

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.

Proposed 1947-48 expenditures by object of expenditure are compared with related items in Table II following:

Table II—Proposed Expenditures by Object of Expenditures

Object	Actual and estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47	
			Amount	Percent
Salaries and wages -----	\$368,144	\$413,000	\$44,916	12.2
Operating expenses -----	115,483	127,250	11,767	10.2
Equipment -----	2,507	14,660	12,153	484.7
Totals -----	\$486,494	\$554,970	\$68,476	14.1
Reimbursements for services to insurance companies in liquidation -----	24,043	23,488	-555	-2.3
Net totals -----	\$462,451	\$531,482	\$69,031	14.9

Salaries and Wages

Salaries and wages are scheduled to advance from \$368,144 to \$413,060, an increase of \$44,916 or 12.2 percent. *The major portion of the increase is occasioned by 14 new positions requiring \$38,700 or 86.2 percent of the amount of the increase.* New positions represent a net increase in staffing from 118 positions in 1946-47 to 130 positions for 1947-48, a gain of 10.2 percent. In addition there are 14 reclassifications contemplated, which will cost \$2,100. 1947-48 salary adjustments reflect an added expense of \$5,220.

Proposed new positions, by divisions, are shown in Table III following:

Table III—New Positions Proposed for 1947-48, by Division

Number of positions			Classification	Salary range	Number proposed	Cost
45-46	46-47	47-48				
Administration						
-	-	1	Chief Actuary	675 (20) 815	1	\$8,100
-	-	1	Intermediate			
-	-	1	File Clerk	160 (10) 200	1	1,920
-	-	1	Intermediate			
-	-	1	Stock Clerk	160 (10) 200	1	1,920
-	-	1	Junior Clerk	140 (10) 170	1	1,680
Insurance Compliance and Legal Division						
-	2	5	Junior Insurance License			
			Investigator	220 (15) 260	3	7,920
9	9	10	Intermediate			
			Steno Clerk	170 (10) 210	1	2,040
-	-	1	Intermediate			
			Typist Clerk	160 (10) 200	1	1,920
4	4	5	Insurance			
			Attorney	295 (15) 355	1	3,540
Division of Licenses						
3	4	5	Intermediate			
			Steno Clerk	170 (10) 210	1	2,040
1	2	4	Intermediate			
			Typist Clerk	160 (10) 200	2	3,840
-	3	4	Junior Clerk	140 (10) 170	1	1,680
					<u>14</u>	<u>\$38,700</u>

The work load of the department has increased as is indicated by a 29.7 percent increase in the number of licenses issued for the calendar year 1946, as compared to 1945. The number of licenses forecast for 1947 is 88,000 which represents a further increase of 9.7 percent. The provisions of the sick benefit disability insurance will also add to the overall work load to some extent not yet ascertainable.

With the additional requested positions, it should be possible to substantially reduce the amount expended for overtime and temporary help. Accordingly, it is recommended that this item be reduced from \$6,400 to \$3,000, effecting a saving of \$3,400 in salaries and wages, or .82 percent.

Operating Expenses

Operating expenses while generally in line evidence potential savings through reduction in some items as follows:

Division of Administration—Traveling
Reduce from \$5,100 to \$4,600, a saving of----- \$500

Only one additional position authorized requiring potential travel. \$4,600 permits a 31.43 percent increase over 1946-47 estimated requirements.

Insurance Compliance and Legal Division—Travel
Reduce from \$17,670 to \$17,170, a saving of----- \$500

In 1945-46 with 26 potential traveling employee positions, travel expense averaged \$312 per position. In 1946-47 with 35 potential traveling employee positions the increase in travel expenses should be \$1,672, bringing the total to \$17,170 in round figures.

Division of Licenses—Office Operating Expense
Reduce from \$3,522 to \$3,000, a saving of----- \$522

1945-46 expenditure for this item totaled \$3,216. Expenditure allowed for this item in 1946-47 totaled only \$1,500 with 8, or 42 percent more positions in 1946-47 than in 1945-46. The \$3,000 figure permits a 100 percent increase in expense with a 14.8 percent increase in staff.

Telephone, telegraph and teletype
Reduce from \$1,200 to \$1,050, a saving of: \$150

This division consists of a chief and 26 other positions, all clerical. Accordingly, no substantial increase would appear justifiable for this type of expenditure. The recommended figure is 14 per cent above 1945-46 experience and 5 percent above 1946-47 estimated expenditure.

Total recommended reductions in operating expense equal \$1,672 or 1.31 percent.

Equipment

Equipment expenditures, while representing a large percentage increase, appear in line.

Under the presently budgeted program, the estimated unbudgeted surplus is scheduled to increase from \$1,222,990 to \$1,441,759, a gain of \$218,769 or 17.8 percent after allowance is made for the total expenditure of \$559,482.

Recommendation

That Item 170 be reduced by \$5,072 or .95 percent. This reduction will affect the schedule on a revised basis as follows:

Salaries and wages -----	\$409,600
Operating expense -----	125,578
Equipment -----	14,660
 Total -----	 \$549,838
Less abatements -----	23,488
 Net appropriation -----	 \$526,350

The question is again raised as to the justifiability of carrying on the pay roll test audits in connection with workmen's compensation carriers out of the insurance fund. The function apparently requires 4 pay roll auditors with a salary cost of \$15,600, plus clerical assistance.

Department of Investment

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Division of Banking

Item 171, page 33, of the Budget Bill and pages 525 to 528, inclusive, of the Budget.

Amount requested \$224,816 for support, payable from the Banking Fund. This represents an increase of \$77,031.88 or 52.1 percent over the amount of \$147,784.12 expended in the 1945-46 Fiscal Year and \$25,066 or 12.5 per cent above the amount of \$199,750 allowed for expenditure in the 1946-47 Fiscal Year.

The distribution of expenditures by function is summarized in Table I following:

Table I—Distribution of Expenditures by Function

<i>Function</i>	<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>
Administration -----	\$58,455	\$65,891	\$7,436	12.7
Enforcement of banking laws -----	133,965	148,745	14,780	11.0
Certification of bond issues -----	7,330	10,180	2,850	38.8
Totals, support -----	\$199,750	\$224,816	\$25,066	12.5
Contributions State Employee Retirement Fund -----	9,550	10,000	450	4.7
Total expenditures -----	\$209,300	\$234,816	\$25,516	12.1
Revenues				
Assessments and fees -----	\$274,110	\$280,610	\$6,500	2.4

Administration costs are up by \$7,436 or 12.7 percent, while enforcement of banking laws advances in expenditures by 11 percent or \$14,780. Certification of bond issues expenses are scheduled to increase \$2,850 or 38.8 percent.