

Fiscal Affairs—State Treasurer

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Secretary of Treasury—From the General Fund

Item 159, page 30 of the Budget Bill and pages 492 and 493 of the Budget. Amount requested, \$118,742 from the General Fund. This represents an increase of \$18,961.73, or 19 percent over expenditures of \$99,780.27 for the 1945-46 Fiscal Year and an increase of \$6,830, or 6.1 percent, over the amount of \$111,912 allowed for expenditures in the 1946-47 Fiscal Year.

There are no additional positions requested. The 17.6 percent increase in operating expenses 1947-48 over 1946-47 is accounted for principally by increased state business. *We recommend the appropriation as requested.*

Department of Industrial Relations

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of Departmental Administration, Department of Industrial Relations

Item 160, page 31, of the Budget Bill and pages 494 to 497, inclusive, of the Budget. Amount requested, \$121,956 for support from the General Fund. This represents an increase of \$44,732, or 57.9 percent over expenditures of \$77,224 for the 1945-46 Fiscal Year; and an increase of \$44,096, or 56.6 percent, over the amount of \$77,860 allowed for expenditures in the 1946-47 Fiscal Year.

Proposed expenditures for the 1947-48 Fiscal Year compared with actual and estimated expenditures in 1946-47, by object of expenditure, are shown below in Table I.

Table I—Departmental Administration

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease Amount Percent</i> | |
|--------------------------|------------------------------|-----------------------------|---|-------------|
| Salaries and wages ----- | \$65,550 | \$82,005 | \$16,455 | 25.1 |
| Operating expenses ----- | 9,949 | 34,151 | 24,202 | 24.3 |
| Equipment ----- | 2,361 | 5,800 | 3,439 | 145.7 |
| Totals ----- | \$77,860 | \$121,956 | \$44,096 | 56.6 |

Salaries and wages are proposed to increase \$16,445 with \$18,480 for *nine new positions*. These positions and the budgeted cost are shown below in Table II.

Table II—Departmental Administration—Proposed New Positions, 1947-48 Fiscal Year

| <i>No. of positions</i> | <i>Classifications</i> | <i>Salary range</i> | <i>Cost</i> |
|-------------------------|--|---------------------|-------------|
| 1 | Senior Stenographer-Clerk ----- | 200 (10) 240 | \$2,400 |
| 1 | Bookkeeper, Grade 2 ----- | 230 (10) 270 | 2,760 |
| 1 | Supervising Account Clerk, Grade 1 ----- | 250 (15) 310 | *----- |
| 1 | Intermediate Clerk ----- | 160 (10) 200 | 1,920 |
| 1 | Senior Clerk ----- | 190 (10) 230 | 2,280 |
| | Extension of War Emergency positions as permanent: | | |
| 1 | Senior Account Clerk ----- | 200 (10) 240 | 2,640 |
| 1 | Intermediate Stenographer-Clerk ----- | 170 (10) 210 | 2,280 |
| 1 | Intermediate Clerk ----- | 160 (10) 200 | 2,160 |
| 1 | Junior Clerk ----- | 140 (10) 170 | 2,040 |
| 9 | Totals, Salaries and Wages ----- | | \$18,480 |

* We note that the proposed position of Supervising Account Clerk, Grade 1, shows no amount budgeted. We assume that this is in error and have deleted the position.

We recommend that the position of Senior Clerk be denied. The present heavy work load of the department probably justifies the continuation of war emergency positions. The increase also will permit the division to establish needed property controls for the department, and will provide additional secretarial assistance to the director.

We recommend that Item 160 be reduced by \$2,500, to \$119,456. This leaves an increase of \$41,596, or 53.4 percent over 1946-47.

For Additional Compensation for Subsequent Injury, Department of Industrial Relations

Item 161, page 31, of the Budget Bill and page 494 of the Budget. Amount requested is \$100,000 from the General Fund for payment of the additional compensation awarded for injury following prior compensable disability as provided by Section 4751 of the Labor Code.

The amount requested is necessary under the law. We recommend its approval as budgeted. We question the justice of the State supporting this unless it exercises definite control over the expenditure of both awards of compensation to see that it is not wasted, but used for *necessary support and rehabilitation.*

For Support of Division of Apprenticeship Standards, Department of Industrial Relations

Item 162, page 31 of the Budget Bill and pages 499 and 500 of the Budget. Amount requested, \$284,550 for support from the General Fund.

This represents an increase of \$192,594, or 209.4 percent over expenditures of \$91,956 for the 1945-46 Fiscal Year; and a decrease of \$13,562, or 4.5 percent, over the amount of \$298,112 allowed for expenditures in the 1946-47 Fiscal Year.

The Federal Government, by Public Law 679, approved August 8, 1946, has agreed to reimburse the State for reasonable expenses incurred in ascertaining qualifications of industrial establishments offering on-the-job training to veterans under the GI Bill of Rights, or for furnishing, at the request of the Federal Government, any special services or facilities in connection with administration of on-the-job training.

As a result of this law, there has been a great increase in the number of firms initiating on-the-job training programs, which is reflected in increased support expenditures of this division.

Expenditures for support are shown by object of expenditure as follows:

| | <i>Estimated</i> 1946-47 | <i>Proposed</i> 1947-48 | <i>Increase or decrease</i> | |
|--|-----------------------------|----------------------------|-----------------------------|----------------|
| | | | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages..... | \$262,600 | \$372,330 | \$109,730 | 41.8 |
| Operating expenses..... | 93,298 | 124,720 | 31,422 | 33.7 |
| Equipment..... | 67,814 | 500 | -67,314 | -99.3 |
| Totals..... | \$423,712 | \$497,550 | -\$73,838 | -17.4 |
| Estimated reimbursements from U. S. Veterans Administration..... | -125,600 | -213,000 | -87,400 | -69.6 |
| Totals..... | \$298,112 | \$284,550 | -\$13,562 | -4.5 |

It is expected that the on-the-job training program for veterans will continue at a high level during 1947-48. For this function, it is proposed that the Federal Government will supply 42.8 percent of the total support costs of the Division of Apprenticeship Standards, and will increase its contributions to support by \$87,400 over the total of reimbursements in 1946-47. Correspondingly, the State's contribution will decline by 4.5 percent from \$298,112 to \$284,550. We should, however, be assured of federal support or we should not continue this expenditure. This started as a war service and the demand will fall off with rise of unemployment. It is expected that this condition will arise before the start of the 1947-48 Fiscal Year. We, therefore, recommend the deletion of the proposed extension of three war emergency positions. These positions are a Supervisor of Training Agreements and two Intermediate Stenographer-Clerks. Elimination will save \$10,140 in salaries and wages.

We recommend that Item 162 be reduced from \$284,550 to \$274,410, a reduction of \$10,140, or 3.6 percent.

For Support of Division of Housing, Department of Industrial Relations

Item 163, page 31, of the Budget Bill and pages 501 and 502 of the Budget. Amount requested is \$161,782 for support from the General Fund. This represents an increase of \$34,059, or 26.7 percent over expenditures of \$127,723 for the 1945-46 Fiscal Year; and an increase of \$17,345, or 12 percent over the amount of \$144,437 allowed for expenditure in the 1946-47 Fiscal Year.

Distribution of proposed increase of \$17,345 is shown by object of expenditure below:

| | <i>Estimated</i> 1946-47 | <i>Proposed</i> 1947-48 | <i>Increase or decrease</i> | |
|-------------------------|-----------------------------|----------------------------|-----------------------------|----------------|
| | | | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages..... | \$108,165 | \$111,285 | \$3,120 | 2.9 |
| Operating expenses..... | 35,493 | 44,603 | 9,110 | 25.7 |
| Equipment..... | 779 | 5,894 | 5,115 | 656.6 |
| Totals..... | \$144,437 | \$161,782 | \$17,345 | 12.0 |

Thirteen new positions, making permanent 13 war emergency positions, are proposed at a cost of \$40,080 for this division. Need for exten-

sion of these wartime positions is based on increased work from the Health and Safety Code, labor camps and auto and trailer camps. Work load, based on number of permits issued is as follows:

| | |
|------------------------|---------------|
| 1943 ----- | 279 permits |
| 1944 ----- | 388 permits |
| 1945 ----- | 944 permits |
| 1946 (10 months) ----- | 1,829 permits |

Proposed new positions are listed as follows:

Extension of war emergency positions as permanent:

| <i>Number of positions</i> | <i>Classification</i> | <i>Salary range</i> | <i>Cost</i> |
|----------------------------|--------------------------------------|---------------------|-------------|
| 2 | Intermediate Stenographer-Clerk----- | 170 (10) 210 | \$4,680 |
| 6 | Junior Camp Inspector----- | 220 (10) 260 | 18,000 |
| 4 | Housing Inspector ----- | 265 (15) 325 | 15,240 |
| 1 | Intermediate Account Clerk----- | 160 (10) 200 | 2,160 |
| <hr/> | | | <hr/> |
| 13 | Totals ----- | | \$40,080 |

The building of new homes and housing units on a large scale during the current fiscal year and throughout 1947-48 should reduce materially the number of auto and trailer camps, particularly the number of requests for *new* camps. We, therefore, recommend that war emergency positions be extended only for six months, saving \$20,040. Operating expenses and equipment budgeted should be adjusted accordingly.

Operating expenses are proposed to increase by \$9,110 or 25.7 percent.

Equipment is budgeted to increase by \$5,115 or 656.6 percent. Included in this is \$4,375 for replacement of automobiles.

The division will have nine automobiles which it is estimated will have gone over 100,000 miles before the conclusion of the 1947-48 Fiscal Year, four of which will be over 115,000 miles. Most of these automobiles have had usage over rough terrain and therefore should probably be replaced before too greatly depreciated. The requested amount appears reasonable.

We recommend reduction of Item 163 from \$161,782 to \$141,742, a reduction of \$20,040 or 12.4 percent.

For Support of the Division of Industrial Accidents

Item 164, pages 31 and 32, of the Budget Bill and pages 503 to 505, inclusive, of the Budget. Amount requested \$991,034 for support, from the General Fund.

This represents an increase of \$305,666 or 44.6 percent over expenditures of \$685,368 for the 1945-46 Fiscal Year; and an increase of \$198,150 or 25 percent over the amount of \$792,884 allowed for expenditure in the 1946-47 Fiscal Year.

Distribution of the increase of \$198,150 by object of expenditure is shown as follows in Table I:

**Table I—Proposed Expenditures for 1947-48 Compared
With 1946-47 by Object of Expenditure**

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease 1947-48 over 1946-47</i> | |
|--------------------------|------------------------------|-----------------------------|--|----------------|
| | | | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages..... | \$724,177 | \$830,975 | \$106,798 | 14.7 |
| Operating expenses | 61,937 | 131,884 | 69,947 | 112.9 |
| Equipment | 6,770 | 28,175 | 21,405 | 31.6 |
| Totals | \$792,884 | \$991,034 | \$198,150 | 25.0 |

Salaries and wages are budgeted to increase by \$106,798 or 14.7 percent over estimated expenditures in 1946-47. \$153,780 is for 48 proposed new positions including \$68,040 for extension of war emergency positions. Proposed new positions are listed below:

| <i>Number of positions</i> | <i>Classification</i> | <i>Cost</i> |
|--|---|------------------|
| <i>Administration</i> | | |
| 1 | Chief Clerk (exempt)..... | \$3,720 |
| 1 | Assistant Chief Clerk..... | 3,000 |
| 2 | Associate Counsel | 9,240 |
| 1 | Senior Legal Stenographer-Clerk..... | 2,400 |
| <i>Extension of War Emergency Positions as Permanent</i> | | |
| 1 | Intermediate Stenographer-Clerk | 2,520 |
| <i>Industrial Compensation Bureau</i> | | |
| 4 | Assistant Medical Director | 19,440 |
| 1 | Permanent Disability Rating Specialist..... | 3,900 |
| 11 | Senior Stenographer-Clerk | 26,400 |
| 3 | Intermediate Stenographer-Clerk | 6,120 |
| 4 | Intermediate Clerk | 7,680 |
| 2 | Intermediate Typist-Clerk | 3,840 |
| <i>Extension of War Emergency Positions as Permanent</i> | | |
| 4 | Referee | 27,840 |
| 6 | Hearing Reporter | 20,880 |
| 2 | Senior Stenographer-Clerk | 5,520 |
| 5 | Intermediate Stenographer-Clerk | 11,280 |
| 48 | Totals | \$153,780 |

Recommendations

1. We recommend deletion of one proposed Associate Counsel, saving \$5,420.
2. We recommend that war emergency positions be granted for six months only, saving \$34,020.
3. Increased printing costs are probably justified, due to the revision of forms and schedules to be carried out in the 1947-48 Fiscal Year. However, this expense should not be duplicated next year.
4. Increase in work load does not justify a 55 percent increase in senior stenographer-clerks in one year. We propose a reduction of 5 positions from the proposed 11, saving \$15,000 in salaries and wages and equipment.

Based on the above we recommend a total reduction in Item 164 of \$54,440 or from \$991,034 to \$936,594. This is an increase of \$143,710 or 18.1 percent over estimated expenditures in 1946-47.

For Support of Division of Industrial Safety

Item 165, page 32 of the Budget Bill and pages 506 and 507 of the Budget. Amount requested is \$773,916 for support from the General Fund. This represents an increase of \$228,759, or 42.0 percent over expenditures of \$545,157 for the 1945-46 Fiscal Year; and an increase of \$155,356, or 25.1 percent over the amount of \$618,560 allowed for expenditures in the 1946-47 Fiscal Year.

Distribution of proposed increase in expenditures for 1947-48 is shown by object of expenditures as follows in Table I.

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

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease</i> | |
|-------------------------|------------------------------|-----------------------------|-----------------------------|----------------|
| | | | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages----- | \$517,945 | \$614,060 | \$96,115 | 18.6 |
| Operating expenses----- | 94,565 | 115,861 | 21,296 | 22.5 |
| Equipment----- | 6,050 | 43,995 | 37,945 | 627.2 |
| Totals----- | \$618,560 | \$773,916 | \$155,356 | 25.1 |

The division is requesting 89 new positions at a cost of \$338,160, based on the volume of industrial expansion which it is assumed has come about with the increase in state population. Since 1940, the population of the State has increased approximately 34 percent. During the same period, however, the number of authorized personnel of the division has increased from 53 to a proposed 163, an increase of 207.5 percent.

In addition to 23 proposed new positions, the Division of Industrial Safety is requesting retention of 66 war emergency positions.

Proposed new positions and budgeted expense resulting therefrom are indicated in the following Table II:

**Table II—Schedule of Proposed New Positions, Division of Industrial Safety
1947-48 Fiscal Year**

| <i>Number of positions</i> | <i>Classification</i> | <i>Salary range</i> | <i>Total amount</i> |
|--|---|---------------------|---------------------|
| 1 | Assistant Chief of Division..... | 425(20)505 | \$5,100 |
| 4 | Assistant Boiler Safety Engineer..... | 310(15)370 | 14,880 |
| 2 | Assistant Construction Safety Engineer.. | 310(15)370 | 7,440 |
| 1 | Supervising Educational Safety Engineer | 385(20)465 | 4,620 |
| 2 | Assistant Educational Safety Engineer.. | 310(15)370 | 7,440 |
| 1 | Assistant Agricultural Educational Safety Engineer | 310(15)370 | 3,720 |
| 4 | Senior Industrial Safety Engineer..... | 325(15)385 | 15,600 |
| 2 | Supervising Stenographer-Clerk, Grade 1 | 230(10)270 | 5,520 |
| 1 | Senior Stenographer-Clerk..... | 200(10)240 | 2,400 |
| 3 | Intermediate Stenographer-Clerk..... | 170(10)210 | 6,120 |
| 1 | Senior Typist-Clerk..... | 190(10)230 | 2,280 |
| 1 | Intermediate File Clerk..... | 160(10)200 | 1,920 |
| <i>Extension of War Emergency Positions as Permanent</i> | | | |
| 6 | Assistant Boiler Safety Engineer..... | 310(15)370 | 23,400 |
| 3 | Assistant Electrical Safety Engineer.... | 310(15)370 | 12,960 |
| 1 | Assistant Elevator Safety Engineer..... | 310(15)370 | 4,080 |
| 3 | Assistant Mine Safety Engineer..... | 310(15)370 | 13,320 |
| 4 | Assistant Petroleum Safety Engineer.... | 310(15)370 | 17,220 |
| 2 | Assistant Construction Safety Engineer.. | 310(15)370 | 8,160 |
| 17 | Assistant Industrial Safety Engineer.... | 310(15)370 | 73,860 |
| 25 | Industrial Safety Inspector..... | 280(15)340 | 97,320 |
| 5 | Intermediate Stenographer-Clerk..... | 170(10)210 | 10,800 |
| 89 | Totals | | \$338,160 |

Recommendations

1. The proposed position of Assistant Agricultural Educational Safety Engineer represents a new activity. This function can best be performed, however, through the Extension Division of the University of California, reaching out directly into the rural areas, and cooperating with the 4-H Clubs and other youth groups. We recommend deletion of this proposed activity, amounting to a reduction of \$3,720 in salaries and wages.

2. Two Assistant Construction Safety Engineers are requested for the Construction Section, based on the increase which has taken place in value of construction contracts. This is not a good gauge of work load, however, as dollar values are highly inflated. A more satisfactory measure would be the volume of employment in the construction industry, which in September, 1946, was 55.5 percent above April, 1940. During the same period, Construction Safety Engineers were increased by four or by 80 percent, including two positions still classified as War Emergency.

We recommend the retention of one War Emergency position of Assistant Construction Safety Engineer, making a total of nine Construction Safety Engineers, or an increase over 1940 of 60 percent corresponding to an increase in the same period of 55.5 percent in construction employment. Elimination of one War Emergency and two proposed new positions, of Assistant Construction Safety Engineers will effect a saving of \$7,740.

3. One Supervising Educational Safety Engineer and two Assistant Educational Safety Engineers are requested for an Educational Section. This is a new function and largely duplicates the work which should be done by the newly expanded Division of Labor Statistics and Research. We recommend deletion of the two positions of Assistant Safety Engineers, effecting a saving of \$12,060 in salaries and wages.

4. The Industrial Section is requesting four additional Senior Supervising Industrial Safety Engineers, one Senior Stenographer-Clerk, one Senior Typist-Clerk, and one Intermediate Stenographer-Clerk. The number of Safety Engineers and Inspectors of this section has increased from 8 in 1940-41 to 50 in 1946-47, an increase of 525 percent. Inspection performed by the Industrial Section is for industry that is not already served by the Boiler, Elevator, Construction, Electrical, and Mining Sections. During the war additional men were used to inspect shipyards. Since the war, however, such men have been assigned to other duties in the Industrial Section.

As a measure of increased work load, industrial employment has increased by 49.4 percent from 1940 to 1946, while manufacturing employment has increased 82.3 percent.

Giving due allowance for new industrial construction, a 100 percent increase should represent the extreme limit for justifying an increase in number of investigatory personnel for the Industrial Section, based on increased work load. Any additional personnel will reflect increased service. Accordingly, we recommend the approval of a total of 16 positions, one Supervising Industrial Safety Engineer and 15 Assistant Industrial Engineers. This should permit a very material increase in the service rendered over 1940 as well as taking account of increased industrialization. This number should also permit the clerical staff to function effectively without the addition of any new positions. *This should permit a saving of \$160,712.*

5. Suggested reduction in staff will eliminate the necessity for an additional Assistant Chief of the Division, saving \$5,100.

6. Operating expenses should be reduced in accordance with recommended elimination of personnel. *This should permit a saving of \$32,000.*

7. Equipment needs will likewise be practically eliminated for the 1947-48 Fiscal Year in view of the suggested reduction in staff. Allowance should be made, however, for replacement of five typewriters and for new files. *We recommend that the proposed amount of \$43,995 be reduced to \$2,000, a saving of \$41,995.*

8. In line with the above suggestions, we recommend that the total budget for the division be cut to \$520,089, a reduction of \$253,027.

For Support of the Division of Industrial Welfare

Item 166, page 32, of the Budget Bill and pages 508 and 509 of the Budget. Amount requested, \$182,959 for support from the General Fund. This represents an increase of \$43,176, or 30.9 percent over expenditures of \$139,783 for the 1945-46 Fiscal Year; and an increase of \$2,005, or 1.1 percent, over the amount of \$180,954 allowed for expenditure in the 1946-47 Fiscal Year.

The proposed increase of \$2,005 is composed of \$7,117 for salaries and wages, up 5.2 percent over 1946-47; \$4,895 for equipment, up 3307 percent over 1946-47; while equipment is down \$10,007, or 22.3 percent from 1946-47. Table I below shows this in detail.

**Table I—Comparison of Proposed Expenditures for 1947-48
With 1946-47, by Object of Expenditure**

| <i>Expenditures for support</i> | <i>Estimated</i> | <i>Proposed</i> | <i>Increase or decrease</i> | |
|---------------------------------|------------------|-----------------|-----------------------------|----------------|
| | <i>1946-47</i> | <i>1947-48</i> | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages ----- | \$135,833 | \$142,950 | \$7,117 | 5.2 |
| Operating expense ----- | 44,973 | 34,966 | —10,007 | —22.3 |
| Equipment ----- | 148 | 5,043 | 4,895 | 3307.4 |
| Net totals, support----- | \$180,954 | \$182,959 | \$2,005 | 1.1 |

It is proposed to increase the number of positions in the division from 40 to 42, an increase of two positions, in addition to extending 16 war emergency positions. Proposed new and extended war emergency positions are shown in Table II which follows.

Table II—Detail of Proposed New Positions

| <i>No. of Positions</i> | <i>Classification</i> | <i>Cost 1947-48</i> |
|-------------------------|--------------------------------------|---------------------|
| | Proposed New Positions | |
| 2 | Senior Pay Roll Auditor----- | \$5,280 |
| | Extension of War Emergency Positions | |
| 1 | Assistant to the Chief----- | 4,620 |
| 8 | Industrial Welfare Agent----- | 30,300 |
| 1 | Senior Stenographer-Clerk----- | 2,640 |
| 5 | Intermediate Stenographer-Clerk----- | 11,520 |
| 1 | Intermediate Clerk----- | 2,400 |
| 18 | Totals----- | \$56,760 |

Permanent status is requested for eight war emergency positions of Industrial Welfare Agent. The work of this division deals principally with the enforcement of provisions of the Labor Code regulating the working conditions of women. The increase in number of agents during the war period was based upon increased wartime employment of women in industry. Since VJ Day, however, employment of women has declined. From June 1945, when there were 177,100 female factory workers in California, the number has shrunk to where in September, 1946, there are only 123,600. This is approximately 35 percent above September 1941 when 91,400 women were employed.

In addition to increased work load, as evidenced by industrial development, however, the division has taken on new duties required by laws passed during the Fifty-sixth Session. Some of the operations performed in carrying on these new laws appear to duplicate work done in other divisions. For example, pay roll audits are made by this division as well as by the Division of Labor Law Enforcement. A thorough study of the work of these two divisions should be made in the near future. Additional pay roll auditors may not be necessary.

Recommendations

1. We recommend continuance of five wartime emergency positions of agent. The expected decline in employment of women in California during 1947-48 does not warrant continuation of three of the eight such proposed positions. We recommend, however, that the five extended positions of agent be filled by males. The division states that female agents cannot effectively perform the investigation and enforcement work required. *The deletion of three positions should effect a reduction of \$11,363.*

2. We recommend elimination of the proposed two Senior Payroll Auditors pending a study of the auditing requirements of this division and the Division of Labor Law Enforcement. *This deletion will effect a saving of \$5,280.*

3. Likewise, suggested elimination of proposed positions will reduce traveling and automobile expense, saving \$3,600.

4. Equipment should be reduced in accordance with reductions in proposed positions. *We recommend elimination of one new automobile at a saving of \$1,400.*

5. Savings as recommended above total \$21,643, reducing Item 166 from \$182,959 to \$161,316, constituting an increase of \$21,533 or 15.4 percent over the actual expenditures of \$139,783 in the 1945-46 Fiscal Year.

For Support of Division of Labor Law Enforcement

Item 167, page 32, of the Budget Bill and pages 510 and 511 of the Budget. Amount requested, \$353,972 for support from the General Fund. This represents an increase of \$101,274, or 40 per cent over expenditures of \$252,698 for the 1945-46 Fiscal Year; and an increase of \$60,287, or 20.5 percent, over the amount of \$293,685 allowed for expenditure in the 1946-47 Fiscal Year.

This division was formerly part of the Division of Labor Statistics and Law Enforcement. In 1945 the department was reorganized by law and the statistical functions of the division were transferred to a newly created Division of Labor Statistics and Research, law enforcement functions remaining in the Division of Labor Law Enforcement.

Of the proposed increase of \$60,287 the amount of \$24,585, or 40.7 percent, is for salary and wages; \$23,570, or 39.1 percent, is for operating expenses; and \$12,132, or 20.1 percent, is for equipment. Table I below shows the distribution of increases by object of expenditure.

Table I—Comparison of Proposed Expenditures for 1947-48 With Expenditures in 1946-47 by Object of Expenditure

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease Amount</i> | <i>Percent</i> |
|--------------------------|------------------------------|-----------------------------|--|----------------|
| Salaries and wages..... | \$252,590 | \$277,175 | \$24,585 | 9.7 |
| Operating expenses | 38,480 | 62,050 | 23,570 | 61.3 |
| Equipment | 2,615 | 14,747 | 12,132 | 463.9 |
| Totals | \$293,685 | \$353,972 | \$60,287 | 20.5 |

Three new deputy labor commissioners are requested, one each for Oakland, San Bernardino, and Long Beach, based on increased work load. There are several factors operating to increase the number of complaints requiring inspection. During the war, federal employment tended to minimize wage complaints. However, with the reduction in federal employment and federal contracts wage complaints have increased.

At the same time, it should be noted that the Budget was not cut during the war. The number of deputy labor commissioners has increased from 24 in 1939-40 to 26 in 1946-47. The backlog of complaints has been reduced from 5,000 in 1942 to 345 as of November, 1946. This latter figure would seem to represent a normal current flow of complaints, and does not require reduction.

We recommend that one position of Deputy Labor Commissioner, for San Bernardino, be eliminated and that other proposed positions be approved. Inefficiency of the present commissioner is no justification for adding another position.

Operating expenses can be reduced, accordingly, by \$350 and equipment by \$1,400 for one automobile.

Requested equipment also includes replacement of 21 typewriters. We propose that one-half of this number be deferred until the following fiscal year.

We recommend that Item 167 be reduced from \$353,972 to \$347,302.

For Support of the Division of Labor Statistics and Research

Item 168, page 32, of the Budget Bill and pages 512 and 513 of the Budget. Amount requested is \$157,202 from the General Fund, which is an increase of \$74,053, or 89.1 percent, over actual expenditures of \$83,149 in 1945-46, and an increase of \$50,089, or 46.8 percent over estimated expenditures of \$107,113 in 1946-47.

Of the total increase of \$50,089 proposed for 1947-48 over 1946-47, \$35,670, or 71.2 percent is for salaries and wages, \$6,746, or 13.5 percent is for operating expenses and \$7,673, or 15.3 percent is for equipment. Distribution of the proposed increase by object of expenditure is shown as follows in Table I.

Table I—Comparison of Proposed Expenditures for 1947-48 With Estimated Expenditures for 1946-47 by Object of Expenditure

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease</i> | |
|-------------------------|------------------------------|-----------------------------|-----------------------------|----------------|
| | | | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages----- | \$76,080 | \$111,750 | \$35,670 | 46.9 |
| Operating expenses----- | 29,494 | 36,240 | 6,746 | 22.9 |
| Equipment----- | 1,539 | 9,212 | 7,673 | 498.6 |
| Totals----- | \$107,113 | \$157,202 | \$50,089 | 46.8 |

The proposed increase in salaries and wages of \$35,670, includes \$44,280 for new positions or the extension of war emergency positions as permanent.

These 18 proposed new and extended positions are shown as follows:

| <i>No. of Positions</i> | <i>Classification</i> | <i>Range</i> | <i>Cost</i> |
|--|---|--------------|----------------|
| <i>Proposed New Positions</i> | | | |
| 1 | Senior Statistician ----- | 405(20)525 | \$4,860 |
| 1 | Junior Statistician ----- | 200(10)240 | 2,400 |
| 1 | Senior Accident Cause Analyst ----- | 425(20)505 | 5,100 |
| 1 | Junior Socio-Economic Research Technician | 230(10)270 | 2,760 |
| 5 | Intermediate Account Clerk ----- | 160(10)200 | 9,600 |
| 1 | Intermediate Clerk ----- | 160(10)200 | 1,920 |
| 1 | Key Punch Operator, Grade 2 ----- | 160(10)200 | 1,920 |
| <i>Extension of War Emergency Positions as Permanent</i> | | | |
| 1 | Junior Socio-Economic Research Technician | 230(10)270 | 3,000 |
| 1 | Junior Statistician ----- | 200(10)240 | 2,640 |
| 2 | Intermediate Account Clerk ----- | 160(10)200 | 4,200 |
| 2 | Intermediate Typist-Clerk ----- | 160(10)200 | 3,960 |
| 1 | Intermediate File Clerk ----- | 160(10)200 | 1,920 |
| <hr/> 18 | <hr/> Totals, Salaries and Wages | | <hr/> \$44,280 |

If the program outlined by this division for use of Statistics compiled is carried out, it should justify the positions requested. Recent improvement in the use of accident statistics in accident prevention work have partially corrected longstanding neglect of these vitally important data. The proposed increase in service rendered by this division, including administrative statistics of other divisions of the Department of Industrial Relations, should lead to economies in the operation of such divisions as well as assisting other departments.

It should also provide for better cost of living statistics, employment statistics, and other data, as well as making possible publication of compilations with the least possible delay.

We recommend that Item 168 be approved for \$157,202 as requested.

For Support of the Office of Fire Marshal, Department of Industrial Relations

Item 169, page 32 of the Budget Bill and pages 514 to 517, inclusive, of the budget. Amount requested for support \$158,258 from the General Fund. This is an increase of \$12,849 or 11.2 percent over expenditures of \$145,409 for the Fiscal Year 1946-47 and an increase of \$46,745.07 or 23.8 percent over the amount of \$111,512.93 actually spent in the Fiscal Year 1945-46.

Proposed expenditures with increases are distributed as follows:

| | <i>Estimated 1946-47</i> | <i>Proposed 1947-48</i> | <i>Increase or decrease Amount Percent</i> | |
|--------------------------|------------------------------|-----------------------------|---|-----------|
| Salaries and wages ----- | \$97,615 | \$103,645 | \$6,030 | 6.1 |
| Operating expenses ----- | 44,326 | 45,198 | 872 | — |
| Equipment ----- | 3,468 | 9,415 | 5,947 | 170.0 |
| <hr/> Totals ----- | <hr/> \$145,409 | <hr/> \$158,258 | <hr/> \$12,849 | <hr/> 8.8 |

On page 516 of the budget is listed \$5,455 proposed expenditures for inspection of child care centers. As the Legislature has signified its intentions to discontinue this activity as of June 30, 1947, the above amount can be removed from the budget. Also on page 516 under hospital inspection \$2,800 is asked for two new automobiles. This division recently received another car from the Department of Finance, making a

total of 16 cars. *With the release of the car now used by the Child Care Center Inspector, this will eliminate the need for two new cars, thus removing \$2,800 from the additional equipment account.*

With these recommended adjustments distribution would read :

| | <i>Estimated</i> | <i>Proposed</i> | <i>Increase</i> | |
|-------------------------|------------------|------------------|-----------------|----------------|
| | <i>1946-47</i> | <i>1947-48</i> | <i>Amount</i> | <i>Percent</i> |
| Salaries and wages----- | \$97,615 | \$100,035 | \$2,420 | 2.5 |
| Operating expenses----- | 44,326 | 43,378 | —948 | —2.1 |
| Equipment----- | 3,468 | 6,590 | 3,122 | 90.0 |
| Totals----- | \$145,409 | \$150,003 | \$4,594 | 3.1 |

Recommendation:

We recommend that Item 169 be reduced by \$8,255 or 5 percent to \$150,003.

Department of Insurance

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Department of Insurance

Item 170, page 33, of the Budget Bill, and pages 518 to 524, inclusive, of the Budget. *Amount requested \$531,482 for support from the Insurance Fund.* This represents an increase of \$150,081.88 or 39.3 percent over the amount of \$381,400.12 expended in the 1945-46 Fiscal Year and is \$69,031 or 14.9 percent above the amount of \$462,451 allowed for expenditure in the 1946-47 Fiscal Year.

A statistical summary of proposed expenditures for 1947-48 by function on a comparative basis with similar items for the Fiscal Year of 1946-47 together with revenues is shown in Table I following:

Table I—Analysis of Proposed Expenditures by Function

| <i>Function</i> | <i>Actual and estimated</i> | <i>Proposed</i> | <i>Increase or decrease</i> | |
|--|-----------------------------|------------------|-----------------------------|---------------|
| | <i>1946-47</i> | | <i>1947-48</i> | <i>Amount</i> |
| Administration----- | \$98,037 | \$117,302 | \$19,265 | 19.6 |
| Insurance Compliance and Legal Division----- | 206,262 | 237,081 | 30,819 | 14.9 |
| Division of Licenses----- | 84,758 | 96,624 | 11,866 | 13.9 |
| Division of Examinations and Financial Analysis----- | 72,209 | 77,599 | 5,390 | 7.5 |
| Division of Insurance Conservation and Liquidation----- | 1,185 | 2,876 | 1,691 | 14.2 |
| Totals, support----- | \$462,451 | \$531,482 | \$69,031 | 14.9 |
| Contributions State Employees Retirement Fund----- | 25,020 | 28,000 | 2,980 | 11.5 |
| Total Expenditures----- | \$487,471 | \$559,482 | \$72,011 | 14.9 |
| Revenues----- | \$699,226 | \$778,251 | \$79,025 | 11.3 |

The foregoing table reflects an over-all increase for all functions of 14.9 percent while revenues are only scheduled to advance by 11.3 percent.

The administrative function schedules the largest percentage increase of 19.6 percent or \$19,265. The largest dollar expenditure advance is reflected by the Insurance Compliance and Legal Division, the added amount of \$30,819 being scheduled for 1947-48.