

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

accidents the amount necessary to meet these payments will be greater because of salary increases.

We recommend that Item 318 be approved as submitted.

For Refunds of Payments of Taxes, Licenses and Fees Paid Erroneously Into the General Fund

Item 319, page 61 of the Budget Bill and page 946 of the Budget. Amount requested, \$5,000 from the General Fund for refunding taxes, licenses, fees, and other receipts erroneously paid in the General Fund.

This is an increase of \$4,067, or 435.9 percent over the amount of \$933 expended in the Fiscal Year 1945-46, and an increase of \$1,000, or 25 percent, over the amount of \$4,000 allowed for expenditure in the 1946-47 Fiscal Year.

Refunds should not be made without the approval of the Board of Control. On that basis, we recommend Item 319 be approved as submitted. All remaining funds should be returned to the General Fund.

For Augmentation of the Purchasing Revolving Fund

Item 320, page 61 of the Budget Bill, and pages 946 and 1016 and 1017, of the Budget. Amount requested, \$600,000 from the General Fund.

Recommend approval as submitted.

For Augmentation of the Water Commission Revolving Fund

Item 321, page 61, of the Budget Bill and page 946 of the Budget. Amount requested, \$50,000 from the General Fund for augmentation of the Water Commission Revolving Fund.

The Water Commission Revolving Fund was established in 1921 (Chapter 854, Statutes of 1921) with working capital of \$50,000. The money in the revolving fund is used to carry on litigation over water rights. The additional money requested is for additional working capital.

We recommend that Item 321 be approved as submitted.

For Augmentation of the State Printing Fund

Item 322, page 61, of the Budget Bill and pages 946 and 1010 to 1015, inclusive, of the Budget. Amount requested, \$200,000 from the General Fund.

Recommend approval as submitted.

For Augmentation of the Service Revolving Fund

Item 323, page 61, of the Budget Bill and pages 946 and 450 to 457, inclusive, of the Budget. Amount requested, \$250,000 from the General Fund.

The Service Revolving Fund is administered by the Buildings and Grounds Division of the Department of Finance, and should be so indicated in the Budget Bill. Since it is a working revolving fund, neither the expenditures nor the revenues are included in the Budget totals.

Recommend approval as submitted.