

other instances where performance reports show the employee to be an excellent worker, and yet the time records checked showed conclusively that said employee was entirely undependable, took time off whenever he felt like it, frequently when the workload was the heaviest, and in any private employment would probably have not stayed through the second week.

In several other instances performance reports showed a rating in the high 90's, whereas in the budget hearing the same administrator who made out the report testified that he would need more employees because of the low quality of help he had. This has occurred in many state agencies. There have been instances where administrators have appeared before the Personnel Board and asked for increases of pay rates and an upgrading in classification for the reason that they could not get competent employees, and yet the employees they had in the same classifications were all rated in excess of 90. There have been other instances where an administrator has told an employee that he did not consider him available to take promotional examinations, and yet the rating on his job was in excess of 90, indicating excellence of performance which would qualify for promotion.

The proper use of performance reports as originally intended by the administrators of the several departments of the State will result in materially improving the efficiency of state employees and increasing the quality and quantity of work.

The budgets of the operation of such agencies whose functioning affects others should be so adjusted that the necessary services are adequately provided and appropriations therefor are not diverted to other purposes of expenditure.

Likewise the budgets of agencies not making use of established administrative procedures to increase efficiency should be adjusted so as to require these administrators to take such action.

In the following item by item analysis of the Appropriation Bill we have made recommendation wherever appropriations for individual agencies involve any of the over-all principles we have previously mentioned.

Item Analysis of the Proposed Appropriations in the Budget Bill (Senate Bill No. 666 and Assembly Bill No. 1250) for the Fiscal Year 1947-48

Legislative

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Current Expenses of the Legislature

Items 1 to 14, inclusive, page 2 of the Budget Bill, pages 1 to 3, inclusive, of the Budget. Amount requested, \$1,012,045 for current expenses—from the General Fund. This represents an increase of \$563,463 or 125.6 percent over expenditures of \$448,582 for the 1945-46 Fiscal Year; and a decrease of \$469,981 or 31.7 percent under the amount of \$1,482,026 allowed for expenditures in the 1946-47 Fiscal Year.

At the request of legislative officers, the Legislative Auditor assisted in the preparation of a Legislative Budget for the 1947-48 Fiscal Year. This budget was approved by the President pro Tempore of the Senate

and the Speaker of the Assembly, and a budget hearing was held with the Department of Finance. The following is a summary of the proposed expenditures for 1947-48 by organization unit.

Proposed Budget for the 1947-48 Fiscal Year

Legislature Summary

Current expenses	Estimated 1946-47	Proposed 1947-48	Increase or decrease from 1946-47	
			Amount	Percent
Senate -----	\$475,789	\$313,400	—\$162,389	—34.1
Assembly -----	693,537	437,200	—256,337	—36.9
Joint expenses -----	300,000	250,000	—50,000	—16.7
Legislative offices				
Los Angeles -----	4,230	3,870	—360	—8.5
San Francisco -----	4,240	3,665	—575	—13.6
Alameda County -----	4,230	3,910	—320	—7.6
Totals -----	\$1,482,026	\$1,012,045	—\$469,981	—31.7

The decline of 31.7 percent in proposed expenditures for 1947-48 from estimated expenditures in 1946-47 is caused by the fact that the shortened budget session occurs in the 1947-48 Fiscal Year, whereas the ordinary session falls almost entirely within the 1946-47 Fiscal Year.

Salaries of legislators and the total amount budgeted for pay of officers, clerks, and other employees is fixed by law. These amounts will be less during 1947-48 than in 1946-47, as the Budget Session is estimated to be convened for 60 legislative days, compared with an estimated 130 legislative days in the 1946-47 ordinary session. However, annual sessions will, of course, substantially increase the average annual cost of the Legislature compared with the former system of biennial sessions. Proposed salaries and expenses of legislators, plus salaries of legislative employees, total \$699,600 for the two years 1946-48, compared with actual expenditures of \$599,947 for the two years, 1944-46.

The very material increase in the size of the Executive Budget will likewise correspondingly increase the need for legislative functions. Accordingly, an attempt was made in preparing the Budget of the Legislature to estimate contingent expenses, as well as other categories of expenditures, at amounts which would reasonably be expected to cover actual sums required. *Previously, adequate amounts have not been budgeted.* Estimated contingent expenses for the Senate and Assembly for 1947-48 were determined by taking one-half of the total resolutions in the Fifty-sixth Session, assuming that there will be no change in amount on an annual basis from the previous biennium, plus \$50,000 additional joint costs for an expanded Tax Study Committee. On this basis proposed contingent expenses of the Legislature for the two years 1946-48 are \$524,189, compared with actual expenditures of \$239,396 in the two years 1944-46, an increase of \$284,793 or 119 percent.

The item of \$250,000 for joint expenses proposed for 1947-48 is for legislative printing, binding and mailing, and is budgeted at \$50,000 less than expenses in 1946-47. This is a small reduction compared to the

approximate halving of legislative days in 1947-48 as compared with 1946-47. This is due, however, to anticipated heavy committee expenses for printing and mailing, and because legislative journals and histories will not be reduced in size proportionately to reduced legislative days.

Legislative Counsel Bureau

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Legislative Counsel Bureau

Item 15, pages 2 and 3, of the Budget Bill, and pages 4 to 5, inclusive, of the Budget. Amount requested—\$122,403 for support—from the General Fund.

This represents an increase of \$46,326, or 60.9 percent over expenditures of \$76,077 for the Fiscal Year 1945-46; and an increase of \$931 or .77 percent over the amount of \$121,472 allowed for expenditure in the 1946-47 Fiscal Year.

Statistical Summary

The statistical summary following shows the distribution of increases as requested totaling \$931 by various categories of General Fund activities and by object of expenditure.

Proposed Expenditures for 1947-48 as Compared With Estimated Expenditures for 1946-47, by Object of Expenditure

Expenditure object	1946-47	1947-48	Increase or decrease	
	Actual and estimated	Proposed	1947-48 over 1946-47 Amount	Percent
Salaries and wages	\$124,254	\$144,650	\$20,396	16.4
Operating expenses	8,810	9,160	350	4.0
Equipment	708	1,793	1,085	153.2
Total	\$133,772	\$155,603	\$21,831	16.3
Reimbursements for:				
Services to Code Commission	—\$11,300	—\$29,700	—\$18,400	162.8
Services to other agencies	—1,000	—3,500	—2,500	250.0
Net totals	\$121,472	\$122,403	\$931	.77

Salaries for new positions show an increase of \$29,985, bringing the total for salaries and wages to \$144,650, an increase of 16.4 percent over 1946-47. Operating expenses show an increase of \$350 or 4.0 percent over 1946-47, while expenditures for equipment are \$1,085 or 153.2 percent higher than in 1947. The amount of abatements from other agencies increased 169.9 percent from \$12,300 to \$33,200, thus making the net total for the Legislative Counsel Bureau .77 percent higher for 1948 than for 1947.

Salaries and Wages

The actual increase in salaries and wages is due to the addition of new personnel to reduce the amount of overtime work by members of the

Bureau, and a result of added work anticipated due to annual sessions, and an increased program by the Code Commission.

Two positions of Associate Counsel were dropped from the existing positions. This was a duration class and was abolished October 25, 1946. The salary range of Associate Counsel is the same as Deputy Legislative Counsel Grade 2, \$310 (15) 370. The Budget request asks for the reclassification of one Deputy Legislative Counsel Grade 1 to Grade 2 and the establishment of a new position of Deputy Legislative Counsel Grade 2. This in effect replaces the two Associate Counsels and establishes but eight new positions.

The new positions requested include: one Deputy Legislative Counsel Grade 2 to replace one Associate Counsel, four Deputy Legislative Counsel Grade 1, one of which will take the place of the Associate Counsel, and one position of Legislative Counsel Grade 1 to be reestablished because of a military leave situation. There is a net increase of four positions for Legislative Counsel, Grade 1.

Four new clerical positions are requested (two Senior Legal Stenographers, two Intermediate Stenographer-Clerks) and the reclassification of one existing position of Senior Legal Stenographer to Secretary. The Secretary will act as supervisor for the clerical employees.

Operating Expenses

The proposed increase in the cost of operation is 4 percent over 1946-47.

Equipment

Equipment is increased by 153 percent from \$708 in 1946-47 to \$1,793 in 1947-48, which is due in part to the purchase of two electromatic typewriters at a cost of \$265 apiece. One is to be placed in the Sacramento Office and one in the Los Angeles Office. At the present time, the San Francisco Office has one electromatic typewriter.

Abatements

Abatements from the Code Commission and other agencies have increased by 169.9 percent from \$12,300 in 1946-47 to \$33,200 in 1947-48. The largest increase is from the Code Commission, \$18,400 or 80.2 percent of the total increase of \$20,900. This is due to increased work on the codes, which work is done by the Legislative Counsel Bureau under an abatement system. (See Code Commission.)

Recommendations

We recommend that Item 15 be approved as submitted.

It should be reemphasized, as it was in the last report of the Legislative Auditor, that the Legislative Counsel does not have adequate quarters for its present staff and will be even more crowded with the addition of this new personnel. There is no ready solution to the problem of additional space, because there is no room in the Capitol itself and no other quarters are available for rent. With the overcrowded conditions as they exist, the work of the Legislative Counsel is made extremely difficult for lack of privacy that should be present for this exacting work.

Code Commission

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Code Commission

Item 16, page 3 of the Budget Bill and page 6 of the Budget. Amount requested—\$30,203 for support—from the General Fund.

This represents an increase of \$15,226 or 101.5 percent over expenditures of \$15,004 for the 1945-46 Fiscal Year; and an increase of \$18,605 or 160 percent over the amount of \$11,625 allowed for expenditure in the 1946-47 Fiscal Year.

The Code Commission is composed of nine nonsalaried members appointed by the Governor, who receive actual expenses in doing the work of the Commission. The Legislative Counsel acts as Secretary to the Commission. The work of the Code Commission consists of revising and codifying all laws of California.

The work of the Code Commission is done by the Legislative Counsel Bureau under an abatement system. A breakdown of expenses shows \$29,700 as payments to the Legislative Counsel Bureau and \$530 for travel.

\$29,700 for abatements to the Legislative Counsel Bureau is an increase of \$18,400 or 158.3 per cent over 1946-47. It is due to an accelerated program of work and compares with \$22,865 estimated expenditures in 1940-41, the last prewar year. Activities were greatly curtailed during the war and the completion of the program is to be speeded up as shown by the contemplated program given below.

The \$530 for travel is an increase of 38.7 percent over the expenditures of \$325 in 1946-47, and compares with \$650 as estimated in 1940-41.

The Legislative Counsel is increasing its staff partly in contemplation of increased work for the Code Commission. The abatements of the Code Commission thus show a corresponding increase.

The contemplated program to be presented to the 1949 Session of the Legislature is:

Completion of Water, Government, Corporation, Revenue and Taxation, and Streets and Highways Codes.

Completion of the repeal of the Political Code.

Preparation of Banking, Building and Loan and Investment Code and Public Utilities Code.

Recommendations

We recommend that Item 16 be approved as submitted.

California Commission on Uniform State Laws

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of California Commission on Uniform State Laws

Item 17, page 3 of the Budget Bill and page 7 of the Budget. Amount requested, \$1,800 for support—from the General Fund.

This represents an increase of \$1,271 or 240.3 percent over expenditures of \$529 for the Fiscal Year 1945-46; and no increase over the amount of \$1,800 allowed for expenditures in the 1946-47 Fiscal Year.

This is a commission of three nonpaid members of the California Bar which must meet once every two years and attend national meetings looking toward the standardization of and uniformity in state laws. (Government Code, Ch. 3.)

Recommendations

We recommend that Item 17 be approved as submitted.

Supreme Court

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Supreme Court

Item 18, page 3 of the Budget Bill and pages 8 to 9 of the Budget. Amount requested, \$305,800 for support—from the General Fund.

This represents an increase of \$23,157 or 8.2 percent over expenditures of \$282,643 for the Fiscal Year 1945-46; and an increase of \$14,337 or 4.9 percent over the amount of \$291,463 allowed for expenditure in the 1946-47 Fiscal Year.

Statistical Summary

The statistical summary below shows the distribution of increases as requested, totaling \$14,337 by object of expenditure.

<i>Object</i>	<i>1946-47</i>	<i>1947-48</i>	<i>Increase or decrease</i>	
			<i>Amount</i>	<i>Percent</i>
Salaries and wages -----	\$269,280	\$279,960	\$10,680	4.0
Operating expenses -----	15,433	15,550	117	.8
Equipment -----	6,750	10,290	3,540	52.4
Totals -----	\$291,463	\$305,800	\$14,337	4.9

Salaries and Wages

No new positions are requested, but merit salary adjustments accounted for increases in salaries and wages amounting to \$6,120.

Operating Expenses

Operating expenses show an increase of \$117 or .8 percent. The increases are in office expenses \$600, and travel \$2,000, and telephone and telegraph \$500. To offset this is the fact that no requests are made for referees' services which totaled \$2,983 in 1946-47. The large increase in travel, \$2,000, from \$4,000 to \$6,000, an increase of 50 percent, is justified on the basis of increased travel by the court due to generally increasing litigation. The increase seems large, but should be allowed. Any money not used for travel should be returned to the General Fund.

Equipment

Increases in equipment amounting to 52.4 percent, or \$3,540, are mainly for the library.