

In these charts can be clearly seen the effect of provisions liberalizing payments upon the growth in number of recipients, up to the war period, when economic prosperity radically reduced the number of recipients of aid other than old age assistance. The latter was not unaffected, however, as is seen by the manner in which the sharp upward trend was reversed and then flattened out.

It should be noted that reductions in case loads did not correspondingly reduce administrative costs during the war years. The request for increases to account for a resumption of the prewar upward trend in case loads therefore means that any such increases granted will constitute in part, at least, an increased service over that rendered prior to the war.

*We recommend that Item 304 be reduced from \$1,297,126 to \$1,275,840, a reduction of \$21,286 represented by the following items:*

1	<i>Social Welfare Agent</i> -----	\$2,392
2	<i>Supervising Social Welfare Agent</i> -----	5,300
	<i>Operating expenses budgeted for above positions</i> -----	1,000
	<i>Automobile operating expenses</i> -----	8,494
	<i>Automobile replacement</i> -----	4,100
		<hr/>
		\$21,286

#### **For Treatment of Recipients of Blind Aid**

Item 305, on page 58 of the Budget Bill and on page 922 of the Budget. Amount requested for 1947-48 Fiscal Year is \$25,000 from the General Fund. This amount is requested to carry out the provisions of Section 3051 of the Welfare and Institutions Code. The \$25,000 requested for 1947-48 reflects a reduction of \$18,019, or 41.9 percent, from \$43,019 for 1946-47.

*We recommend approval of this item as requested.*

### **Department of Veterans' Affairs**

#### **Analysis of Proposed Expenditures for the 1947-48 Fiscal Year**

##### **For Support of the Department of Veterans' Affairs**

Item 306, page 59 of the Budget Bill and pages 925 to 929, inclusive, of the Budget. Amount requested \$306,449 for support from the General Fund. *This represents an increase of \$235,246.19 or 321.1 percent over the amount of \$73,252.81 expended in the 1945-46 Fiscal Year and is \$28,458 or 10.2 percent over the amount of \$277,991 allowed for expenditure in the 1946-47 Fiscal Year.*

Proposed expenditures by function are statistically compared in the following Table I:

**Table I—Department of Veterans' Affairs  
Analysis of Proposed Expenditures for 1947-48 by Function**

<i>Function</i>	<i>Estimated</i>	<i>Proposed</i>	<i>Increase or decrease</i>	
	<i>1946-47</i>	<i>1947-48</i>	<i>1947-48 over 1946-47</i>	<i>Amount Percent</i>
Division of Administration-----	\$82,963	\$84,444	\$1,481	1.8
Division of Service and Coordination -----	110,984	117,185	6,201	5.6
Division of Educational Assistance---	88,244	111,025	22,781	25.8
Totals -----	\$282,191	\$312,654	\$30,463	10.8
Less:				
Amounts Payable from Veterans' Dependents Educational Fund-----	4,200	6,205	2,005	47.7
Net Totals Support-----	\$277,991	\$306,449	\$28,458	10.2

The Division of Administration shows a nominal increase of \$1,481 or 1.8 percent.

The Division of Service and Coordination reflects the next largest gain of \$6,201 or 5.6 percent.

The major increase both dollar-wise and from a percentage standpoint is shown in the Division of Educational Assistance where the advance amounts to \$22,781 or 25.8 percent.

Increases by object and function are reflected in Table II following:

**Table II—Department of Veterans' Affairs  
Analysis of Proposed Expenditures for 1947-48 by Object and Function**

<i>Object and Function</i>	<i>Estimated</i>	<i>Proposed</i>	<i>Increase or decrease</i>	
	<i>1946-47</i>	<i>1947-48</i>	<i>1947-48 over 1946-47</i>	<i>Amount Percent</i>
Salaries and Wages				
Administration -----	\$56,753	\$60,190	\$3,437	6.1
Service and Coordination-----	77,474	82,185	4,711	6.1
Educational Assistance -----	65,702	96,240	30,538	46.5
Total Salaries and Wages-----	\$199,929	\$233,615	\$38,686	19.3
Operating Expenses				
Administration -----	16,450	18,900	2,450	14.9
Service and Coordination-----	27,300	31,000	3,700	13.5
Educational Assistance-----	9,325	14,285	4,960	53.2
Total Operating Expense-----	\$53,075	\$64,185	\$11,110	20.9
Equipment				
Administration -----	9,760	5,354	—4,406	—45.1
Service and Coordination-----	6,210	4,000	—2,210	—35.6
Educational Assistance-----	13,217	500	—12,717	—96.2
Total Equipment-----	\$29,187	\$9,854	—\$19,963	—68.4
Total Expenditures-----	\$282,191	\$312,654	\$30,463	10.8

**Salaries and Wages**

Total salaries and wages are scheduled to advance from \$199,929 to \$238,615, a gain of \$38,686 or 19.3 percent. The two divisions of Administration and Service Coordination, reflect an equal percentage increase in this item of 6.1 percent each. The largest increase is that of the Division of Educational Assistance, which is in the amount of \$30,538 or 46.5 percent.

*Of the total scheduled advance in salaries and wages, \$3,960 or 10.2 percent is the result of two new positions.* This will increase the number of personnel from 77 to 79 or 2.5 percent. The new positions contemplated are:

1	Intermediate Stenographer-Clerk -----	170 (10) 210	\$1,920
1	Bookkeeping Machine Operator-----	170 (10) 210	2,040
	Total cost-----		<u>\$3,960</u>

The original budget request was for a receptionist for the Director, the necessity for the position being given as due to the unsatisfactory arrangement of the Director and Deputy Director's Office being combined and no reception room. *The request has apparently been revised from a receptionist to the presently indicated position.*

Work load rather than physical arrangement of the premises should form the foundation for additional positions. The staffing of the Division of Administration appears top-heavy with a Director, a Deputy Director and an Administrative Assistant in addition to seven Board Members. While the latter are nonsalaried and merely advisory, there should be sufficient administrative judgment and ability represented to warrant a reduction in administrative costs. Total staffing arrangement does not warrant both a Director and a Deputy position, in addition to an administrative assistant.

*Recommend deletion of the position of either Deputy Director and the proposed new position of Intermediate Stenographer-Clerk, or the position of Administrative Assistant, effecting a salary saving of at least \$6,300.*

**Operating Expense**

This expenditure is up by \$11,110 or 20.9 percent. Administrative and Service and Coordination show an advance of 14.9 percent and 13.5 percent, respectively. The major increase percentage-wise is in Educational Assistance which is up 53.2 percent. However, the dollar volume gain is \$4,960 as against \$2,450 and \$3,700 for the other two divisions.

The following reductions are recommended on operating expense items:

**DIVISION OF ADMINISTRATION**

*Reduce printing from \$300 to \$250, a saving of----- \$50*

This will permit a 25 percent increase in this item.

*Reduce traveling from \$15,000 to \$13,500, a saving of----- \$1,500*

No additional traveling positions to justify increase.

**DIVISION OF SERVICE AND COORDINATION**

*Reduce printing from \$8,300 to \$6,000, a saving of----- \$2,300*

This provides for a 20 percent increase.

*Reduce traveling from \$11,500 to \$10,500, a saving of*----- \$1,000  
 No additional traveling positions to justify increase.

*Reduce postage from \$2,400 to \$2,200, a saving of*----- \$200  
 A 10 percent increase in this item appears ample.

DIVISION OF EDUCATIONAL ASSISTANCE

*Reduce traveling from \$6,000 to \$4,500, a saving of*----- \$1,500  
 No additional traveling positions to justify increase.

*Reduce telephone and telegraph from \$750 to \$500, a saving of* \$250  
 This provides a 25 percent increase in this item.

*Reduce postage from \$2,500 to \$2,000, a saving of*----- \$500  
 This permits an increase of 33.3 percent on this item.

*Reduce automobile expense from \$2,200 to \$1,800, a saving of*---- \$400  
 No new traveling positions to justify increase.

*The foregoing recommended savings in operating expense total \$7,700 or 11.9 percent of the overall projected expenditure for this item and will permit an increase of 6.4 percent in this category of expenditure.*

*Equipment*

Total expenditures for this item are scheduled at \$9,854, a decline of 68.4 percent and appear in order.

*Recommendation*

*That Item 306 be reduced from \$306,449 to \$289,329, a reduction of \$17,120 or 5.6 percent. This will affect the schedule on a revised basis as follows:*

Salaries and Wages-----	\$229,195
Operating Expense-----	56,485
Equipment-----	9,854
 Total-----	 \$295,534
Less: Estimated reimbursements from Veterans' Dependents'	
Education Fund for Administrative Services-----	6,205
	<hr/> \$289,329

**For Educational Assistance to Veterans**

Item 307, page 59 of the Budget Bill and pages 925 and 929 of the Budget. Amount requested, \$2,541,000, from the General Fund. *This represents an increase of \$2,267,488.91 or 829 percent over the amount of \$273,511.09 expended in the 1945-46 Fiscal Year and is \$626,700 or 32.7 percent over the amount of \$1,914,300 allowed for expenditure in the 1946-47 Fiscal Year. The latter amount includes a deficiency of \$1,308,854.71 made by Chapter 45, Statutes of 1946, and for which an appropriation has been enacted by the Legislature as an emergency measure in the form of Senate Bill No. 4 of the present session.*

Indications are that the peak of these expenditures has been reached with a resultant leveling off which will be followed by a substantial drop. It is probable that a substantial saving will be effected on this item.

Disbursements by object of expenditure are shown in the following schedule:

Object	Estimated	Proposed	Increase or decrease	
	1946-47	1947-48	Amount	Percent
Tuition -----	\$150,750	\$201,000	\$50,250	33.3
Books -----	200,710	268,000	67,290	33.5
Subsistence -----	1,562,840	2,072,000	509,160	32.5
Totals -----	\$1,914,300	\$2,541,000	\$626,700	32.7

*Recommend approval of Item 307 as submitted.*

**For Veterans' Claims and Rights Service**

Item 308, page 59 of the Budget Bill and pages 925 and 929 of the Budget. Amount requested, \$500,000, from the General Fund. This represents an increase of \$325,807 or 187 percent over the amount of \$174,193.42 expended in the 1945-46 Fiscal Year and is \$169,000 or 51.1 percent over the amount of \$331,000 allowed for expenditure in the 1946-47 Fiscal Year.

*This is a general fund appropriation to cover payments on contracts with veterans organizations in payment for services in behalf of veterans in processing claims against the United States arising out of war service.*

Payments to the veterans' organizations on the basis of budget allotments are shown in the following schedule:

Contract payments	Estimated	Proposed	Increase or decrease	
	1946-47	1947-48	Amount	Percent
American Legion -----	\$185,625	\$273,795	\$88,172	47.5
Disabled American Veterans -----	43,659	106,746	63,087	144.5
Veterans of Foreign Wars -----	101,716	119,457	17,741	17.4
Totals -----	\$331,000	\$500,000	\$169,000	32.7

*This presents a situation where state funds are disbursed by contract with organizations not controlled by the State. The amount involved is sizeable and should therefore be subject to annual audits by the State.*

If the service is to be continued, the funds will be required. *See comments on Item 336, which provides funds for similar activity.*

*We recommend that Item 308 be set up on a reimbursement program to be first reviewed by the Department of Veterans Affairs of the State, who shall recommend approval or disapproval to the State Controller.*

**For Additional Support, Department of Veterans' Affairs**

Item 309, page 59 of the Budget Bill and pages 925 and 929 of the Budget. Amount requested, \$6,455, from the Veterans' Dependents' Education Fund for additional support. This represents a decrease of \$4,212 or 39.4 percent under the amount of \$10,677.55 expended in the 1945-46 Fiscal Year and is \$2,080 or 47.5 percent above the amount of \$4,375, allowed for expenditure in the 1946-47 Fiscal Year.

*This is a special fund item payable from the Veterans' Dependents' Education Fund toward the support of the Division of Educational Assistance on a pro rata basis.*

*Recommend approval of Item 309 as submitted.*

**For Educational Assistance to Veterans' Dependents**

Item 310, page 59 of the Budget Bill and pages 925 and 929 of the Budget. Amount requested, \$140,200, from Veterans' Dependents' Education Fund. This represents an increase of \$83,733 or 148.2 percent over the amount of \$56,467.31 expended in the 1945-46 Fiscal Year and is \$37,800 or 36.9 percent over the amount of \$102,400 allowed for expenditure in the 1946-47 Fiscal Year.

*This is another special fund item to serve the needs and requirements of statutory provisions, and is payable from the Veterans' Dependents' Education Fund.*

After payment of this proposed expenditure together with additional support in the amount of \$6,455 as reflected in the preceding Item 309 of the Budget Bill, the estimated unbudgeted surplus in this fund as of June 30, 1948 will be \$151,638. This reflects an increase of \$3,345 or 2.2 percent over the estimated unbudgeted surplus of \$148,293 as of July 1, 1947.

*Recommend approval of Item 310 as submitted.*

**For Support of Veterans' Home of California**

Item 311, pages 59 and 60 of the Budget Bill and pages 931 to 941, inclusive, of the Budget. Amount requested \$961,311 from the General Fund for support. *This represents an increase of \$310,860.39 or 47.8 percent over the amount of \$650,450.61 expended in the 1945-46 Fiscal Year and is \$110,727 or 13.0 percent over the amount of \$850,584 allowed for expenditure in the 1946-47 Fiscal Year.*

Proposed expenditures by function are statistically compared in the following Table III which also indicates per capita costs.

**Table III—Department of Veterans' Affairs, Division of Veterans' Homes  
Analysis of Proposed Expenditures for 1947-48 by Function**

Function	Veterans' Homes				Per capita costs	
	Estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47		1946-47	1947-48
			Amount	Percent		
Administration -----	\$82,108	\$90,007	\$7,899	9.6	\$68 42	\$69 23
Support and subsistence -----	532,566	544,403	11,837	2.2	443 81	418 77
Care and welfare -----	382,102	482,041	99,939	26.1	318 41	370 80
Maintenance and oper- ation of plant -----	147,894	163,127	15,233	10.2	123 25	125 48
Farming and processing -----	45,364	51,333	5,969	13.1	37 80	39 48
Total support --	\$1,190,034	\$1,330,911	\$140,877	11.8	\$991 69	\$1,023 78
Less:						
Reimbursements employee maintenance ----	45,900	53,500	7,600			
Federal contributions --	339,450	369,600	30,150	8.8	282 87	284 31
Net totals support	\$850,584	\$961,311	\$110,727	13.0	\$708 82	\$739 47
Restoration of supplies -----		50,000	50,000			38 46
Total current expenses -----	\$850,584	\$1,011,311	\$160,727	18.9	\$708 82	\$777 93
Population -----	1,200	1,300	100			

Due to a special item of \$50,000 for restoration of supplies, *which really is an operating expense item, but has not been included in the regular support figures, we find that the actual support increase amounts to 18.9 percent or \$160,727.*

The major increase by function is shown to be in Care and Welfare which is scheduled to advance by \$99,939 or 26.1 percent. This amount represents 70.9 percent of the total support increase of \$140,877.

Maintenance and Operation of Plant accounts for an increase of \$15,233 or 10.2 percent.

Support and Subsistence indicates an advance of \$11,837 or 2.2 percent.

Administration costs are scheduled upward by \$7,899 or 9.6 percent. The smallest dollar advance is shown in Farming and Processing costs, which reflect an increase of \$5,969 or 13.1 percent.

Increases by object and function are reflected in Table IV following :

**Table IV—Department of Veterans' Affairs, Division of Veterans' Homes  
Analysis of Proposed Expenditures for 1947-48 by Object and Function**

Object function	Estimated 1946-47	Proposed 1947-48	Increase or decrease 1947-48 over 1946-47		Per capita costs	
			Amount	Percent	1946-47	1947-48
<b>Salaries and Wages</b>						
Administration ----	\$70,733	\$75,853	\$5,120	7.2	\$58 94	\$58 35
Support and subsistence ----	224,592	245,791	21,199	9.4	187 16	189 07
Care and welfare----	348,482	430,709	82,227	23.6	290 40	331 31
Maintenance and operation of plant	96,584	107,168	10,584	10.9	80 49	82 43
Farming and processing -----	18,809	19,315	506	2.7	15 67	14 86
Total salaries and wages -----	\$759,200	\$878,836	\$119,636	15.7	\$632 66	\$676 02
<b>Operating Expenses</b>						
Administration ----	\$11,025	\$11,300	\$275	2.5	\$9 19	\$8 69
Support and subsistence ----	352,444	344,587	-7,857	-2.2	293 70	265 07
Care and welfare----	35,100	42,050	6,950	19.8	29 25	32 34
Maintenance and operation of plant	50,500	53,000	2,500	4.9	42 08	40 76
Farming and processing -----	26,365	28,050	1,685	6.4	21 97	21 57
Total operating expense -----	\$475,434	\$478,987	\$3,553	.74	\$396 19	\$368 45
<b>Equipment</b>						
Administration ---	\$350	\$2,854	\$2,504	715.4	\$0 30	\$2 20
Support and subsistence ----	1,430	7,524	6,095	426.2	1 19	5 78
Care and welfare----	1,020	11,782	10,762	955.1	85	9 06
Maintenance and operation of plant	810	2,959	2,149	265.3	67	2 28
Farming and processing -----	1,190	4,968	3,778	317.5	99	3 82
Total equipment--	\$4,800	\$30,088	\$25,288	526.8	\$4 00	\$23 14

**Salaries and Wages**

The scheduled advance herein amounts to \$119,636 or 15.7 percent. This increase represents 84 percent of the total advance in support for the home. *Of the total increase in salaries and wages \$81,015 or 71.1 percent is attributable to 33 new proposed positions and two reclassifications.* These are shown in the following Table V by division :

**Table V—Department of Veterans' Affairs, Veterans' Home  
Proposed New Positions**

<i>No. of proposed</i>	<i>Classification</i>	<i>Salary range</i>	<i>Cost</i>
	<b>Administration</b>		
1	Intermediate Stenographer-Clerk -----	\$170 (10) 210	\$2,040
	<b>Support and Subsistence</b>		
1	Institution Cook -----	200 (10) 240	2,400
1	Kitchen Helper -----	150 (10) 190	1,800
5	Waitress -----	150 (10) 190	9,000
1	Assistant Seamstress -----	150 (10) 190	1,800
1	Laundress -----	160 (10) 200	1,920
	<b>Care and Welfare</b>		
1	Recreational and Welfare Officer -----	265 (15) 325	3,180
2	Hospital Attendant -----	150 (10) 190	3,600
	Barber (increase to full time) -----	180 (10) 220	970
1	Chemical Laboratory Technician -----	210 (10) 250	2,520
12	Graduate Nurse -----	200 (10) 240	28,800
1	Surgical Nurse -----	210 (10) 250	2,520
1	Dentist -----	435 (20) 535	5,220
1	Physician -----	455 (20) 555	4,160
1	Urologist -----	385 (20) 465	2,700
1	Dental Laboratory Technician -----	210 (10) 250	2,520
	<b>Maintenance and Operation of Plant</b>		
1	Institution Mason -----	230 (10) 270	2,760
1	Institution Electrician -----	230 (10) 270	2,760
33			\$80,670
	2 Reclassifications -----		345
			<u>\$81,015</u>

The ratio of members to staff at this Home is unusually low. In 1945-46 with a population of 1,034, there were 372 employees or one employee for each 2.7 members.

In 1946-47 the ratio improved somewhat with a population of 1200 and the number of employees remaining static at 372 giving a ratio of one employee for each 3.2 members.

*These ratios are entirely out of line and therein we find one of the major reasons why per capita costs are excessive, being practically double that of other hospital institutions.*

The following deletions in proposed new positions are recommended :

1 Institution Cook, a saving of ----- \$2,400

The ratio of cooks to total population in this institution is already excessive when compared to other state institutions and hospitals.



1 *Kitchen Helper, a saving of*----- \$1,800

The ratio of kitchen helpers to cooks is similarly out of line, the present ratio being 1.3 helper to each cook. Generally a ratio of one helper to each cook is optimum, with a general average of one helper to each two cooks being sufficient.

2 *Waitresses, a saving of*----- \$3,600

Projected population increase is 8 percent. A similar increase in serving staff will justify only three of the five positions proposed.

1 *Assistant Seamstress, a saving of*----- \$1,800

The ratio of seamstress to total population in this institution is similarly out of line when compared to other state institutions and hospitals.

1 *Laundress, a saving of*----- \$1,920

Laundry personnel at this institution totals 11 persons or an average of one employee to each 118 of population. Other state institutions and hospitals average as high as 1 employee to 500 in population for this service. Some readjustment appears in order.

1 *Recreational and Welfare Officer, a saving of*----- \$3,180

This home already has the position of Chaplain and Recreational Director at \$3,900. It would appear that some assistance, if necessary, could be provided by some of the members who are recreationally inclined. The employment of a civilian for this service does not appear justifiable.

6 *Graduate Nurses, a saving of*----- \$14,400

Population is scheduled to advance by 8 percent, yet the 12 additional positions requested would represent an increase of 54.5 percent in this class of personnel. Due to the advancing age of the veterans, additional care beyond mere population increase should be provided. Six new positions should provide for this requirement.

1 *Dental Laboratory Technician, a saving of*----- \$2,520

The addition of one dentist should not necessitate another Technician. For laboratory work one technician to two dentists provides an ample ratio.

*Temporary help for the Division of Care and Welfare should be reduced from \$1,200 to \$400, effecting a saving of*----- \$800

This will permit a 25 percent increase in this item over 1946-47.

*The foregoing recommended reductions in Salaries and Wages total \$29,100, which is 3.3 percent of the amount scheduled for this item.*

#### *Sick Leave*

This institution employs a considerable number of inmates who are paid at an approved salary scale in addition to their full care and maintenance and other benefits provided by the institution which are available to all inmates. Strange enough, these employees are likewise allowed

sick leave with full pay. This seems contradictory to the very purpose for which this institution exists, for each inmate is supposed to be incapacitated and he is an inmate only for the reason that he cannot care for himself. If he can work periodically and assist in the maintenance of the institution, it is undoubtedly reasonable to pay him. However, when he cannot work and reverts to the condition necessary for his admission, it seems reasonable that he should revert to that status and not impose an additional burden on the State by drawing sick leave pay.

*We recommend that a decision be made on this matter for the guidance of the Personnel Board.*

**Operating Expenses**

Items in this category appear generally in line with the exception of Medical Care. *This item should be held to \$28,000, effecting a saving of \$2,000.* This will permit a 16.7 percent increase over the \$24,000 estimated figure of 1946-47 and is 35.6 percent over actual expenditures for 1945-46.

**Equipment**

Expenses for this item appear substantial from the standpoint of percentage gains. *However, the amounts on a per capita basis do not appear out of line and no reduction is recommended.*

**Recommendation**

1. *That Item 311 be reduced from \$961,311 to \$932,211, a reduction of \$29,100 or 3.03 percent.* This will affect the schedule on a revised basis as follows:

Salaries and Wages -----	\$849,736
Operating Expenses -----	476,987
Equipment -----	30,088
Total -----	<u>\$1,356,811</u>
Less:	
Estimated reimbursements for services to employees and for members and for sale of surplus products.....	57,000
Estimated receipts from the Federal Government.....	<u>369,000</u>
Net appropriation of.....	<u>\$932,211</u>

2. *That every effort be made to secure added federal participation in the support of this institution, or*

3. *That consideration be given to a determination of the feasibility of having the Federal Government assume the entire responsibility of this facility as part of the national program for veterans care.*

**For Purchase of Supplies and Equipment, Veterans' Home**

Item 312, page 60, of the Budget Bill, and pages 931 and 941 of the Budget. *Amount requested \$50,000 from the General Fund.* This sum is requested to purchase supplies to restore the normal operating complement of items depleted during the period of the war when they were unobtainable. This includes such items as clothing, mattresses, bedding, linen, tableware utensils, etc.

*This expenditure covers a category of items normally expendable and the replacement of which constitutes operating expense for the institution. With every indication of a general softening in prices and better quality merchandise appearing, it is recommended that this item be reduced to \$25,000 for the 1947-48 Fiscal Year and that consideration be given to a suitable added sum for the ensuing Fiscal Year thereafter upon consideration of the Budget at that time.*

*Recommend approval of Item 312 in the reduced amount of \$25,000.*

**For Construction, Improvements, Repairs and Equipment, Veterans' Home**

Item 313, page 60 of the Budget Bill, and pages 931 and 941 of the Budget. Amount requested \$425,000 payable from the Athletic Commission Fund. This item consists of two major expenditures as follows:

Construct and equip library, patriotic hall and postoffice at recreation center.....	\$400,000
Equipment for vocational training building.....	25,000
	<hr/>
Athletic Commission Fund, total.....	\$425,000

*Funds for the construction of the vocational training and service building are being donated by the Odd Fellows of the State of California.*

*However, due to rises in building costs the \$250,000 which they are to turn over to the State will be insufficient to provide equipment. Therefore, the request for the additional \$25,000.*

The \$400,000 requested is to cover the cost of construction and equipment of a library, patriotic hall and post office at the recreation center. The present library and assembly hall is a frame and stucco structure situated on the site of a proposed convalescent barracks, for the construction of which funds have been appropriated. We recommend the appropriation, subject however to the proviso that none of the funds so appropriated shall be expended or contracted to be expended until such time as the index for building construction declines at least to 350. This will result in a substantially greater return in building value to the State.

**For Construction, Improvements, Repairs and Equipment, Veterans' Home**

Item 314, page 60 of the Budget Bill, and pages 931 and 941 of the Budget. Amount requested \$10,540 payable from the General Fund. This expenditure is to cover the following items:

Electrical installation for urological X-ray department.....	\$1,000
Electrical installation for grounding hospital operation rooms....	1,600
Provide shower bath facilities at Company "A".....	4,000
Irrigation system for vegetable garden.....	1,600
Expansion of orchard and planting 1,300 additional fruit trees....	2,340
	<hr/>
	\$10,540

In addition to the sum indicated herein, Item 313, supra, provides for \$425,000 and an additional \$50,000 is allocated from the Postwar Employment Reserve making a total of \$485,540 for capital outlay for this facility for 1947-48.

*Recommend approval of Item 314 as submitted.*

**For Support of Woman's Relief Corps Home**

Item 315, page 60 of the Budget Bill and pages 942 to 945, inclusive, of the Budget. Amount requested, \$69,168 for Support from the General Fund.

This represents an increase of \$17,053.17 or 32.7 percent over expenditures of \$52,114.83 for the 1945-46 Fiscal Year; and an increase of \$7,516 or 12.2 percent over the amount of \$61,562 allowed for expenditure in the 1946-47 Fiscal Year.

Proposed expenditures are summarized in the following Table VI and compared to corresponding items in the 1945-46 and 1946-47 Fiscal Year.

**Table VI—Department of Veterans' Affairs, Womans' Relief Corps Home  
Analysis of Proposed Expenditures by Object**

Object	Estimated 1946-47	Proposed 1947-48	Increase or decrease		Per capita costs	
			1947-48 over 1946-47 Amount	Percent	1946-47	1947-48
Salaries and wages ---	\$41,902	\$47,785	\$5,883	11.4	\$838 04	\$955 70
Operating expense ---	20,970	20,705	—265	—1.2	419 40	414 10
Equipment -----	560	2,548	1,988	355.0	11 20	50 96
Totals -----	\$63,432	\$71,038	\$7,606	11.9	\$1,268 64	\$1,420 76
Less:						
Employment, maintenance, reimbursements ---	—1,870	—1,870				
Net Totals -----	\$61,562	\$69,168	\$7,606	12.3	\$1,231 24	\$1,383 36
Positions -----	17	19	2	11.7		
Population -----	50	50				

*Salaries and Wages*

Salaries and wages are scheduled to increase by \$5,883 or 11.4 percent. *Of this amount \$4,680 or 67.99 percent is reflected by two new positions:*

Position	Salary range	Total
1 Institution Storekeeper, Grade 1-----	190(10) 230	\$2,280
1 Graduate Nurse -----	200(10) 240	2,400
		<u>\$4,680</u>

Due to the advancing age of the members, added technical care is required through the services of the graduate nurse.

Proper control of supplies should result in some savings to at least partially offset the cost of the storekeeper position.

*Operating Expenses*

Operating expenses have shown a commendable trend, the forecast indicating a small decrease.

*Equipment*

Equipment shows the largest percentage increase being 355 percent over the 1946-47 figure. However, the total increase in this

respect is well distributed throughout all functions. 74.89 percent or \$1,489 of the total increase of \$1,988 in this category is accounted for in \$973 for Care and Welfare and \$516 in Support and Subsistence. Equipment expenditures are largely for replacement items, the major exception being \$693 for additional medical equipment.

*This institution appears to be operating on a conservative basis and no substantial savings can be effected except as will naturally follow through normal inevitable reduction in membership population.*

#### Recommendation

*That Item 315 of the Budget Bill in the amount of \$69,168 be approved as submitted.*

#### **For Construction, Improvements, Repairs and Equipment, Woman's Relief Corps Home**

Item 316, page 60 of the Budget Bill and pages 942 and 945 of the Budget. Amount requested \$7,500. This is a General Fund expenditure contemplated for miscellaneous alterations and improvements to structures.

*Recommend approval as submitted.*

#### **Miscellaneous**

#### **For Transfer to State Employees' Retirement Fund**

Item 317, pages 60 and 61 of the Budget Bill and page 946 of the Budget. Amount requested \$1,000,000 from the General Fund for payment into the State Employees' Retirement Fund for employees who were absent on military service.

By Section 208945 of the Government Code the State is liable for both the employees and employers contributions to the State Employees' Retirement Fund for those on military leave. The amount contributed by the State is based on the compensation which would have been earned if the employee had been working.

It is now proposed that the amount of \$1,000,000 be transferred to the State Employees' Retirement Fund to take care of this obligation of the State. This is in the nature of a gift from the people of the State.

*We recommend that Item 317 be approved.*

#### **For Compensation to State Officers and Employees for Injuries Received in the Line of Duty Whose Salaries Are Paid From the General Fund**

Item 318, page 61 of the Budget Bill and page 946 of the Budget. Amount requested \$260,000 from the General Fund for medical care, hospitalization and compensation of state employees injured in the line of duty whose salaries are paid from the General Fund. *The payments are prescribed by the Workmen's Compensation Act.*

This is an increase of \$45,251 or 21.1 percent over the amount of \$214,749 expended in 1945-46; and an increase of \$4,752 or 1.9 percent over the amount of \$255,248 allowed for expenditure in the 1946-47 Fiscal Year.

The amount to be paid to each individual is based on the salary such employee receives from the General Fund. With the same number of