

We recommend that the salaries of the commissioners be established in conformity with comparable state positions and that the budget of the Board of Pilot Commissioners be reflected in the Budget Bill.

We recommend that the support budgeted from the Board of Pilot Commissioners be payable from the revenues of the Board of Pilot Commissioners and that the balance of revenues remaining be placed in a Board of Pilot Commissioners Fund subject to future appropriation by the Legislature.

Horse Racing Board

For Support of the Horse Racing Board

Item 281, page 53, of the Budget Bill, pages 809 to 814 of the Budget.

The total appropriation requested is \$71,925 from the Fair and Exposition Fund. This is an increase of \$14,469 or 25.18 percent, over the \$57,466 estimated expenditures for 1946-47.

We recommend the amount requested be approved. It is less than the \$75,000 set forth in the law to be annually appropriated to the support of the Horse Racing Board, and will be necessary to adequately regulate horse racing in California.

When, as, and if, a central tax collecting agency is set up in California, the tax collecting function of the Horse Racing Board should be transferred to that agency. At present, the board acts solely as a transmitting agent. It performs no audit or assessing function. It accepts the computations of tax by certified public accountants hired by the racing associations.

The Horse Racing Board continually points to its low ratio of administrative costs to tax collected. Actually the tax collecting function has taken only an insignificant part of the Board's or its staff's time.

In the past, the Horse Racing Board has been dependent upon the staffs of the Racing Associations for almost all enforcement work and much of the clerical work in the performance of its duties. This has worked out reasonably well. However, the board has been handicapped by having too small an investigative staff, having to depend on racing association stewards for information and evidence.

The proposed Budget provides for four Investigators and a Chief Investigator. This is the minimum staff necessary to adequately represent the board at the race meets scheduled in 1947.

Increases over the estimated expenditures for 1946-47 are a result of renewed racing activity since the close of the war. The opening of one new major track, and probable increase in fairs to be held in 1947-48, warrant the increases. The proposed increases are shown in Table I by object of expenditure.

Table I—Proposed Increases by Object of Expenditure

Object	Estimated	Proposed	Increase	
	1946-47	1947-48	Amount	Percent
Positions now authorized-----	\$35,399	\$45,100	\$9,701	27.40
Estimated salary saving-----	—1,000	—1,000	-----	-----
Merit salary adjustments-----	-----	1,010	1,010	-----
Totals, salaries and wages-----	\$34,399	\$45,110	\$10,711	31.13
Operating expenses -----	21,593	26,100	4,507	20.87
Equipment -----	1,474	715	—759	—51.49
Totals -----	\$57,466	\$71,925	\$14,459	25.16

Salaries and Wages

The staff of the Horse Racing Board has increased from six persons in 1940-41, its last full schedule racing year, to 13 for 1947-48. Comparison of the 1940-41 staff with 1946-47 staff is shown in Table II.

Table II—Staff of the Horse Racing Board

Number employed	1940-41 title	Total salary	Number employed	1947-48 title	Total salary
1	Secretary -----	\$4,000	1	Secretary -----	\$6,180
1	Field Representa- tive -----	2,760	1	Chief Investigator ..	4,860
1	Sr. Steno.-Clerk --	2,250	4	Investigators -----	15,600
1	Int. Steno.-Clerk --	660	4	Int. Steno.-Clerk --	8,280
1	Jr. Steno.-Clerk ---	1,200	1	Int. Typist-Clerk --	1,920
1	Racing License Clerk -----	1,590	1	Racing License Clerk -----	3,360
	Temporary help ---	1,440	1	Bookkeeper Gr. 1 ..	2,400
				Temporary help ---	2,500
6	Totals -----	\$13,900	13	Totals -----	\$45,100

As can be seen in Table II, the Horse Racing Board operated in 1940-41 without any investigators. It was an administrative board, requiring the racing associations and the local authorities to enforce the law and the rules and regulations. It now feels that it should undertake the enforcement of the law and rules and regulations itself. *We strongly urge that the board not participate in the active enforcement of the Horse Racing Law and the rules and regulations but require the licensees enforce the laws under penalty of suspension of their licenses.*

As an example of the sort of enforcement which the board proposes to undertake, the specifications for the job of Race Track Investigator for the Horse Race Board define the duties of the position, in part, as follows:

“Under direction, to keep an assigned race track free from touts and undesirable persons; * * *”

The assumption of such responsibility is a misconception of the purpose of the board. Section 19429 of the Business and Professions Code, under which the investigators at tracks are authorized, states:

“The board may visit, investigate, and place expert accountants and such other persons as it may deem necessary in the offices, tracks or places of business of any such person, corporation or association, for the purpose of satisfying itself that the board’s rules and regulations are strictly complied with.”

The disciplinary power of the board is conferred by Section 19461:

“All licenses granted under this chapter are subject to suspension or revocation by the board in any case where the board has reason to believe that any condition of its license has not been complied with or that any law or any rule or regulation of the board has been broken or violated.”

We recommend the employment of the Chief Investigator and other investigators for the purpose of insuring the compliance with the law and rules and regulations by the *licensees* and obtaining and presenting evidence to the board but not for criminal arrest and prosecution of “undesirable persons.”

The salary of the Secretary is adequate for the position and duties performed.

Operating Expenses

Increased operating expenses are in line with the expanded staff and a larger schedule of racing planned for 1947-48. The increase is \$4,507 or 20.87 percent, from \$21,593 in 1946-47 to \$26,100 in 1947-48.

Equipment

Equipment required in 1947-48 is \$715, a decrease of \$759 or 51.49 percent.

Department of Public Health

Analysis of Proposed Expenditures in the 1947-48 Fiscal Year

For Support of the Department of Public Health

Items 282 and 283, pages 53 and 54 of the Budget Bill and pages 817 to 844, inclusive, of the Budget. Amount requested, \$2,638,273 for support. *Item 282 is for the amount of \$2,245,971, payable from the General Fund and is exclusive of support for cannery inspection. Item 283 is for the amount of \$392,302 and is additional support from the Public Health Fund.*

The amount of \$2,245,971 represents an increase of payments from the General Fund of \$1,111,687, or 98 percent, over expenditures for the Fiscal Year 1945-46; and an increase of \$618,924, or 38 percent, over the amount of \$1,627,047 allowed for expenditure in the Fiscal Year 1946-47.

The amount of \$392,302 represents an increase of \$90,484, or 30 percent, over expenditures of \$301,818 in the Fiscal Year 1945-46; and an increase of \$83,708, or 27.1 percent over the amount of \$308,594 allowed for expenditure in the 1946-47 Fiscal Year.