

PROGRAM: VETERAN'S AFFAIRS

ADMINISTRATION

	1982	1983	-----1984-----		-----1985-----		
	<u>Actual</u>	<u>Approp.</u>	<u>Executive</u>	<u>Current</u>	<u>Executive</u>	<u>Current</u>	
				<u>Level</u>		<u>Level</u>	
					<u>Difference</u>	<u>Difference</u>	
FTE	20.50	20.50	20.50	18.50	(2.00)	18.50	(2.00)
Personal Services	\$ 365,407	\$ 409,512	\$ 440,137	\$ 396,444	\$ (43,693)	\$ 395,960	\$ (44,660)
<u>Operating Expenses</u>							
Contracted Services	\$ 12,089	\$ 13,978	\$ 13,467	\$ 14,283	\$ 816	\$ 15,135	\$ 872
Supplies	3,759	1,576	4,224	2,129	(2,095)	2,255	(2,223)
Communications	10,361	12,925	10,391	9,705	(686)	11,073	(48)
Travel	28,912	26,653	31,340	30,422	(918)	31,742	(922)
Rent	23,322	22,489	6,085	26,204	20,119	27,776	21,326
Repairs	314	129	353	351	(2)	372	(2)
Other	1,937	520	2,741	536	(2,205)	566	(1,742)
Total	\$ 80,694	\$ 78,270	\$ 68,601	\$ 83,630	\$ 15,029	\$ 88,919	\$ 17,261
Equipment	400	1,888	-0-	400	400	400	400
Total Admin.	\$ 437,501	\$ 489,670	\$ 508,738	\$ 480,474	\$ (28,264)	\$ 485,279	\$ (26,999)
<u>Funding</u>							
General Fund	\$ 437,501	\$ 489,670	\$ 508,738	\$ 480,474	\$ (28,264)	\$ 485,279	\$ (26,999)

<u>FTE</u>	<u>Actual FY 1982</u>	<u>FY 1984</u>	<u>FY 1985</u>
Executive	20.50	20.50	20.50
LFA	<u>20.50</u>	<u>18.50</u>	<u>18.50</u>
Difference	-0- ===	2.00 =====	2.00 =====

The difference is due to the LFA deleting two positions vacant at fiscal year-end and filled an average of 17 percent of the time in fiscal 1982.

Positions Deleted

<u>Pos. No.</u>	<u>Title</u>	<u>FTE</u>
00387	Veterans' Service Officer	1.00
00396	Veterans' Service Officer	<u>1.00</u>
		2.00

### Operating Expenses

Following the submittal of the initial program request, the department filed with the executive a revision to the initial request. The revision contemplated changes arising as a consequence of the proposed move to the Department of Military Affairs. The LFA did not receive a copy of the revision, prepared October 22, 1982, until the second week in February, 1983. Consequently, the revision is incorporated in the executive budget, but not in the LFA current level analysis.

### Program Discontinuation

The Governor's Council on Management has recommended the elimination of the Veterans' Affairs program on the grounds that it duplicates services being provided elsewhere. We have enclosed supporting papers from the council's recommendation along with findings from the Legislative Auditor's 1980 sunset audit of this program.

The Governor's Council on Management makes a broad statement indicating that the entire agency reflects a duplication of services.

The auditor's report indicates that there are areas in which services may not be duplicated.

MN:rc:d(2)

## Issue 1: Program Discontinuation

The Veterans' Affairs Division has been the subject of close legislative scrutiny for at least the last two sessions. Concern has been expressed that taxpayers' dollars have been misspent through funding of an organization that duplicates services already offered by other organizations such as the Veterans' Administration, Veterans of Foreign Wars and Disabled American Veterans. This year the Governor's Council on Management, in a report issued in October, has also recommended abolishing the Veterans' Affairs Division on the grounds of duplication of services.

While it is true that all of the above organizations exist to provide services to veterans, the extent to which services are duplicated is not so clear. The 1980 Veterans' Affairs sunset audit indicates that:

(1) the VA does not provide scheduled field service for veterans (pg. 15),

(2) the American Legion and Veterans of World War I provide service primarily through referrals to the Veterans' Affairs Division (pp. 16, 17),

(3) neither the VFW nor DAV provide scheduled field service (pp. 16, 17),

(4) the [Veterans' Affairs] 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 (pg. 25),

(5) if the division services were terminated, a reduction in overall services would occur (pg. 25),

(6) 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 (pg. 26), and

(7) veterans' organizations and the VA believe that termination of state services would seriously limit available assistance to veterans and their dependents.

### OPTIONS

Option a: Eliminating the division would eliminate 18.5 FTE, plus operating expenses, for total general fund savings of \$480,474 in fiscal 1984 and \$485,279 in fiscal 1985.

Option b: Retain the program.

Option c: Consider program consolidation.

# Governors Council on Management

## 134. Abolish the Veterans Affairs Division.

The sole function of this division and its eight field offices is to act as a liaison between the federal government and veterans or their dependents when claims are processed. This is unnecessary because it duplicates services offered by the Veterans Administration as well as the American Legion, Disabled American Veterans, and the Veterans of Foreign Wars.

The division should be abolished since claimants could file directly with the federal government. Implementation will eliminate over 20 full-time positions, plus operational expenses, for an annual saving of \$443,000.

The Veterans' Affairs Division gives moral and backup support to the Veterans and keeps a complete current file, both active and inactive of each Veteran who has contacted them. The Division acts strictly as an ombudsman between the Veteran and the Veterans Administration.

This Division is basically a duplication of the federal Veterans' Administration Agency and should be abolished.

### Problem:

The Division duplicates a function of the Veterans' Administration Federal Agency of processing claims for veterans.

All of the Veterans' files are stored in Helena. The Veterans' Administration's regional headquarters for the State of Montana is located at Fort Harrison outside of Helena.

There is also some duplication of services with other Veterans' Services Organizations such as: American Legion, Disabled American Veterans, and the Veterans of Foreign Wars, who also act as an ombudsman for the Veterans.

### Solution:

Abolish the Division and send all referrals to the federal level direct.

### Benefit:

Entire budget of \$443,000 annually