

Table XVII—Department of Public Health. Summary of Changes Recommended

<i>Organizational unit</i>	<i>Salaries and wages</i>	<i>Operating expense</i>	<i>Equipment</i>	<i>Total</i>
Bureau of Business Management-----	\$7,260	-----	-----	\$7,260
Bureau of Records and Statistics-----	20,200	\$500	-----	20,700
Bureau of Adult Health-----	-----	1,370	-----	1,370
Crippled Children Services-----	-----	6,200	-----	6,200
Bureau of Public Health Nursing-----	5,100	2,510	-----	7,610
Bureau of Sanitary Engineering-----	-----	8,000	\$500	8,500
Bureau of Vector Control-----	-----	23,257	-----	23,257
Total reduction recommended-----	\$32,560	\$41,837	\$500	\$74,897

We recommend that the reductions in the budget of the Department of Public Health as a result of legislative determinations be apportioned between Items 282 (General Fund) and 283 (Public Health Fund) of the Budget Bill by the Department of Finance.

For Improvements, Repairs, and Equipment, Department of Public Health

Item 284, page 54, of the Budget Bill, and page 844 of the Budget. Amount requested, \$20,000 for improvements and repairs of, as well as equipment for, a new foods, drugs, and cannery laboratory.

We recommend approval of this item.

The amount requested is necessary to equip a laboratory to replace the service rendered up until June 30, 1947, by the Hooper Foundation Laboratory at Berkeley.

This service was rendered at an annual fee of approximately \$32,135. The contract was not renewed, and it will be necessary for the State to undertake the research and laboratory service.

For Acquisition of Real Property, Department of Public Health

Item 285, page 54, of the Budget Bill, and page 816 of the Budget. Amount requested, \$300,000 for the acquisition of real property in the San Francisco Bay area. One hundred seventy-five thousand dollars of the total amount is to be reappropriated from Chapter 1433, Statutes of 1945, which set up the original amount of \$200,000.

We recommend that Item 285 be approved as submitted for the amount of \$300,000, but we recommend the requirement that the site must be purchased in the San Francisco Bay area be stricken from the item.

Public Utilities Commission

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Public Utilities Commission

Item 286, page 54, of the Budget Bill, and pages 846 to 851 of the Budget. Amount requested is \$1,045,481 from the General Fund, for support. This is an increase of \$231,847, or 28.5 percent, over actual

expenditures in the 1945-46 Fiscal Year and \$132,809, or 14.6 percent over proposed expenditures for 1947-48.

Distribution of the increase of \$132,809 proposed for 1947-48 is shown in Table I as follows by administrative unit.

Table I—Comparison of Expenditures Proposed for 1947-48 and Estimated Expenditures for 1946-47, by Administrative Unit

	<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>
Administrative	\$201,455	\$225,672	\$24,217	12.0
Control and regulation	670,317	772,377	102,060	15.2
Hearings and formal investigations....	36,900	43,232	6,332	17.2
Publications and reports.....	4,000	4,200	200	4.8
Totals	\$912,672	\$1,045,481	\$132,809	14.6

The principal increase in expenditures occurs in control and regulations, which is proposing to spend an additional \$102,060 to provide for needs arising from growth of the population and industry of the State, and increase in size of public utilities.

Likewise, the Budget provides for a general strengthening of the administrative staff of the commission and makes provision for increased hearings and formal investigations.

The Public Utilities Commission is anticipating a substantial increase in hearings required by possible removal of the federal order regulating allocation of telephones and establishing priorities. The commission states that in such event, the burden of allocation must be assumed by the commission, necessitating, under the law, granting of hearings if requested, to all complaints. It should be possible, however, for the commission to make rules and, if necessary, charges that will prevent an excessive number of minor complaints from arising.

Salaries and Wages

Table II, which follows, shows distribution of proposed expenditures by object of expenditure, compared with estimated expenditures for 1946-47.

Table II

<i>Object</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.....	\$811,289	\$912,735	\$101,446	12.5
Operating expenses.....	90,490	107,453	16,963	18.7
Equipment	10,893	25,293	14,400	132.2
Totals	\$912,672	\$1,045,481	\$132,809	13.0

Salaries and wages are budgeted to increase \$101,446, or 12.5 percent, over 1946-47, of which \$66,720 is for 22 new positions. These new positions and the cost proposed for 1947-48 are itemized in Table III.

Table III—Proposed New Positions, Public Utilities Commission

<i>Number of positions</i>	<i>Classification</i>	<i>Salary range</i>	<i>Cost</i>
Administration			
1	Senior Stenographer-Clerk	200 (10) 240	\$2,400
1	Senior Clerk	190 (10) 230	2,280
2	Intermediate Stenographer-Clerk	170 (10) 210	4,080
1	Intermediate Typist-Clerk	160 (10) 200	1,920
1	Intermediate File Clerk	160 (10) 200	1,920
Public Utilities Department			
1	Associate Utilities Engineer	365 (20) 445	4,380
4	Assistant Utilities Engineer	295 (15) 355	14,160
2	Junior Utilities Engineer	240 (10) 280	5,760
1	Intermediate Typist-Clerk	160 (10) 200	1,920
Finance and Accounts Department			
1	Senior Account Clerk	200 (10) 240	2,400
2	Intermediate Account Clerk	160 (10) 200	3,840
Transportation Department			
Engineering Division			
1	Senior Transportation Engineer	425 (20) 505	5,100
2	Assistant Transportation Engineer	295 (15) 355	7,080
Rate Division			
1	Senior Transportation Rate Expert	425 (20) 505	5,100
1	Associate Transportation Rate Expert	365 (20) 445	4,380
22	Totals		\$66,720

On the basis of workload data, which show heavy increases in almost all indices, the requested positions appear necessary to keep the work of the commission on a current basis.

Operating Expenses

We find no items out of line in operating expenses, and the total increase of 18.7 percent budgeted for 1947-48 over 1946-47 is reasonable in view of the added personnel and increased volume of work.

Equipment

Equipment is proposed to increase by \$14,400 or 132.2 percent, over 1946-47. The largest equipment item is for technical equipment and calculators for the Public Utilities Department, and new items of office equipment required for new positions.

Recommendations

We recommend that Item 286 be approved as requested for \$1,045,481.

For Support of the Transportation Rate Division, Public Utilities Commission

Item 287, page 55 of the Budget Bill and pages 852 to 856, inclusive, of the Budget. Amount requested is \$999,243 for support from the Transportation Rate Fund. This is an increase of \$508,495, or 103.6 percent, over actual expenditures in 1945-46 and \$303,995 or 43.7 percent, over estimated expenditures of \$695,248 in 1946-47. Proposed expenditures will reduce the amount in the Transportation Rate Fund from \$1,027,494 as of July 1, 1947, to an estimated \$850,331 as of June 30, 1948. At this rate of expenditures in excess of revenues to the Fund, the surplus accumulated in the Fund will be eliminated in less than six years.

Distribution of budgeted expenditures for 1947-48 is shown in Table I by object of expenditure, compared with estimated expenditures in 1946-47.

Table I

	<i>Estimated 1946-47</i>	<i>Proposed 1947-48</i>	<i>Increase or decrease Amount Percent</i>	
Salaries and wages-----	\$550,194	\$749,415	\$199,221	36.2
Operating expenses-----	123,802	212,367	88,565	71.5
Equipment-----	21,252	37,461	16,209	76.3
Totals-----	\$695,248	\$999,243	\$303,995	43.7

The increase in salaries and wages proposed for the 1947-48 Fiscal Year constitutes a broad augmentation of the staff of the Transportation Department. The commission uses the argument that "the industry feels that, inasmuch as it is now contributing approximately \$850,000 per annum for the regulation of transportation agencies, and with a surplus in the Transportation Rate Fund of approximately \$1,000,000, it is entitled to a full measure of regulation. This feeling is concurred in by most shippers, Chambers of Commerce and trade associations."

This is a matter of policy which must be determined by the Legislature. We believe, however, that it should be ascertained whether the industry is actually desirous of more regulation, or rather, whether it is expressing a desire for a greater service per dollar of tax money expended.

With the additional staff requested, which will incur a reduction in the Transportation Rate Fund, such that if continued, the fund will be exhausted within six years, future revenues based on existing levies will probably be insufficient to continue the regulative program established in this Budget.

Salaries and wages are budgeted to increase by \$199,221 or 36.2 percent. *Of this amount \$156,360 is for 57 new positions.* These positions are listed as follows:

Number of positions	Classification	Salary range	Cost
Truck and State Division			
6	Intermediate Clerk -----	160 (10) 200	\$11,520
3	Intermediate File Clerk -----	160 (10) 200	5,760
4	Intermediate Typist-Clerk -----	160 (10) 200	7,680
1	Intermediate Account Clerk -----	160 (10) 200	1,920
1	Intermediate Stenographer-Clerk -----	170 (10) 210	2,040
2	Senior Clerk -----	190 (10) 230	4,560
1	Senior Account Clerk -----	200 (10) 240	2,400
1	Senior Stenographer-Clerk -----	200 (10) 240	2,400
1	Senior File Clerk -----	190 (10) 230	2,280
1	Supervising Account Clerk, Grade 2 -----	280 (15) 340	3,360
1	Administrative Aid -----	280 (15) 340	3,360
Cashier Section			
1	Bookkeeper, Grade 1 -----	200 (10) 240	2,400
1	Intermediate Typist-Clerk -----	160 (10) 200	1,920
Field Division			
4	Transportation Representative -----	230 (10) 270	11,040
2	Assistant Transportation Rate Expert -----	280 (15) 340	6,720
2	Intermediate Stenographer-Clerk -----	170 (10) 210	4,080
2	Intermediate Typist-Clerk -----	160 (10) 200	3,840
1	Intermediate Clerk -----	160 (10) 200	1,920
Engineering Division			
1	Senior Transportation Engineer -----	425 (20) 505	5,100
1	Associate Transportation Engineer -----	365 (20) 445	4,380
3	Assistant Transportation Engineer -----	295 (15) 355	10,620
1	Junior Transportation Engineer -----	240 (10) 280	2,880
2	Intermediate Stenographer-Clerk -----	170 (10) 210	4,080
2	Intermediate Typist-Clerk -----	160 (10) 200	3,840
Rate Division			
1	Senior Transportation Rate Expert -----	425 (20) 505	5,100
8	Associate Transportation Rate Expert -----	365 (20) 445	35,040
3	Intermediate Stenographer-Clerk -----	170 (10) 210	6,120
222	Total, salaries and wages -----		\$660,577

It would appear as though the proposal to make this very material increase in expenditures arises very largely from the fact that there has been a substantial increase in revenues into the fund. We believe, however, that a reduction in taxes is in order, rather than an attempt to spend sums collected. Any lessening of the burden on shippers and ultimate consumers will, by reducing the cost of distribution of commodities, serve to strengthen the industry, especially in time of declining revenues. When taxes provide revenues in excess of the essential needs of the state agency which provides the regulatory service, such taxes should be reduced.

We also recommend that taxes into this fund should be collected by the Board of Equalization, as suggested by us in connection with the budget item for support of the Board of Equalization. Likewise, the auditing of returns is a function which should be taken out of the Public Utilities Commission and transferred to the Board of Equalization, which is already required to audit a large part of the transportation industry in connection with taxes administered by the board. It would eliminate duplication, be more economical, and be better auditing practice to combine these audits in one agency.

We recommend that auditing positions in Departmental Administration of the Public Utilities Commission which are for the purpose of auditing tax collections be eliminated.

We recommend that Item 287 for \$999,243 be reduced by \$303,995, or to the same amount as is estimated will be spent in 1946-47.

Department of Public Works

Analysis of Proposed Expenditures for 1947-48 Fiscal Year

For Support of the Department of Public Works, Departmental Administration

Item 288 of the Budget Bill, pages 859 to 861 of the Budget. \$49,428 requested from the General Fund by Item 288. Estimated reimbursements for services to activities supported out of other funds, \$72,314. A total to be expended for support of the Departmental Administration of \$121,742.

We recommend the amount requested be approved.

The statistical analysis by object of expenditure which follows shows an increase of \$17,126 over 1946-47 estimated expenditures. \$15,050 of this increase is for salaries, \$12,900 for four new positions.

Table I—Statistical Summary—By Object of Expenditure

Object	Estimated	Proposed	Increase or decrease	
	1946-47	1947-48	Amount	Percent
Salaries and Wages				
Positions now authorized-----	\$85,200	\$85,430	\$230	—32
Estimated salary savings-----	—600		600	
1947-48 merit salary adjustments---		1,320	1,320	
Proposed new positions-----		12,900	12,900	
Total -----	\$84,600	\$99,650	\$15,050	17.78
Operating Expenses -----	\$19,541	\$20,100	\$559	2.86
Equipment -----	475	1,992	1,517	319.37
Grand total-----	\$104,616	\$121,742	\$17,126	16.37

The proposed Salaries and Wages do not provide for a Deputy Director, an Administrative Assistant, and a Special Representative. These were authorized previously. The proposed new position of Assistant to the Director will combine the duties performed by the eliminated positions, and represents an improvement in the efficiency of the staff. The new position will be surveyed by the Personnel Board, and salary range appropriate to the duties established.

The positions of Deputy Director, Administrative Assistant, and Special Representative were pre-war positions which were to be filled on the return of the former holders of the position. It now appears that the work of these positions can be performed by the proposed new assistant to the director, and the former job holders are not returning to the positions or are resigning. We commend the Department for recognizing the situation and consolidating the duties into one position.

The remaining position of Special Representative should be critically examined by the Department for its need, the responsibility and authority of the position. Unless this position can be made a more responsible one so the occupant can do the kind of job required we recommend its elimination.