

### **Operating Expenses**

The amount of \$1,819,635 is requested for operating expenses for the 1948-49 Fiscal Year. This is an increase of \$663,587 or 57.4 percent over the actual and estimated expenditures of \$1,156,048 in 1947-48.

The increases in this category are attributable to the separation of the Highway Patrol from the Department of Motor Vehicles, added emphasis on the traffic safety education program, the cost entailed in the recruitment and training of additional patrolmen required by the change to a 40-hour work week, and an increase in the allowance for mileage for patrolling the highways.

We recommend that operating expenses of \$1,819,635 be approved as requested.

### **Equipment**

The amount of \$468,519 is requested for equipment for the 1948-49 Fiscal Year. This is a decrease of \$226,460 or 32.6 percent from actual and estimated expenditures of \$694,979 for 1947-48. This request is based on equipment needs arising from the separation of the Highway Patrol from the Department of Motor Vehicles, the increase in personnel, the usual annual replacement of equipment and the normal expansion of activities of the agency.

We recommend that the amount of \$468,519 for equipment be approved as requested.

## **DEPARTMENT OF INDUSTRIAL RELATIONS**

### **For Support of the Department of Industrial Relations from the General Fund**

Item 189 of the Budget Bill and pages 381 to 389, inclusive, of the Budget. The amount requested is \$3,555,610 from the General Fund. This is an increase of \$349,324 or 10.9 percent over the amount of \$3,206,286 estimated for 1947-48.

### **DEPARTMENTAL ADMINISTRATION**

The amount requested is \$138,786, an increase of \$23,218 or 20.1 percent over actual and estimated expenditures of \$115,568 for the 1947-48 Fiscal Year. The proposed increase is based on new staff positions to provide for conciliation of additional labor disputes as provided by Chapter 1049, Laws of 1947, and on a general increase in the workload of the various agencies. The increase in the conciliation staff permits the department to mediate any labor dispute at the request of any party to such dispute. Previously the law required that all parties join in a request for intervention by the department. The appropriation likewise provides for an increase in travel expense and automobile operations to meet the requirements of the director.

### **Recommendation**

*We recommend approval of the amount requested.* The proposed conciliation staff appears to be the minimum to do the job required assuming the department accepts all reasonable requests for mediation. We should like to point out, however, that a reputation of success gained

from a limited program as contemplated under the present system is better than attempting to cover the entire field with a resultant increase in the number of failures to secure agreement between the disputants.

**DIVISION OF APPRENTICESHIP STANDARDS**

The amount budgeted is \$577,168, an increase of \$43,793 over actual and estimated expenditures of \$517,375 for 1947-48. Estimated reimbursements from the United States Veterans' Administration are \$229,000 making a total proposed expenditure from state funds for this division of \$348,168. The proposed increase in state support is \$43,793 as compared with \$16,000 in increased reimbursements from the Federal Government.

The present request made for this division is based on an estimate that there will be a continuation of increasing number of apprentices indentured.

In view of the time period required to complete an apprenticeship training program, it is impossible to determine with accuracy the concrete results which should be secured from the large increase in number of apprentices indentured during 1946 and the current calendar year. However, the Shelley-Maloney Act, which is the basis for the apprenticeship program, was enacted in 1939 and results should already be shown from the program begun at that time. The statistics of the number of apprentices completing training since that date, however, are not favorable. This is true even after consideration is given to the number of apprentices who left the program to enter the armed forces.

Comparative figures under the Shelley-Maloney Act from 1939 to 1947 are shown as follows:

<i>Year</i>	<i>Apprentices indentured</i>	<i>Apprentices completing training</i>	<i>Apprentices entering armed forces</i>	<i>Apprentices reinstated</i>
1939 -----	49	0	0	0
1940 -----	1,747	120	0	0
1941 -----	3,326	378	20	4
1942 -----	2,704	780	420	8
1943 -----	1,240	280	1,138	33
1944 -----	1,289	254	461	20
1945 -----	2,207	175	104	119
1946 -----	14,521	244	18	344
1947				
January -----	1,349	21	0	8
February -----	1,257	130	2	11
March -----	1,191	134	0	2
April -----	1,078	62	2	5
May -----	1,847	88	4	13
June -----	698	77	0	36
July -----	1,964	101	0	36
August -----	865	24	0	30
<b>Total -----</b>	<b>37,332</b>	<b>2,875</b>	<b>2,176</b>	<b>611</b>

It will be seen that the number of apprentices completing training were less in 1946 than in 1941 despite the large number of apprentices indentured during the intervening years. To date there have been no demonstrated results from this program. However, in view of the time lag between the date an apprentice is indentured and the completion of his program, it is not reasonable to expect results to show up distinctly as yet.

In view of the fact that the large number of apprentices indentured during 1946-47 will in all probability continue to participate in this program throughout 1948-49, we recommend that the amount budgeted be approved as requested.

*This program, however, should begin to show during 1948-49 a material increase in the number of apprentices completing training, or it should be reduced.*

#### DIVISION OF HOUSING

The amount requested is \$211,767 from the General Fund. This is an increase of \$32,956 or 15.6 percent over actual and estimated expenditures of \$178,811 for 1947-48. *This Budget request represents an attempt to increase the standards of inspection of auto camps, farm labor camps, trailer courts, and resorts as well as an increase in inspection personnel required by the passage of Chapter 1434, Laws of 1947, providing for the extension of inspection of auto and trailer camps to all parts of the State.* This act formerly required licensing of only such camps as were in unincorporated areas of the State. It is estimated that an additional 500 camps will now require licenses. One additional inspector has been provided for this purpose.

The division proposes to increase the inspection of labor camps in order to meet a deficiency in this activity. This Budget provides one additional junior camp inspector and a substantial increase in travel expense in order that fuller utilization can be made of existing inspectors. This division has for some time maintained that more inspection could be done with more nearly adequate travel expense. The division proposes to double inspection given to labor camps on the basis that they are not adequately inspected as required by law. At the present time there are approximately 1,200 labor camps, 50 percent of which the division does not feel are adequately inspected.

We wish to point out that the whole problem of inspection of camps and courts has not been adequately studied in the past and that a comprehensive survey of the operations of this division should be made. We recommend that this should be undertaken as soon as possible by the administrative analyst staff of the Department of Finance.

#### **Recommendation**

We recommend that this Budget be approved in the amount requested but that further study of the work of this division be made during the budgeted fiscal year by the Department of Finance in order to determine the proper degree of inspection required to carry out the provisions of the laws governing the activities of this division and to determine necessary operating expenses.

#### DIVISION OF INDUSTRIAL ACCIDENTS

The amount requested is \$1,118,813, an increase of \$107,219 or 10.6 percent over actual and estimated expenditures of \$1,011,594 in 1947-48.

The proposed increase is designed to cut an existing backlog of cases down to a minimum by the end of the budgeted fiscal year and to

meet an expected increase in cases based on the fact that the number of disabling industrial accidents has reached a new high point. Assuming a time lag of several months, the trend in increased accidents should be reflected throughout the coming fiscal year. Another factor which should tend to increase the number of cases filed is a gradually tightening labor market resulting in many persons filing in order to secure additional income. *Despite these accelerating factors, however, the number of original cases filed was lower for the first nine months in 1947 as compared with a similar period in 1946. As a partial offset to this, however, the number of supplemental cases filed increased with a net result that total cases filed were 16,259 for the first three quarters of the 1947 Fiscal Year as compared with 16,401 for a corresponding period in 1946.*

In addition to the amount requested for regular support, \$45,575 has been requested for revision of the permanent disability rating schedule. It is stated that this amount will be required to complete the work, which is now in progress.

### **Recommendation**

It is recommended that clerical assistance be adjusted to compensate for the substitution of a number of electrical typewriters for a corresponding number of manual machines. The justification which was made for these expensive machines was that they would bring about an increase in efficiency. *This practice is becoming general throughout state service and it is our recommendation that the Legislature should establish a policy of recognizing the effects of this labor saving device as an offset to the additional cost incurred.* The saving in labor resulting from any such substitution should be applied against each budget request for clerical help.

*Accordingly we recommend that one clerical position be eliminated from the number of positions now authorized, saving \$2,640 and incidental expenses.*

We also recommend that the revision being made of the permanent disability rating schedule should be made in the form of a report showing the basis for a periodic revision of the schedule on the basis of changing economic conditions. The production of a new schedule will not in itself provide this basis and it will probably be necessary for the State to again spend a large sum of money to revise a new schedule if any major changes take place in prices or in industrialization of the State.

We also recommend that the work which has been done by the Division of Vocational Rehabilitation of the Department of Education should be considered in determining the new schedule. There is no question but that this State activity has materially increased the ability of disabled workers to secure effective economic rehabilitation. The amount of disability compensation which is required to sustain an injured workman during the period of time required for rehabilitation and that part of the award which is designed to compensate for the workman's loss of earning power is correspondingly affected. Inasmuch as the study which is being made is for the purpose of adjusting awards through changes in the industrial status of the State as well as for changes in the purchasing power of the dollar, we believe that this important State function should be properly included in such a study.

#### **DIVISION OF INDUSTRIAL SAFETY**

The amount requested for the Division of Industrial Safety is \$835,829 from the General Fund, an increase of \$42,042 or 6.8 percent over 1947-48. The increase is greater than shown, however, due to the fact that equipment is proposed to be reduced \$24,831 or 48 percent. *It is also noteworthy, however, that this budget request does not include any proposed new positions.* However, salary savings will be reduced \$30,000, equivalent to adding seven new positions.

It was pointed out in our report last year that the Division of Industrial Safety was proposing to increase its authorized personnel by over 200 percent since 1940 during which time the population of the State had only increased 34 percent. In place of again requesting a substantial increase in authorized personnel, the Division, under a new Chief, is proposing to initiate an intensive educational program to prevent industrial accidents through the use of pamphlets, posters, etc.

#### **Recommendation**

It is recommended that the request for the Division of Industrial Safety be approved for the amount requested.

#### **DIVISION OF INDUSTRIAL WELFARE**

The amount requested is \$208,660 from the General Fund, an increase of \$18,415 or 9.5 percent over actual and estimated expenditures of \$193,245 for 1947-48.

Approximately two-thirds of the increase is for additional salaries and wages and one-third for increased operating expense. In line with the legislative revision of the budget requested for 1947-48 limiting the extension of three war emergency positions to June 30, 1948, positions now authorized will decline by three. However, there are five proposed new positions of industrial welfare agents in effect extending the three war emergency positions permanently and adding two new positions. The basis for this request is that, at the present time, the 10 wage orders, the Eight-Hour Law, and other Labor Code sections are not properly enforced. The division proposes to make a much more complete home work inspection.

#### **Recommendation**

We recommend approval of these positions on the basis of increased number of complaints. Equipment and operating expenses provided for the positions appear to be proper.

#### **DIVISION OF LABOR LAW ENFORCEMENT**

The amount requested is \$442,900, an increase of \$40,663 or 10.1 percent over actual and estimated expenditures for 1947-48.

The proposed budget provides for seven new positions and an increase in positions already authorized equivalent to 1.6 man-years. New positions include two deputies, necessitated by the passage of the Agricultural Unloaders' Act providing for the registration and regula-

tion of unloaders; an increase in legal staff to a total of six attorneys, the same number as in prewar years, and an addition in clerical staff based on workload.

#### **Recommendation**

*We recommend approval of the amount requested, with the understanding that the clerical assistance required for preliminary work establishing procedures to carry into effect the Agricultural Unloaders' Act should be reduced next year and that the 31 percent backlog of work which has accumulated to date should be reduced with the proposed staff.*

In connection with the expected increase in inspections of places of employment for the purpose of enforcing labor laws, we recommend that serious consideration should be given to a consolidation of all inspections made of business establishments. There is apparent duplication when various agencies inspect the same establishment for fire hazards, mechanical hazards, working conditions, etc. This duplication of inspections is rapidly becoming an acute problem as industry expands and as the number of inspecting agencies increase and merits thorough study by the Legislature.

#### **DIVISION OF LABOR STATISTICS AND RESEARCH**

The amount requested is \$189,834, an increase of \$12,381 or 7.0 percent. The proposed increase is primarily for salaries and wages providing for four new positions—three of which, however, were transfers from mediation services in departmental administration. These positions are shown as decreases in salary savings. In actuality these three employees have in the past been performing work for the Division of Labor Statistics and Research although they have been carried on the mediation service pay roll. With the separation of the mediation service, these employees were properly transferred to this division.

The additional junior clerk is required because of an increase in the amount of statistical work done, including the preparation of departmental workload statistics.

#### **Recommendation**

We recommend approval for the amount requested. This division has continually improved its statistical output at decreasing unit costs when other agencies have shown increasing costs.

#### **For Payment of Additional Compensation for Subsequent Injury, from the General Fund**

Item 190 of the Budget Bill and page 389 of the Budget. The amount requested is \$100,000 for payment of the additional compensation for subsequent injury provided for by Section 4751 of the Labor Code.

This is an amount set up to provide such payments as are required by law.