting.


FRANK W. HAZELBAKER, Chairman

mm

ROLL CALL

BUSINESS and INDUSTRY

COMMITTEE

47th LEGISLATIVE SESSION -- 1981

Date 2-20-81

NAME	PRESENT	ABSENT	EXCUSED
Goodover, Pat - Vice Chairman	x		
Hazelbaker, Frank - Chairman	x		
Blaylock, Chet	x		
Boylan, Paul	x		
Dover, Harold	x		
Kolstad, Allen	x		
Lee, Gary	x		
Regan, Pat	x		

Each day attach to minutes.

NAME: DAVE PICKETT DATE: 2-20-81

ADDRESS: RT 1 BOX 87C

PHONE: 494-5271

REPRESENTING WHOM? Self.

APPEARING ON WHICH PROPOSAL: SB 444

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: The present train law is operating successfully,
has good participation by agencies, ski industry and
the public - without it will return to a patchwork of
inspectors and inspections. We have some of the
lowest insurance rates in the country for ski liability
with the present setup. The program is completely
self-financing - paid for by skiers through an
assessment of 1/4 of 1% of tickets purchased

Dave Pickett

Gentlemen:

My name is Bill Downs and I represent the Northern Division of the United States Ski Association, the governing body of the Ski Sport in both recreation and competition.

In 1973, if my memory serves me right, the Ski Association and the Ski Area Operators Association, petitioned the Montana Legislature to establish an Aerial Tramway Board, this Board to act as a governing body to promote and secure safety in the Ski Industry and at the same time include other public tramway conveyances.

At that time, (1973) the skiers and ski industry felt that the encroachment of the Federal Government in regulating the Industry, was imminent and would be a detriment to the sport.

We felt that the State would be more receptive to local problems of safety and development, therefore the establishment of the Tramway Board was to our benefit.

During the past eight or nine years, the Tramway Board has assisted the Industry as well as protected the individual skier....I would like to bring to your attention, the growth of skiing, to where nearly 700,000 ski days were reported in Montana last year.

With the continuing anticipated growth of the Ski Industry, it is paramount that the safety of the skiing public be represented by the Aerial Tramway Board at the statewide level.

The Ski Association fears that should the Tramway Board be abolished, the void would be filled by a Federal Agency, resulting in possible hindrance to logical development of the Industry and Sport.

I wish to thank you for the opportunity to present our views in support of the Montana Tramway Board.

NAME: Roland D. Hunt DATE: 2/20/81

ADDRESS: Box 908 Helena

PHONE: 442-1432

REPRESENTING WHOM? MT Optometric Assoc
MT Funeral Directors Assoc.

APPEARING ON WHICH PROPOSAL: SB 386

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DATE: 2/20/81

ADDRESS: Heber

PHONE: 449-3014

REPRESENTING WHOM? Veterans Affairs Div.

APPEARING ON WHICH PROPOSAL: SB 387

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Cliff Christian DATE: 2-20-81

ADDRESS: 600 Park Ave

PHONE: 443-4132

REPRESENTING WHOM? MT Assn of Reactors

APPEARING ON WHICH PROPOSAL: SB 386

DO YOU: SUPPORT? _____ AMEND? ☒ _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Phil Ralston

DATE: 2 29/8/

ADDRESS: Miss River

PHONE: 939-2129

REPRESENTING WHOM? Mr. L. S. K. The Grubbs Assn.

APPEARING ON WHICH PROPOSAL: SB 444

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :

DATE: 2-20-87

ADDRESS :

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Bill Downs DATE: Feb 20, 1981

ADDRESS: P.O. Box 4818 Helena Mt. 59604

PHONE: 442-6052

REPRESENTING WHOM? Northern Division United State Ski Assoc

APPEARING ON WHICH PROPOSAL: 444

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: W. Hen comments supplied

NAME:

Tony Cumming

DATE:

2-20-81

ADDRESS:

P.O. Box 5075

PHONE:

442-5260

REPRESENTING WHOM?

AMERICAN LEGION

APPEARING ON WHICH PROPOSAL:

SB 387

DO YOU:

SUPPORT?

X

AMEND?

OPPOSE?

COMMENTS:

NAME: Bert Durkin DATE: 2-20-61

ADDRESS: Helena

PHONE: _____

REPRESENTING WHOM? UFC

APPEARING ON WHICH PROPOSAL: STS 387

DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENTS: _____

Bill Summaries

SB 386 would allow boards allocated to the department of professional and occupational licensing to establish continuing education programs and requirements.

SB 387 would reestablish the board of veterans' affairs for 6 years with its existing statutory authority and rules.

SB 444 removes the state from the regulation, registration, and inspection of passenger tramways.

SB 445 allows a rural electric or telephone cooperative to provide in its bylaws for establishment of compensation to be paid to trustees when representing the cooperative on business approved by the trustees.

SB 420 clarifies that the Retail Installment Sales Act does not apply to persons not engaged in a commercial retail enterprise and who do not regularly extend credit payable in installments or impose a finance charge.

SB 421 increases the amount of trustees' and attorneys' fees allowable on default and reinstatement of an obligation and trust indenture prior to a trustee's sale.

State of Montana

REPORT TO THE LEGISLATURE

Sunset Review

BOARD OF VETERANS' AFFAIRS

The 1977 Sunset Law terminates the Board on July 1, 1981. This review provides information to assist the Legislature in making the decision to continue or modify the Board.

This report presents eight areas for Legislative consideration (page 22) including:

- ▶ State veterans' assistance
- ▶ Effect of board termination
- ▶ Allocation of resources
- ▶ Efficiency of service delivery
- ▶ Management information

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Room 135, State Capitol
Helena, Montana 59601

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STATE CAPITOL
HELENA, MONTANA 59601
406/449-3122



MORRIS L. BRUSETT, C.P.A.
LEGISLATIVE AUDITOR

June 1980

ELLEN FEAVER, C.P.A.
DEPUTY LEGISLATIVE AUDITOR
JOHN W. NORTHEY
STAFF LEGAL COUNSEL

The Legislative Audit Committee
of the Montana State Legislature:

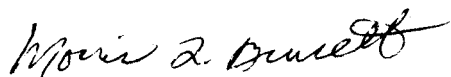
Herein transmitted is our sunset performance review of the Montana Board of Veterans' Affairs. The review was conducted in response to the 1977 Sunset Law, which terminates the board on July 1, 1981.

The review focused upon an examination of operations of the board and the Veterans' Affairs Division which carries out board policy. It does not encompass an audit of the board's financial transactions or overall compliance with state laws.

There are no formal recommendations in the report since the responsibility for such recommendations lies with the Audit Committee. Nevertheless, we discussed the contents of the report with a number of individuals and organizations, including the members of the Board of Veterans' Affairs, the Veterans' Affairs Division staff, the director of the Department of Social and Rehabilitation Services, the Governor's Office of Budget and Program Planning, the Veterans Administration (VA), and various veterans' organizations.

We wish to express our appreciation to the members of the board and to the director of the department and his staff for the assistance they provided during the review. We also wish to thank the Veterans Administration and various veterans' organizations for assistance they gave us.

Respectfully submitted,

A handwritten signature in cursive script, reading "Morris L. Brusett".

Morris L. Brusett, C.P.A.
Legislative Auditor

TABLE OF CONTENTS

	<u>Page</u>
List of Illustrations	v
Appointive and Administrative Officials	vi
CHAPTER I	
Background	1
Report Objectives	1
Prior Legislative Interest	2
CHAPTER II	
The Board of Veterans' Affairs	3
Introduction	3
Board Operations	3
Structure	3
Staffing	4
Funding	8
Board Goal and Objectives	9
Board/Division Functions	9
CHAPTER III	
Other Organizations Providing Service to Veterans	13
Veterans Administration	13
Veterans' Organizations	15
American Legion	15
Veterans of Foreign Wars	16
Disabled American Veterans	17
Veterans of World War I	17
Other State Agencies Providing Veterans' Service	17

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Department of Institutions	18
Veterans' Coordinator/Advisors at Montana Colleges and Universities	18
Montana Department of Labor	19
CHAPTER IV	
Other States	20
CHAPTER V	
Areas for Legislative Consideration	22
State Veterans' Assistance	22
Effect of Board Termination	27
Allocation of Resources	27
Efficiency of Service Delivery	30
Publicity	31
Telephone Service	32
Travel Schedules	33
Management Information	34
Board Member Compensation	36
Additional Funding Sources	36
Senate Confirmation	37

LIST OF ILLUSTRATIONS

<u>No.</u>		<u>Page</u>
1	Veteran Service Areas	6
2	Board Finances	8
3	Division Service Contacts	11
4	VA Expenditures in Montana	14
5	Other States	20
6	Montana Veterans by Service Period	23
7	Percentage of Representation	25
8	Division Workload	28
9	Potential Division Clientele	28

APPOINTIVE AND ADMINISTRATIVE OFFICIALS

BOARD OF VETERANS' AFFAIRS

		<u>Term Expires</u>
John McGlynn Chairman	Butte	1982
Neil Shepherd Vice-Chairman	Great Falls	1983
Vince Caciari Secretary	Whitefish	1980
Leslie Eskildsen	Malta	1984
John Grauman	Billings	1981

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Keith Colbo	Director
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VETERANS' AFFAIRS DIVISION

David Armstrong, Jr.	Administrator
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Chapter I

BACKGROUND

This sunset performance review addresses the operation of the Montana Board of Veterans' Affairs and the services provided to veterans and their dependents in Montana through the Veterans' Affairs Division.

REPORT OBJECTIVES

The 1977 Legislature enacted legislation terminating numerous boards and agencies, including the Board of Veterans' Affairs. This law, commonly referred to as the "sunset law," requires the Legislative Audit Committee to conduct a performance review of each terminated agency. The performance review must objectively examine the need for each board/agency and the Legislative Audit Committee must offer recommendations for reestablishment, modification, or termination.

Using the information contained in this report, and that gathered during a public hearing, the committee will address the issue of board reestablishment, modification or termination. During the hearing process, testimony and comments will be heard from the board/division and interested members of the public.

In defining legislative intent, the sunset law states that, by requiring periodic evaluation in the form of a performance review, the legislature will be in a better position to ensure that agencies and their

programs exist only to be responsive to state residents' needs. The sunset law terminates the Board of Veterans' Affairs on July 1, 1981. This sunset report is in response to the legal requirement for a review prior to the agency's termination.

PRIOR LEGISLATIVE INTEREST

The 1979 Legislature added a stipulation in the appropriation bill that the board/division study alternatives for providing services to veterans that are more comprehensive and less expensive. The board/division is required to report its findings to the next legislature.

The board/division's emphasis to date has been to review the possibility of using the Department of Social and Rehabilitation Services' county welfare staffs to assist field service officers with initial contacts. The board/division had not completed a report of its findings as of April 1980.

Chapter II

THE BOARD OF VETERANS' AFFAIRS

INTRODUCTION

The Board of Veterans' Affairs was originally established by statute in 1919 as the Veterans' Welfare Commission. The three member commission was appointed by the Governor. In 1945, the commission membership was increased to five, and the commission was authorized to hire staff to establish a statewide service for discharged veterans and their families. After World War II, the commission staff reached a peak of about 50 with 23 field offices. At the present time, there are nine field offices plus two Helena offices and about 20 staff members. During Executive Reorganization in 1971, the commission was renamed the Board of Veterans' Affairs and was attached to the Department of Social and Rehabilitation Services for administrative purposes only.

BOARD OPERATIONS

Structure

The Board of Veterans' Affairs (hereinafter referred to as the board) consists of five voting members who are appointed by the Governor for five year terms. These appointments are not subject to Senate confirmation. Veterans' organizations provide names of potential board members to the Governor when a vacancy exists on the board, although selection from the submitted lists is not required.

All board members must be Montana residents and must have been honorably discharged from service in the military forces of the United States in any of its wars. Not more than one member can be appointed from a single county. The board selects a chairman, vice-chairman, and secretary from its members.

The board met seven times during fiscal year 1978-79. Board members receive \$25 per day compensation plus the travel expenses as provided by state law. There is no statutory authority for payment of the \$25 per day. This issue is discussed in Chapter V.

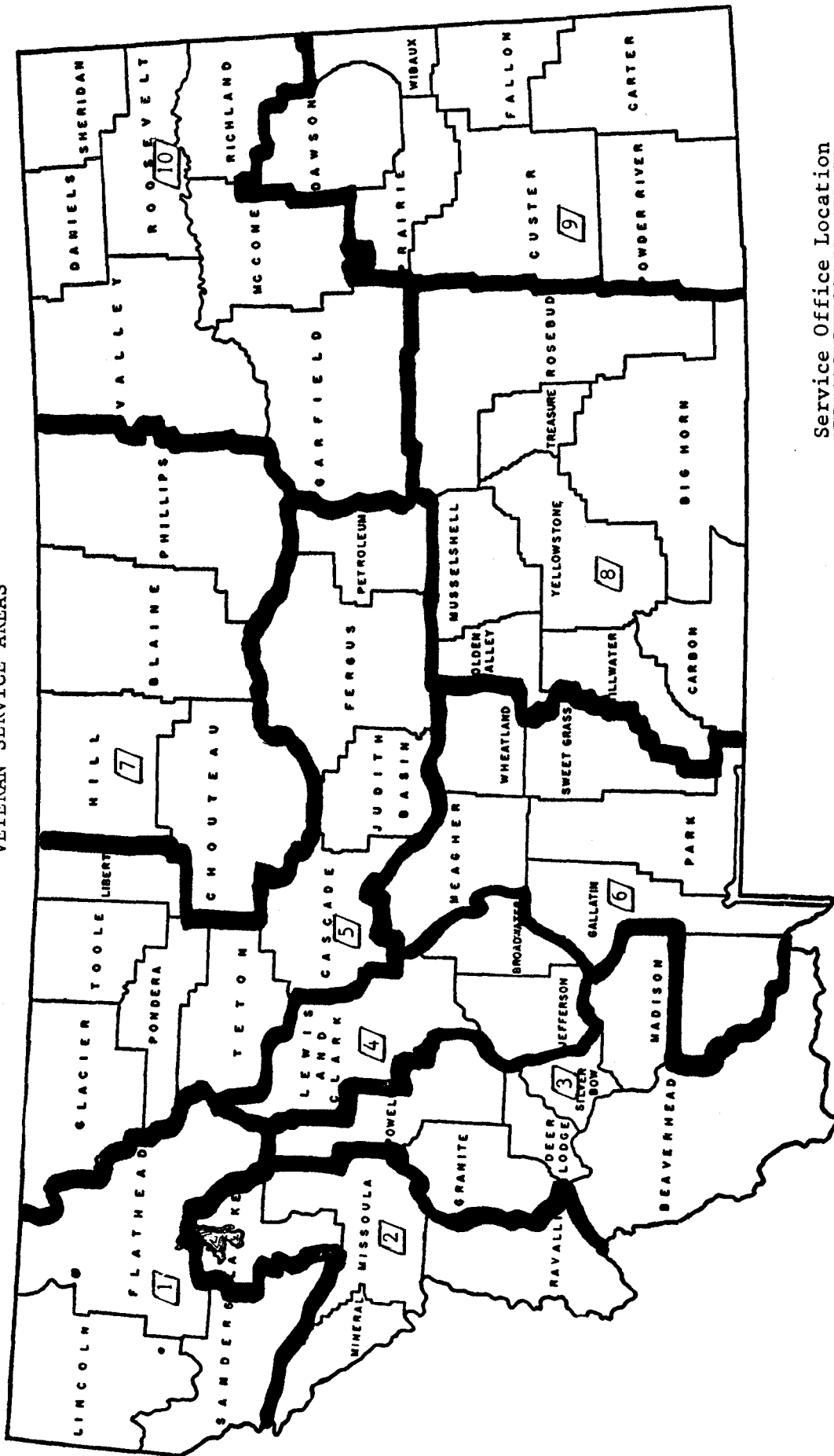
Staffing

The board is attached for administrative purposes to the Department of Social and Rehabilitation Services (SRS), which provides administrative support to the board in the form of legal, budgeting, and minor accounting services. The board is autonomous with respect to policymaking and hires the staff of the Veterans' Affairs Division of SRS which carries out board policies.

The division's central office is in the SRS building in Helena with another office at Fort Harrison. The division also maintains veterans' service field offices in Billings, Bozeman, Butte, Great Falls, Havre, Kalispell, Miles City, Missoula, and Wolf Point. In the following cities the field offices share office

space with SRS offices - Billings, Missoula, Miles City, and Havre. The service area of each field office is shown in Illustration 1.

VETERAN SERVICE AREAS



Source: Compiled by the Office of the Legislative Auditor
from board/division records.

Service Office Location

- | | |
|----------------|----------------|
| 1--Kalispell | 6--Bozeman |
| 2--Missoula | 7--Havre |
| 3--Butte | 8--Billings |
| 4--Helena | 9--Miles City |
| 5--Great Falls | 10--Wolf Point |

Illustration 1

The division is authorized a staff of 22½ full-time equivalents (FTE's): an administrator, a service officer/accountant, a claims officer, nine veterans' service officers, a veterans' service officer trainee, nine administrative secretaries and a half-time file clerk.

The division presently has a staff of 20½ FTE's. The division did not hire replacements when the secretaries quit at offices in Bozeman and Wolf Point because it did not have adequate funding to hire replacements. The staff allocation is as follows:

Helena central office -	administrator, service officer/ accountant, secretary, and a half- time file clerk
Fort Harrison office -	claims officer
Billings, Butte, Kalispell, Miles City, and Missoula -	service officer and secretary at each office
Bozeman, Havre and Wolf Point -	service officer only at each office
Great Falls -	service officer, service officer trainee and secretary

The service officer/accountant is responsible for the majority of accounting, supply, and payroll functions of the division. The administrative secretaries, in addition to their normal secretarial duties, also provide assistance to veterans when the service officer is traveling out of the field office or the service officer is too busy to handle all requests for assistance. The service officer positions at Missoula and Havre are presently filled by trainees who will be

upgraded to service officers after two years of service.

Funding

The board and division are funded by state General Fund appropriations. In addition to funds for the board/division operation, the current appropriation also includes funds to contract with the Veterans of Foreign Wars (VFW) and Disabled American Veterans (DAV) for clerical assistance in their offices at the Fort Harrison Veterans Administration Center. The two contracts provide total annual funding of \$8,300.

The board and division do not charge veterans or dependents for any services provided. Illustration 2 is a summary of appropriations, expenditures, and reversions for the last six fiscal years.

BOARD FINANCES

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Reversion</u>
1978-79	\$361,317	\$361,268	\$ 49
1977-78	340,383	330,704	9,679
1976-77	301,948	297,842	4,106
1975-76	283,312	282,967	345
1974-75	243,772	239,569	4,203
1973-74	150,070	149,134	936

Source: Compiled by the Office of the Legislative Auditor from board/division records.

Illustration 2

Montana is spending approximately \$3.50 per veteran annually. This compares with a high of \$75 in Oregon and a low of \$.50 in Iowa. Spending levels per veteran for other regional states are: Washington - \$11.71; South Dakota - \$5.33; North Dakota - \$4.49; and Idaho -

\$3.46. According to information provided to us by these other states the types of services vary from state to state. This is discussed further in Chapter IV.

BOARD GOAL AND OBJECTIVES

The sunset law requires each board/agency under review to define its goals and objectives. The board defined its goal as being:

- To administer the affairs of all veterans of the armed forces of the United States, their relatives, beneficiaries and dependents who may be entitled to benefits under the laws of the United States and the several states thereof.

Based on the preceding goal, the board listed several objectives as follows:

- To advise veterans and their dependents of the benefits available, both federal and state, and assist them with the filing for these benefits.
- To act as the accredited representative of the veteran or dependent before the Veterans Administration.
- To provide itinerant service to each county of the state on at least a monthly basis.

BOARD/DIVISION FUNCTIONS

The Board of Veterans' Affairs' main function is to oversee the operation of the Veterans' Affairs Division and act as the veterans' advocate in Montana. The board oversees the operation of the division by establishing policies, hiring all employees, approving budget proposals, and maintaining contact with division offices. The board acts as the veterans' advocate by attending related legislative hearings, and district

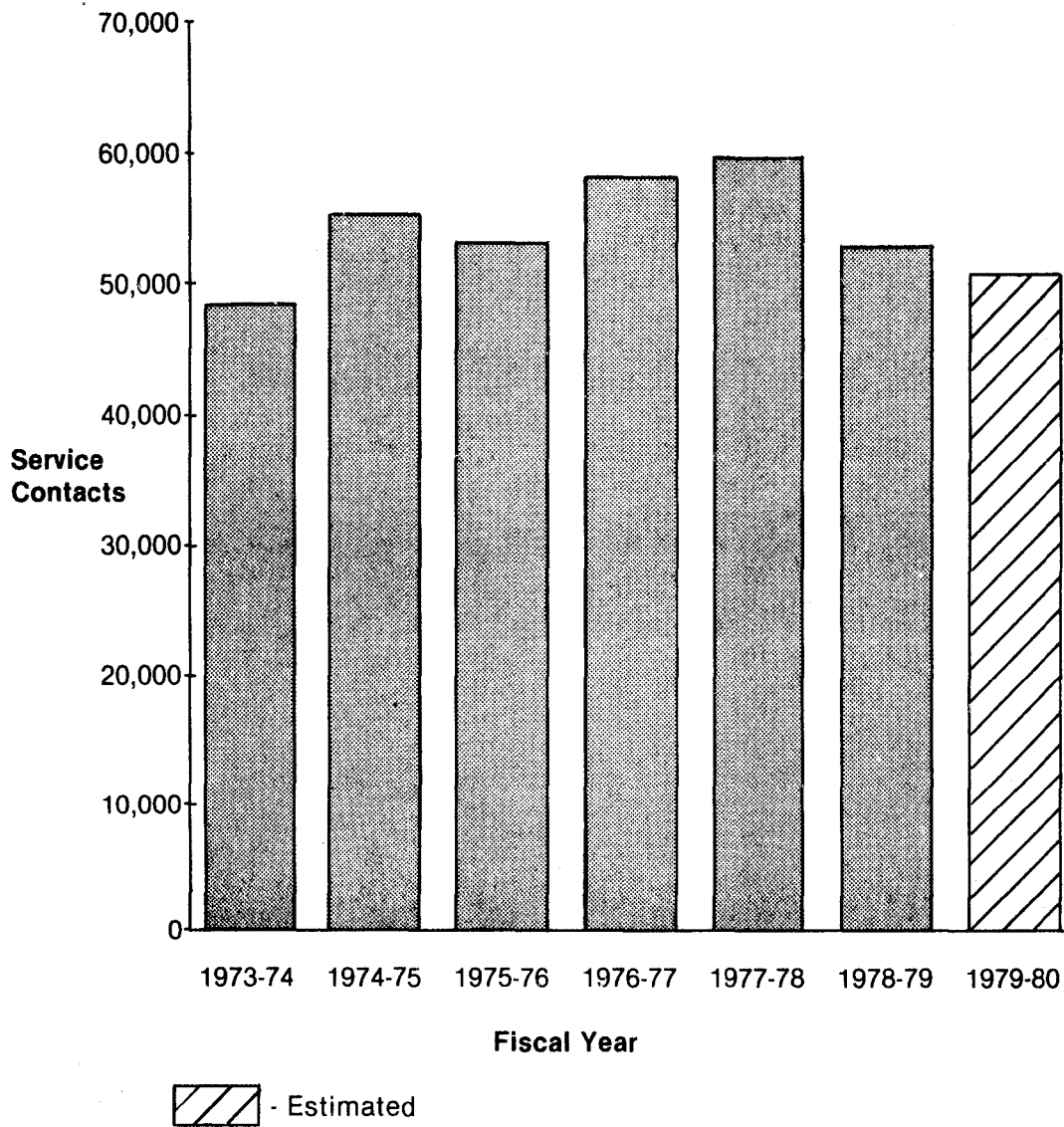
and state veterans' organization meetings. The board has no rule making authority.

The Veterans' Affairs Division's main function is to assist Montana's 106,000 veterans and their dependents in obtaining all veterans' benefits they are entitled to through federal and state law. The division does not expend any funds for direct veterans' benefits. The assistance provided by the division includes information on available veterans' benefits, provision of Veterans Administration (VA) forms, assistance in completing forms, representation before the regional VA appeals board, and referral to other agencies where applicable. The division provides this assistance in cooperation with the VA, various veterans' organizations, and other state agencies. The board/division holds limited powers of attorney for 45,700 veterans and dependents. These powers of attorney only authorize the board/division to represent the applicable veterans and dependents before the VA and to access the individuals' VA files.

Besides providing service in established field offices, the service officers also periodically travel to various communities in their assigned areas to provide service to veterans. The service officers have established contact points in each community where they are available to provide service for a scheduled time period.

Illustration 3 shows the division's service contact levels over the past six fiscal years plus an estimate of the current fiscal year.

DIVISION SERVICE CONTACTS



Source: Compiled by the Office of the Legislative Auditor from board/division records

Illustration 3

The division defines a service contact as any communication with a veteran or dependent regarding veterans' benefits including a telephone call, office visit or field visit.

The decreases in contacts can be attributed to various factors including:

1. Changed veterans' pension laws which consider social security income in determining eligibility, thereby making fewer veterans eligible for the pensions.
2. Expiration of the present veterans' educational benefits program.
3. Ten percent personal car mileage cutback and six percent gas consumption cutback on state vehicles imposed by a Governor's Executive Directive to conserve energy.
4. Extended illnesses of two service officers which decreased available service and field travel for the Butte and Billings offices.
5. Replacements not being hired for secretaries who terminated at Bozeman and Wolf Point, thereby decreasing available service in those offices.

Chapter III

OTHER ORGANIZATIONS PROVIDING SERVICE TO VETERANS

There are various other agencies and organizations (including the Veterans Administration (VA) and various veterans' organizations) which provide service to veterans and their dependents. The following is a summary of the services available from these agencies and organizations.

VETERANS ADMINISTRATION

The Veterans Administration (VA) is a federal agency established in 1930 to administer federal veterans' benefit programs. These programs include compensation, pensions, housing loans and guarantees, educational benefits, and medical care. The VA expenditures in Montana for these programs during the federal fiscal year 1978-79 are shown in Illustration 4.

VA EXPENDITURES IN MONTANA
DURING FEDERAL FISCAL YEAR 1978-79

Service Connected Compensation	
Disability	\$20,400,000 to 8,000 veterans
Death	\$2,400,000 to 800 families
Burial	\$11,000 to 10 families
Non-Service Connected Compensation	
Disability "Pension"	\$7,200,000 to 3,500 veterans
Death "Pension"	\$3,600,000 to 3,500 families
Burial	\$600,000 to 1,400 families
Educational Benefits	
GI Bill Readjustment	\$10,000,000 to 3,000 veterans
Dependents - Educational Assistance	\$700,000 to 250 wives and children
Vocational Rehabilitation	\$500,000 to 80 veterans
Medical Services Provided	\$17,000,000 to 5,500 in-patients and 41,000 out-patients
Direct Home Loans	\$ 5,220,000 to 200 families
Guaranteed Home Loans	\$89,330,000 to 2,000 families

Source: Veterans Administration

Illustration 4

The VA's Montana regional office and a veterans' hospital are located at Fort Harrison near Helena. The VA also has a veterans' hospital at Miles City. The VA Veterans Assistance Division at Fort Harrison has a service staff of 18 which includes one field service officer who is located at the Miles City VA hospital. The other 17 staff members provide toll-free telephone assistance, VA forms, assistance to veterans at the veterans' hospital, assistance in establishing trust accounts for applicable veterans or their dependents and assistance at colleges and universities during

registration. The VA does not provide scheduled field service for veterans.

The VA processes all claims submitted for veterans' benefits and will either approve or deny each claim. The VA's decisions can be appealed to various levels of VA appeals boards. The VA cannot represent the appealing veterans before these appeal boards. The Veterans' Affairs Division and veterans' organizations can represent veterans before these appeals boards if given a limited power of attorney.

The VA works with the board/division and veterans' organizations in providing service to veterans. The VA conducts an annual service officer training seminar at Fort Harrison and keeps the board/division informed regarding changes in veterans' benefits throughout the year.

VETERANS' ORGANIZATIONS

Various veterans' organizations provide service to Montana veterans. The major organizations in Montana are the American Legion, Veterans of Foreign Wars (VFW), Disabled American Veterans (DAV), and Veterans of World War I. The following is a brief summary of each organization's membership and services provided to veterans in Montana.

American Legion

The Montana American Legion has 12,500 members in 122 posts. The American Legion has 84 appointed post

service officers and a department adjutant in Helena to coordinate Montana activities.

The post service officers generally provide minimal service such as general information, VA forms and referrals. The American Legion has no state level service officers so requests for additional service and related powers of attorney are generally referred to the Veterans' Affairs Division.

Veterans of Foreign Wars

The Montana Veterans of Foreign Wars (VFW) has 10,705 members in 90 posts. The VFW has approximately 45 appointed post service officers, who generally provide minimal service such as general information, VA forms and referrals.

The VFW has two state level service officers - one full-time at Fort Harrison and the other, who is also the state adjutant, works at the organization's office in Helena. Each office has a secretary--one is funded completely by the VFW and the other is partially funded through a contract with the Veterans' Affairs Division. These state service officers provide assistance in submitting claims for VA benefits and will represent or appear with veterans or dependents appealing their case with the VA. The VFW holds approximately 8,000 limited powers of attorney for Montana veterans.

Disabled American Veterans

The Montana Disabled American Veterans (DAV) has 3,300 members in 20 chapters. Each of the chapters appoints service officers who generally provide minimal service such as general information, VA forms and referrals.

The one DAV state level service officer, who has an office at Fort Harrison, provides assistance to veterans and dependents and will represent or appear with them in appealing their cases with the VA. The service officer presently maintains files for approximately 18,000 veterans. He has a full time secretary funded by the DAV and a part time clerical position funded through a contract with the Veterans' Affairs Division.

Veterans of World War I

The Montana Veterans of World War I have 1,100 members in 27 barracks (posts) located around the state. Each barrack has an appointed service officer who generally refer requests for assistance to the Veterans' Affairs Division.

OTHER STATE AGENCIES PROVIDING VETERANS' SERVICE

Services provided to Montana veterans have not been centralized under any specific state agency. In addition to the board/division, the Montana Department of Institutions, Montana universities and colleges and the Montana Department of Labor provide various types of assistance to Montana veterans.

Department of Institutions

The Department of Institutions operates the Montana Veteran's Home in Columbia Falls, which provides both domiciliary and nursing care for veterans and their widows. There are 100 domiciliary beds and 40 nursing beds in the facility, and the facility is normally at 100 percent capacity. Presently, there is a waiting list of about 40 for nursing beds, but no waiting list for the domiciliary care. Part of the cost of caring for veteran residents of the home is covered by reimbursement from the Veterans Administration.

Some veterans reside in other state institutions (i.e., Warm Springs and Galen). A person in such an institution is charged for care based on the individual's financial resources. Department of Institutions' personnel and the local division representatives determine if a veteran may be eligible for benefits and apply if the individual is eligible. Any such benefits reduce the state cost of caring for the individual.

Veterans' Coordinator/Advisors at Montana Colleges and Universities

All Montana colleges and universities have some form of veterans' coordinator/advisors to assist veterans in obtaining veterans' educational benefits. These personnel generally specialize in educational benefits and will refer requests for other assistance

to the Veterans Administration or the Veterans' Affairs Division.

Montana Department of Labor

The Montana Department of Labor provides job placement assistance for veterans through its job service offices around the state.

Chapter IV

OTHER STATES

All states except Utah and Wyoming have agencies which provide various forms of assistance to veterans. The following illustration compares Montana's services with those of 41 states responding to our requests for information:

OTHER STATES COMPARED TO MONTANA

<u>Facet</u>		<u>United States</u>	<u>Montana</u>
Organization	31	States with Board Type Structures	Board of Veterans' Affairs
	10	State Agencies Only	
Board Size	11	Boards - 1 to 5 members	5 members
	13	Boards - 6 to 10 members	
	7	Boards - more than 10 members	
Board Makeup	26	Boards - Veterans only	Veterans only
	4	Boards - No specific requirement	
	1	Board - Veterans + 2 public members	
Functions	10	Boards - Advisory	Advisory/Policy Making/Administrative
	8	Boards - Policy Making	
	7	Boards - Advisory/Policy-making	
	3	Advisory/Policy Making/Administration	
	2	Boards - Advisory/Policy-making/Administration/Other	
	1	Board - Advisory/Policy-making/Other	
Number of Service Officers	12	States - 1 to 10	11 Service Officers and One Trainee
	11	States - 11 to 25	
	6	States - 26 to 50	
	5	States - More than 50	
Services Provided	38	States - Assistance in Completing VA Forms	Yes
	40	States - General Veterans' Benefit Information	Yes

(con't)

<u>Facet</u>	<u>United States</u>	<u>Montana</u>
2 States - Toll Free Telephone Lines		No
28 States - Public Service Announcements on Radio and Television		Yes
32 States - Field Offices		Yes
31 States - Scheduled Service Officer Travel		Yes
36 States - Appeal Board Representation		Yes

Source: Compiled by the Office of the Legislative Auditor.

Illustration 5

The types of veterans' service available from other states vary considerably from advisory functions only to specialized veterans' assistance, including the operation of veterans' nursing homes, domiciliaries, loan programs, and cemeteries. Although most states have veterans' service officers similar to those provided by Montana, some have county service officers and a few have no service officers. Assistance to veterans in Utah and Wyoming is limited generally to centralized service by the VA, full-time veterans' organization service officers at VA facilities and limited service by local post or unit service officers.

Chapter V

AREAS FOR LEGISLATIVE CONSIDERATION

In previous reviews of boards in Montana, the design and effectiveness of certain aspects of board operations have warranted legislative consideration. The intent of the following sections is to briefly discuss these aspects as they apply to the Board of Veterans' Affairs. The areas for consideration are:

1. State veterans' assistance.
2. Effect of board termination.
3. Allocation of resources.
4. Efficiency of service delivery.
5. Management information.
6. Board member compensation.
7. Additional funding sources.
8. Senate confirmation.

STATE VETERANS' ASSISTANCE

There are approximately 106,000 veterans in Montana, who when considered with their dependents, represent a significant portion of Montana's population. A veteran is defined by the Veterans Administration (VA) as a person who has served in the active military, naval or air service and who was discharged or released under conditions other than dishonorable. Illustration 6 shows Montana veterans grouped as to period served.

required forms and supporting information. Because of the complexities of the veterans' benefit laws, most veterans and dependents need assistance from an individual who has an adequate knowledge of veterans' benefits.

During our review we examined the many forms required by the Veterans Administration (VA) for various benefits and other purposes. While veterans and dependents might be able to complete some of the forms, there are many other forms that would require assistance to complete due to the complexity of federal regulations related to benefits. Without assistance, many veterans and dependents would not receive the benefits to which they are entitled.

Although the veterans' benefit program is basically a federal program administered by the VA, it is unlike other federal programs which either provide complete service in obtaining benefits or provide federal funding to support the service effort. For example, the Social Security program provides its own service offices and field personnel to assist individuals in obtaining Social Security benefits. Assistance programs for needy families are administered and staffed by SRS, but are funded by a combination of federal and state funds.

The VA does not provide complete service to veterans or federal funding to support other service functions. The VA provides office space for the board/division claims officer and veterans' organizations personnel at Fort Harrison. After World War II and into the 1950's, and during the Vietnam conflict, the VA provided field services with up to 14 field service

personnel. The VA has been cutting back its service staff on a nationwide basis because of: the decreasing number of veterans eligible for benefits and requesting assistance, services being provided by the various states, and implementation of federal expenditure cut-backs.

Montana, like many other states, has continued to provide assistance to veterans. The board/division is now the only agency providing statewide field service offices in major cities and scheduled travel to other communities to assist veterans in obtaining VA benefits. The VA did a study to determine what percentages of VA claimants are currently represented by various organizations through power of attorney. The following illustration summarizes these percentages.

PERCENTAGE OF REPRESENTATION

Board/Division	38%
Disabled American Veterans	10%
Veterans of Foreign Wars	3%
AMVETS/American Legion/Purple Hearts	4%
Other	1%
No Power of Attorney	44%

Source: Veterans Administration

Illustration 7

If the board/division services were terminated, a reduction in overall services would occur. Remaining veterans service would include free telephone assistance through the VA's toll free telephone line, VA

provision of forms upon request, educational related assistance at the various universities and colleges, job placement assistance from state employment offices and the provision of limited information and VA forms from veterans' organization post or unit service officers.

When questioned on their ability to replace the state services, the veterans' organizations did not believe they had the resources to replace the field services provided by the division. Their post service officers are voluntary and do not have the time or training to replace the division's service officers.

The board, veterans' organizations, and the Veterans Administration believe that the termination of the state services would seriously limit available assistance to veterans and their dependents. If such a termination of service occurred, many veterans and dependents would never become aware of benefits available to them or would give up in frustration during the process to submit a claim. As a result, Montanans would lose an undeterminable amount of VA benefits, and this loss could place additional burdens on other state assistance programs. Veterans' assistance is also acknowledged in the present state constitution which states that Montana "veterans may be given special considerations determined by the legislature."

EFFECT OF BOARD TERMINATION

As mentioned previously, the board's main functions are to oversee the operation of the Veterans' Affairs Division and act as the veterans' advocate. It is probable the division could continue to provide services if the board were terminated and the division was placed under direct supervision of the Department of Social and Rehabilitation Services.

There would be a minimal savings of approximately \$4,500 annually in board per diem and travel expenses if the board were terminated. The board members and veterans' organizations believe the most significant effect of terminating the board would be the loss of the veteran input and representation the board provides for Montana veterans and their dependents. The Department of Social and Rehabilitation Services' director believes the veterans' input is beneficial and would favor retention of the board or at least establishment of an advisory council if the board were terminated. The costs of an advisory council would probably be similar to those of the present board.

ALLOCATION OF RESOURCES

As part of our review, we examined the distribution of staff, workload, potential clients, and the extent of duplication of services available to veterans. Illustrations 8 and 9 show the number of staff

serving veterans and dependents, number of service contacts for fiscal year 1978-79, and the number of veterans in each service area.

DIVISION WORKLOAD
Fiscal Year Ending 6/30/79

<u>Office</u>	<u>Number of Service Staff</u> ¹	<u>Total Office Contacts</u>	<u>Contacts per Staff Member</u>
Kalispell	2	10,383	5,192
Billings	2	8,729	4,365
Butte	2	7,223	3,612
Great Falls	3	9,816	3,272
Bozeman	1	3,084	3,084
Wolf Point	1	2,700	2,700
Missoula	2	4,545	2,273
Havre	1	1,813	1,813
Miles City	2	2,561	1,281
Helena	2	1,138	569
Total	18	51,992	

¹ Secretaries are included in the service staff of field offices.

Source: Compiled by the Office of the Legislative Auditor

Illustration 8

POTENTIAL DIVISION CLIENTELE

<u>Office</u>	<u>Number of Service Staff</u> ¹	<u>Total Veterans Population in Service Area</u>	<u>Veterans per Staff Member</u>
Billings	2	19,050	9,525
Bozeman	1	7,760	7,760
Missoula	2	14,770	7,385
Great Falls	3	19,370	6,457
Butte	2	11,970	5,985
Wolf Point	1	5,940	5,940
Havre	1	5,450	5,450
Kalispell	2	10,290	5,145
Helena	2	6,370	3,185
Miles City	2	5,030	2,515
Total	18	106,000	

¹ Secretaries are included in the service staff of field offices.

Source: Compiled by the Office of the Legislative Auditor

Illustration 9

These two tables indicate that the division service personnel may not be distributed properly on the basis of need. In the area of contacts, Kalispell and Billings are handling many more contacts per staff member than Helena and Miles City. In the area of potential division clientele, Billings and Bozeman have a much higher potential for needed service as compared to Helena and Miles City.

In our review, we found some duplication exists in Helena, where the board/division, VA, Veterans of Foreign Wars (VFW), and Disabled American Veterans (DAV) all have offices with full-time service officers who will provide assistance for veterans and their dependents. The board/division, VFW, or DAV service officers can access the veterans' files and also represent veterans and dependents or appear with them in appealing claims before the regional VA appeals board if given a limited power of attorney. As mentioned previously, the VA cannot represent appealing veterans before these appeal boards.

The only community other than Helena which has more than one full-time veterans' service officer is Miles City, where the VA has a service officer at the Veterans' Hospital and the board/division also has a service officer in town. The VA service officer is generally limited to assisting veterans at the Veterans' Hospital, so the overlap of services is probably not significant.

Regarding services provided by veterans' organization post or unit service officers and board/division service officers located around the state, there may be minor duplication in the areas of providing forms and general information. However, veterans' organization officers believe that their post and unit service officers are not adequately trained and do not have the time to provide detailed assistance such as that supplied by division personnel.

There is also some duplication in the area of accounting for the board/division activities. Although SRS has a Fiscal Bureau which handles the accounting function for other department divisions, the board/division's service officer/accountant is responsible for accounting for most board/division financial activity. The service officer/accountant position could become a full-time service officer position if the accounting function was assigned to the SRS Fiscal Bureau.

The board/division should reexamine the distribution of its staff or assigned service areas to equalize staff workload and the number of potential clients, as well as keep duplication of services to a minimum.

EFFICIENCY OF SERVICE DELIVERY

During our review we noted deficiencies in the following service areas:

1. Publicity.
2. Telephone service.
3. Travel schedules.

Publicity

As part of our review, we sent questionnaires to 134 veterans and dependents who had received services from the board/division. We also contacted 48 Montana officers of the major veterans' organizations regarding their opinions on the board/division services. Sixty-five veterans and dependents receiving service and 32 veterans' organization officers responded to our questionnaires.

The board/division has done only a minimum amount of advertising of its services and veterans' benefits. Sixty percent of the responding veterans or dependents who had received service from the division did not know that the division was a state agency. Twenty-eight percent of the respondent veterans and dependents and 19 percent of the veterans' organization officers did not think that board/division publicity of veterans' benefits was adequate. Although the board/division is advertising field service officer travel schedules on a regular basis, 35 percent of the contacted veterans and dependents and 23 percent of the veterans' organization officers thought that service officer travel schedule publicity was inadequate.

Seventy percent of Montana veterans are not members of a veterans' organization. Because these non-member veterans and their dependents do not have as good an access to veteran related information as do veterans' organization members, it is important that the board/division also emphasize reaching these non-member veterans. The board/division's efforts in this area appear inadequate, especially in the area of publicity.

Through more media usage, the board/division could make veterans and their dependents more aware of available services and veterans' benefits. The board/division could make better use of public service time and programs on radio and television to advertise veterans' benefits and its service function. For a minimal cost, the board/division could also develop pamphlets describing the division and veterans' benefits.

Telephone Service

The board/division could improve its service to veterans through the establishment of a toll-free telephone line at the division's central office in Helena. Such a line would provide timely service to veterans and dependents, who might otherwise be frustrated by trying to contact the Veterans Administration (VA) toll-free line which is very busy. The toll-free line would cost a minimum of \$3,240 a year (15 hours of

telephone time per month) and the current central office staff should be adequate to handle such a line.

Telephone service might also be improved within those field offices which do not have state hotline phones: Bozeman, Butte, Kalispell, and Wolf Point. These offices are currently limited by the central office to \$20 a month in long distance calls. By providing state telephone lines where possible, these offices will be able to make more timely contacts with the division central office and veterans and dependents seeking assistance.

Travel Schedules

As mentioned previously, the board/division provides veterans' assistance in various Montana communities through scheduled service officer travel. Each service officer has an established travel schedule which is publicized and followed as closely as possible. During fiscal year 1978-79, approximately 20 percent of all personal contacts were field contacts.

Service officer personal car mileage was cut back ten percent during fiscal year 1979-80 as part of a state energy conservation program. Because of this and previous travel budget cuts, the board/division is unable to meet its established goal of visiting all counties at least once each month. Planned total service officer travel for fiscal year 1979-80 is 73,000 miles as compared to a total of 120,000 miles traveled in 1964.

Travel schedules have been generally left to the discretion of the applicable service officer in the assigned service areas. One of the problems noted during our review was that two service officers were suspending travel for two consecutive months. This policy could create hardships for the veterans and their dependents in these service areas. The travel cutbacks should be spread over the entire year to minimize the effect.

The board/division has not in recent years reviewed overall travel and related contacts to determine the effectiveness of present travel schedules. The division's central office is also not receiving summaries of field contacts per scheduled trip, although such information is available in the field offices. In order to maximize service within authorized travel levels, the board/division should review the overall effectiveness of its travel program.

MANAGEMENT INFORMATION

Until August 1978, the board/division's statistical information was limited mainly to the number of contacts made by each office, the number of VA claims submitted and powers of attorney held. The methods for recording contact information varied from office to office. In August of 1978, the board/division implemented standardized contact logs to provide more detailed and consistent information on contacts and related information.

In our review of contact records at the field offices, we found minor cases of incomplete contact logs. Since contacts are the basis for statistics on services provided, the board/division should emphasize to its staff the importance of complete contact records.

During the 1979 legislative session, some dissatisfaction was expressed because the board/division could not provide information regarding the actual number of individual veterans being served and the number of times each was served. Contacts, as presently recorded, only indicate the total number of veterans or dependents visited or contacted. The board/division has taken the position that gathering information to obtain the actual number of veterans served would not be cost beneficial, but has made no feasibility study other than a cursory review.

Although the board/division has made some progress in maintaining adequate management information, further improvement is needed. The board/division needs to develop additional information regarding the number of veterans served, trends in contacts, veteran population, veterans' benefits and service officer travel. With such information, the board/division will be better able to manage and improve the effectiveness of its operation. Such information will also provide the legislature with a better basis for making decisions as

to the need and required funding levels for the board/division.

BOARD MEMBER COMPENSATION

As noted earlier in this report, board members are paid \$25 per day for each day spent on board business, in addition to the reimbursement of other allowable expenses. We could find no statutory authorization for the \$25 per day payment.

Although previous statutes authorized that board members be paid \$25 per day, amendments made during the 1974 legislative session deleted this authorization. Other boards and advisory councils are authorized similar compensation. If the \$25 per day compensation is to be continued, specific legislation should be enacted to authorize the \$25 payments.

ADDITIONAL FUNDING SOURCES

Although the board is empowered to accept federal funds to carry out its functions, it has found no such available funding. Our review of possible funding sources disclosed that there might be funds available for outreach programs for Indian veterans through the Department of Health, Education and Welfare and volunteer veterans' service programs through ACTION grants. The board/division might also benefit from surplus government property distributions of office equipment through the General Services Administration and the Department of Defense.

SENATE CONFIRMATION

Gubernatorial appointments to the board are not subject to Senate confirmation. The Senate confirms the appointments to some of the state's boards and commissions. In addition, during the 1977-79 biennium of sunset, the Legislative Audit Committee recommended that appointments to regulatory boards be subject to Senate confirmation. Although the Board of Veterans' Affairs is not a regulatory board, Senate confirmation could be included in the selection process.

VISITORS' REGISTER

(Please leave prepared statement with Secretary)

STANDING COMMITTEE REPORT

February 20 19 31

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE Bill No. 386

Respectfully report as follows: That SENATE Bill No. 386

DO PASS

STATEMENT OF INTENT ATTACHED

STANDING COMMITTEE REPORT

February 20 19 81

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration STATEMENT OF INTENT, SENATE 386
Bill No.

Respectfully report as follows: That STATEMENT OF INTENT, SENATE 386
be adopted. Bill No.

STATEMENT OF INTENT RE: SB 386

A statement of intent is required for this bill in that it delegates rulemaking authority to the various licensing boards within the Department of Professional and Occupational Licensing.

This bill grants the various licensing boards within the Department of Professional and Occupational Licensing the authority to establish continuing education programs and requirements to insure maintenance of professional knowledge and competency of licensees. It is the intent of the Legislature that the continuing education programs have as their primary objective the protection of the health, safety, and welfare of the public, and, that the programs not serve primarily to limit entry into the profession or occupation or to promote the personal interests of the licensees.

DO PASS

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-20-81 Bill No. 386 Time 11:00

NAME	YES	NO
Hazelbaker	x	
Goodover	x	
Dover	x	
Kolstad	x	
Lee	x	
Blaylock		x
Boylan	x	
Regan	x	

M. Miller
Secretary

Frank W. Hazelbaker
Chairman

Motion: Moved "Do Pass as Amended", with Statement of Intent.

(include enough information on motion—put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

February 20

1911

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE

Bill No. 387

Respectfully report as follows: That SENATE

Bill No. 387

DO PASS

J.C.

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-20-81

Bill No. 387

Time 11:10 a.m

NAME	YES	NO
Hazelbaker	x	
Goodover	x	
Dover	x	
Kolstad	x	
Lee	x	
Blaylock		x
Boylan	x	
Regan	x	

M. Miller

Secretary

Frank W. Hazelbaker

Chairman

Motion: Moved "Do Pass".

(include enough information on motion—put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

February 20 81

19.....

MR. PRESIDENT.....

We, your committee on BUSINESS AND INDUSTRY.....

having had under consideration SENATE..... Bill No. 420.....

Respectfully report as follows: That SENATE..... Bill No. 420.....

DO PASS

STANDING COMMITTEE REPORT

February 29

19⁵¹

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE Bill No. 421

Respectfully report as follows: That SENATE Bill No. 421

DO PASS

H.C.

STANDING COMMITTEE REPORT

February 20 19 31

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE 445 Bill No.

Respectfully report as follows: That SENATE 445 Bill No.

DO PASS

4/c.

SENATE COMMITTEE BUSINESS AND INDUSTRY

Date 2-20-81

Bill No. 445

Time 11:30 a.m.

NAME	YES	NO
Hazelbaker	x	
Goodover	x	
Dover	x	
Kolstad	x	
Lee	x	
Blaylock	x	
Boylan	x	
Regan	x	

M. Miller
Secretary

Frank W. Hazelbaker
Chairman

Motion: Motion voted "Do Pass" - unanimous.

(include enough information on motion—put with yellow copy of committee report.)