

Recommendation

1. That Item 336 be reduced from \$300,000 to \$250,000, the same amount as estimated for expenditure in the 1946-47 Fiscal Year.

2. That a study be made to develop a consolidation of the functions and services provided in Sections 971 and 699.5 of the Veterans' Welfare Code, and in such study a determination be made as to the necessity for state participation in this service, together with the extent of similar service offered by the Federal Government.

For Furnishing of Workmen's Compensation to Disaster Service

Item 337, page 64, of the Budget Bill, and page 1000 of the Budget. Amount requested, \$25,000 from the General Fund for furnishing workmen's compensation to Disaster Service employees as provided in Chapter 104, Statutes 1946.

The full amount of \$25,000 is not expected to be spent in 1947-48, but the unexpended balance is to revert at the end of the fiscal year. A cash revolving fund of \$100,000 was set up by Chapter 104, Statutes of 1946, to care for this matter in 1945-46 and 1946-47. In 1945-46, only \$81.37 was expended and \$2,500 is estimated to be spent in 1946-47.

We recommend that Item 337 be approved as submitted for the amount of \$25,000.

San Francisco Harbor

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Board of State Harbor Commissioners—Summary

Items 338, 339, 340, 341, page 65 of the Budget Bill and pages 1027 to 1035, inclusive, of the Budget.

Total contemplated expenditures 1947-48 including retirement contributions of \$118,966 and \$1,165,711 bond interest and redemption -----	\$5,184,197	
Total estimated revenues -----	4,502,567	
Reduction of surplus fund -----	681,630	or 1.3%
Estimated surplus July 1, 1947 -----	5,229,539	
Estimated surplus June 30, 1948 -----	4,547,909	
Estimated expenditures 1946-47 -----	5,363,870	
Estimated expenditures 1947-48 -----	5,184,197	
	-179,673	-3%
Estimated revenues 1946-47 -----	4,541,846	
Estimated revenues 1947-48 -----	4,502,567	
	-39,279	-8%

For Support

Item 338, page 65 of the Budget Bill and page 1035 of the Budget.

	<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 -----	\$2,080,447	\$2,170,617	\$90,170	4.3
Operating expenses -----	1,483,057	1,368,755	-114,302	-7.7
Equipment -----	258,237	188,148	-70,089	-27.1
Totals -----	\$3,821,741	\$3,727,520	-\$94,221	-2.5

Under operating expenses of Dredges, Tugs and Scows, \$82,500 is proposed, the same amount as for the previous year. However, \$120,000 is set aside for the purchase of a new tug, which, if purchased, would reduce the operating expenses of the old equipment. Therefore, if a new tug is purchased during the year, operating expenses should be scaled downward accordingly.

We recommend approval of the amount requested.

For Maintenance, State Board of Harbor Commissioners

Item 339, for maintenance of fire boats, \$110,000.

We recommend approval of the amount requested.

For Services of San Francisco Firemen

Item 340 for services of City and County of San Francisco firemen, \$12,000.

We recommend approval of the amount requested.

For Construction and Improvement

Item 341, for construction and improvements, \$50,000.

We recommend approval of the amount requested.

Department of Employment

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

DISABILITY INSURANCE

For Administration of Unemployment Disability Benefits

Item 342, page 65 of the Budget Bill, and pages 383 to 385 of the Budget. *Amount requested is \$2,444,423 for 1947-48 from the Unemployment Compensation Disability Fund.* This represents an increase of \$710,348, or 41 percent, over actual expenditures of \$1,734,075 for the 1946-47 Fiscal Year.

Chapter 81, Statutes of 1946, First Extra Session, added to the California Unemployment Insurance Act, a new program for payment of disability benefits. The disability insurance program will be administered through 16 area offices located throughout the State. These offices will receive disability insurance claims and issue insurance checks.

Public Law 719, Seventy-ninth Congress, Second Session, approved on August 8, 1946, permitted the withdrawal of \$104,000,000 from the Unemployment Trust Fund so that payment of disability benefits could begin on December 1, 1946. *As of November 30, 1946, the Unemployment Compensation Fund contained \$131,803,706, including \$104,000,000 refunded to the State by congressional action during 1946.*

As the payment of disability benefits did not begin until December 1, 1946, the department has no historical basis for estimating work loads and costs of operation. A work load estimate was prepared after careful consideration of all available data, including a study of the work load experience of the State of Rhode Island, the only State which has been paying disability benefits. Allowances have been made for differences between