

Regents of the University of California and the Department of Finance, of the feasibility of transferring the Santa Barbara Campus to another site near Goleta.

DEPARTMENT OF EDUCATION—HASTINGS COLLEGE OF LAW

For Support of the Hastings College of Law from the General Fund

Item 140 of the Budget Bill and pages 275 and 276 of the Budget. The amount requested is \$7,000 for support from the General Fund. Total expenditures proposed for 1948-49 are \$122,400, an increase of \$16,747, or 15.8 percent over actual and estimated expenditures of \$105,653 in 1947-48. Revenues to the college are estimated at \$238,060, or an increase of \$24,982 over 1947-48. Per student costs are proposed to be increased from \$182 in 1947-48 to \$188 in 1948-49 based on an estimated enrollment of 650 students.

The amount budgeted includes only the annual appropriation of \$7,000 for interest which the State is required to make to the College under the provisions of Section 20152 of the Education Code. In addition to this appropriation, the school receives revenues in the form of student fees, Veterans' Administration receipts, and other income in the amount of \$231,060.

Recommendation

We recommend that Item 140 be granted in the amount of \$7,000 as budgeted.

DEPARTMENT OF EMPLOYMENT

For Support of Department of Employment Payable from the Department of Employment Contingent Fund

Item 141 of the Budget Bill and pages 278 to 292 of the Budget. Total amount requested, \$200 from Department of Employment Contingent Fund.

The amount of \$200 will provide funds for reimbursement to Department of Employment employees for out-of-state travel expenses, which is the difference allowed by the Federal Social Security Agency and the maximum allowed by the State Board of Control.

Recommendation

We recommend Item 141 be approved as submitted.

For Acquisition of Real Property and/or Construction, Improvements and Equipment, Department of Employment, Payable from the Department of Employment Contingent Fund

Item 142 of the Budget Bill and pages 278 to 292 of the Budget. The total amount requested is \$1,000,000.

At the present time this department needs new office space in Sacramento and new premises should also be secured in various other localities in the State. The department presently leases more than 100 office buildings for field operations, and the annual rentals paid for these premises

exceed \$500,000. If, to the extent permitted by available funds, State buildings are constructed to replace leased premises, the agency will secure more adequate facilities and substantial savings will also be possible.

Amounts expended from the Contingent Fund would eventually be restored through the means of rental payments from the Unemployment Administration and the United States Employment Service.

The total amount of unbudgeted surplus in the Department of Employment Contingent Fund as of June 30, 1949, after the proposed deduction of \$1,000,000 for capital outlay, is expected to be \$1,280,527. The Department of Employment estimates that a balance of \$500,000 in this fund will be adequate to take care of any emergencies that may arise.

As pointed out in the Legislative Auditor's Report to the Joint Legislative Budget Committee in 1945 and again 1947, the moneys in this fund are continuously appropriated under the provisions of Section 24 of the California Unemployment Insurance Act and can be expended by the California Employment Stabilization Commission under authorization of the Director of Finance in the manner prescribed in Section 11006 of the Government Code, which is the section provided for the allowance of deficiencies. *We still believe that it is a bad fiscal policy for the Legislature to relinquish control over any fund. We believe that moneys in the contingent fund should be subjected to the same budgetary and fiscal controls as the Legislature has provided for other administrative funds.*

We believe this recommendation is even more significant today than when originally made as the accumulated reserve in the Department of Employment Contingent Fund is expected to be \$2,280,527 as of June 30, 1949, an increase of \$1,277,279 over the balance of \$903,248 in January 31, 1947, when this matter was last brought to the attention of the Legislature.

It is recommended that legislation be enacted transferring the balance in the Department of Employment Contingent Fund to the General Fund and that any appropriation for buildings to house the operations of the Department of Employment be subject to the normal budgetary and fiscal controls.

DEPARTMENT OF FINANCE—BOARD OF CONTROL

For Support of the Board of Control from the General Fund

Item 143 of the Budget Bill and page 293 of the Budget. The amount requested is \$17,333 from the General Fund. This is an increase of \$114 or 0.7 percent over actual and estimated expenditures of \$17,219 for the Fiscal Year 1947-48.

This is a modest budget for this extremely important function. Approximately \$11,000 is for services of accountants in auditing refund and other claims.

Recommendation

We recommend that Item 143 be approved in the amount of \$17,333 as budgeted.