

The foregoing decreases in expenditures are partially offset by an increase in administrative expenditures from \$96,401 in the 1946-47 Fiscal Year to \$107,415 in the 1947-48 Fiscal Year. This increase amounts to \$11,014, or 11.4 percent, and is principally caused by the addition of seven units of personnel with the additional equipment and office facilities thus required. The additional positions are required by the normal increase in the workload plus additional workload resulting from the return of approximately 2,000 United States Employment Service employees from Federal Administration to the California State Department of Employment.

The present charge of \$2.50 per year for each member of local government systems whose records are maintained by the State Employees' Retirement System under contract must be increased next April to offset the cost of an increased staff and salary rates required to maintain these records. It is anticipated that the revenues for the 1947-48 Fiscal Year received under such contracts will not meet the cost of the services performed. It is estimated that under the proposed Budget these costs will average \$3.11 per member. The additional amounts thus required must be recovered through an increase in charges for the next year. To accomplish this such charges must be slightly in excess of the actual costs for the ensuing year. The present costs average approximately \$2.70 per member under outside contracts. *We recommend the charges be set at \$3.50 for each member, and that no allowances be made for additional staff unless at least the actual costs for carrying the contracting systems are fully paid by them.*

We also recommend that the operating methods outlined by the State Employees' Retirement System be reviewed to ascertain the advisability of adopting punched card methods to expedite the clearance of work, and minimize the cost incurred when actuarial studies and administrative analyses are required. Under the present methods such studies are laborious and expensive.

We recommend that Item 31 in the amount of \$107,415 be approved as submitted.

California Commission on Interstate Cooperation

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the California Commission on Interstate Cooperation

Item 32, page 4 of the Budget Bill and page 29 of the Budget. Amount requested is \$17,515 for support—from the General Fund. This is an increase of \$2,840, or 19.4 percent over expenditures of \$14,675 in the 1945-46 Fiscal Year and \$10 over expenditures in the 1946-47 Fiscal Year.

Sections 8000 to 8011 inclusive of the Government Code establish and define the duties of the Commission on Interstate Cooperation.

The commission is composed of:

1. The five members of the Senate Committee on Interstate Cooperation.
2. The five members of the Assembly Committee on Interstate Cooperation.
3. Five officers of the State appointed by the Governor.
4. The Governor is ex officio member.

The functions of the commission include the following:

1. To carry forward the participation of the State as a member of the Council of State Governments.
2. To confer with officers of other states and of the Federal Government.
3. To formulate proposals for cooperation between California and other states, and with the Federal Government.

The principal item of expenditure is \$14,000 for services contracted with the Council of State Governments. *We recommend approval of the amount requested.*

Personnel Board

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Personnel Board

Item 33, pages 4 and 5 of the Budget Bill, and pages 30 to 37, inclusive, of the Budget. Amount requested, \$1,080,103, for support from the General Fund.

This represents an increase of \$512,501, or 90.3 percent, over expenditures of \$567,602 for the 1945-46 Fiscal Year; and an increase of \$196,261, or 22.2 percent, over the amount of \$883,842 allowed for expenditure in the 1946-47 Fiscal Year.

Statistical Summary

The statistical summary in Table I shows the distribution of increase requested, totaling \$196,261 by object of expenditure.

Table I

Object	Estimated	Proposed	Increase or decrease	
	1946-47	1947-48	Amount	Percent
Salaries and wages	\$812,427	\$953,480	\$141,413	17.4
Operating expenses	101,655	153,040	51,385	50.5
Equipment	5,630	23,200	17,570	312.1
Totals	\$919,712	\$1,129,720	\$210,008	22.8
Less reimbursements for special services to other state agencies and units of local government	\$35,870	\$49,617	\$13,747	38.3
Net totals	\$883,842	\$1,080,103	\$196,261	22.2

Salaries and wages requested increase from \$812,427 in 1946-47 to \$953,480 in 1947-48, an increase of \$141,053 or 17.3 percent, while operating expenses show an increase from \$101,655 to \$153,040, an increase of \$51,385 or 50.5 percent. *The principal item of increase for operating expenses is for rent, \$37,000.* This is the first year that rental charges have been shown in the Budget. Previously the Department of Finance paid the rent and it was not shown in the Budget of the Personnel Board. Equipment requests increase from \$5,630 to \$23,200, an increase of \$17,570 or 312.1 percent. Reimbursements from state