

of \$12,578 or 11.23 percent under the amount of \$111,943 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$312	16
Operating expense-----	—13,258	16
Equipment -----	368	16
 Total -----	 —\$12,578	
Budgeted increase for new or expanded service:		
None -----	---	---

Recommendations

Amount budgeted-----	\$99,365
Legislative Auditor's recommendations-----	\$99,365
 Reduction -----	 None

Analysis

Salaries and Wages

No new positions are contemplated. Salary and wage costs are scheduled to advance \$312 or .38 percent, going from \$80,226 in 1948-49 to \$80,538 in 1949-50. Normal salary adjustments for three of the presently authorized 11 positions account for the entire amount of the nominal increase in salaries.

Operating Expenses

A substantial decrease in budgeted operating expense accounts for practically the entire reduction in this budget. A decrease of \$13,258 or 46.29 percent in operating expense results primarily from the elimination of the item of rent for building space which in 1948-49 was scheduled at \$13,900. The elimination of this item is really a paper transaction only since the rental for the quarters used by the court, and by other state agencies when the court is not in session, is to be paid by the Department of Finance in 1949-50. The elimination of the rental factor results in a forecasted \$16,015 for 1949-50 operating expense as compared to \$29,273 for 1948-49. Nominal increases in other items of operating expense total \$642.

Equipment

Equipment costs are scheduled at \$2,812 which represent an advance of \$368 or 15 percent over the 1948-49 figure of \$2,444. Additional items of equipment total \$2,521 of which \$1,906 is for additional books and periodicals to keep the library current, while the remaining \$555 is for additional office equipment. The latter item covers shelving and book-cases due to normal expansion.

GOVERNOR

For Support of the Governor's Office from the General Fund

Item 26, page 3 of the Budget Bill and pages 18 and 19 of the Budget. The amount requested is \$236,594. This is an increase of \$7,731 or 3

percent over the amount of \$248,363 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages-----	\$7,031	18
Operating expense-----	700	19
Budgeted increase for new or expanded service:		
None-----	---	---

Recommendations

Amount budgeted-----	\$236,594
Legislative Auditor's recommendations-----	\$236,594
Reduction-----	None

Analysis

The salary increase provides for automatic salary increases and a continuation of the same number of staff as in the 1948-49 Fiscal Year, which constituted an increase over 1947-48.

The increase in operating expense is the normal increase in telephone rates (\$500), and supplies (\$200). The amount budgeted does not, however, reflect the full cost of this office, as expenditures for automobile operation are largely paid by the California Highway Patrol.

For Support of the Governor's Residence from the General Fund

Item 27, page 3 of the Budget Bill and page 19 of the Budget. The amount requested is \$12,000. This is the same as the amount requested to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted-----	\$12,000
Legislative Auditor's recommendations-----	\$12,000
Reduction-----	None

Analysis

This amount requested is the customary amount approved by law. We recommend approval of the amount requested.

For Support of the Special Contingent Expenses (Secret Service) from the General Fund

Item 28, page 4 of the Budget Bill and page 19 of the Budget. The amount requested is \$7,500 from the General Fund for support of the special secret service expense. This is the same as the amount requested to be expended in the 1948-49 Fiscal Year.

Recommendations

Amount budgeted-----	\$7,500
Legislative Auditor's recommendations-----	\$7,500
Reduction-----	None

Analysis

This is the customary amount approved by law. We recommend approval of the amount requested.

DISASTER COUNCIL

For Support of the Disaster Council from the General Fund

Item 29, page 4 of the Budget Bill and page 21 of the Budget. The amount requested is \$33,081 from the General Fund for support of the Disaster Council. This is an increase of \$1,173 or 3.67 percent over the amount of \$31,908 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	\$1,124	21
Operating expenses -----	699	21
Equipment -----	—650	21
Total -----	\$1,173	
Budgeted increase for new or expanded service:		
None -----		

Recommendations

Amount budgeted -----	\$33,081
Legislative Auditor's recommendation -----	\$33,081
Reduction -----	None

We recommend that the Disaster Council as now constituted be abolished and it be reconstituted by being composed of the following state officers:

1. Adjutant General
2. Attorney General
3. Commissioner of the California Highway Patrol
4. Director of Public Works
5. Director of Public Health

The Governor to appoint a chairman. The duties to be performed shall be ex officio of the respective offices of the members of the Council.

If this office is to be continued, our recommendation is as follows:

Amount budgeted -----	\$33,081
Legislative Auditor's recommendations -----	20,906
Reduction -----	\$12,175

Analysis

The amount of the indicated increases in the present support budget are nominal and if the organization is to be continued at its present level are justifiable.

However, we take issue with the necessity of continuing the organization at the same level of operation. According to its own statements it has achieved what may be considered a substantial degree of progress as far as participation in the various mutual aid programs and the establishment of disaster council organizations in local communities is concerned.

Likewise it is indicated by the rate of progress in this regard, that the near saturation point has been reached, beyond which it becomes abnormally expensive to secure additional participation at a local level.

For example, as of June, 1947, the council reported that 63 cities and 42 counties, comprising 92 percent of the state population now have

established disaster council organizations. It was also reported at that time that 48 counties and 193 cities were now participating in the Law Enforcement Mutual Aid Plan.

A comparison of the foregoing state of progress with that reported on April 27, 1948, the date of the last meeting of the Disaster Council, shows that Disaster Council organizations have been established in 71 cities and 44 counties, reflecting a net gain in participation of eight cities and two counties between June of 1947 and the last of April 1948.

With approximately 95 percent of the population of the State now covered by those areas now participating in the Disaster Council program, it appears entirely logical to now reduce the amount of expenditures going into the program.

As further verification of the state of progress developed and its apparent ability to satisfy present requirements, we quote the last paragraph of a letter sent to the chairman of boards of supervisors and to mayors of cities on April 14, 1948, by Governor Warren. The general content of the letter merely urged participation by those communities having not yet entered into mutual aid agreements or established local disaster councils and concluded:

“It is reassuring to know that up to the present time 44 counties and 71 major cities have established accredited Disaster Council organizations, and entered into mutual aid contracts covering in excess of 90 percent of the state population. This indicates that we will be able to respond quickly to any future requests made to us by the Federal Government.”

It thus is evident that Governor Warren feels that the degree of progress is ample to meet potential future requests by the Federal Government.

Attention is directed to the fact that the major emphasis of the present operation is concentrated on the law enforcement mutual aid program. As pointed out in the analysis of the Legislative Auditor for the 1948-49 Budget, such a program automatically and of necessity involves contacts and coordination among law enforcement officials.

The office of the Attorney General and the Department of Justice are the duly constituted sources of legal administration in the State, and state-wide problems affecting law enforcement, and enforcement officers should properly emanate from this source.

There appears no valid reason why the law enforcement mutual aid program cannot be handled as part of the agenda at regular zone meetings of various law enforcement personnel, where representatives of the Department of Justice are normally present.

In view of the present state of achievement it should not require the full time services of one individual to maintain some impetus to the mutual aid activity. The problem is one largely of public relations, and present staffing of the Department of Justice contains sufficient exempt positions to assimilate the duties inherent in the mutual aid program.

There is evidence that there is confusion in the minds of some local law enforcement officials as to the real nature, function and objectives of the Law Enforcement Advisory Committee, and contacts made by the Law Enforcement Coordinator in behalf of the law enforcement mutual aid plan as promulgated by the Disaster Council. Problems and informa-

tion are developed at these contacts that are not within the province of the Disaster Council, but rather are encompassed within the sphere of operation of the Department of Justice. Thus it is still clearer that the law enforcement mutual aid program should properly be a function handled by the Department of Justice.

Based therefore on this misalignment of duties and the present state of development of the plan, we recommend a reduction in the proposed budget of the Disaster Council. The reduction will result in allowing a staff consisting of the secretary and one stenographer-clerk, together with appropriate operating expense items exclusive of the contract services with Los Angeles County covering the Law Enforcement Coordinator.

Such a budget would permit expenditures as follows:

Salaries and wages	\$10,689
Operating expenses	10,025
Equipment	192
Total	\$20,906

This would effect a reduction in the proposed budget of \$12,175, distributed as follows:

Salaries and wages	\$2,850
Operating expenses	9,325
Equipment	--
Total	\$12,175

An examination of the budget of the Disaster Council discloses an outstanding example of the high cost of government and the method whereby some abnormal increases infiltrate into the budget picture without direct prior legislative approval. The facts are as follows:

The position of Secretary of the Disaster Council is an exempt appointment.

The salary for this position was budgeted at \$416.66 per month or \$5,000 per annum for the 1947-48 Fiscal Year. Subsequently in the 1948-49 Budget this same position is shown at \$466.66 per month or \$5,600 per annum, an increase of \$600 or 12 percent.

In the analysis of the 1948-49 Budget by the Legislative Auditor, criticism was levied at the policy of engaging the services of another employee to work under the direction of the secretary and paying this employee \$600 per month or \$7,200 per annum. The employee was making \$1,600 per year more than his supervisor and both were engaged in doing the identical type of work for the State. We stated that some adjustment was in order. The obvious adjustment should have been a downward revision in the salary range of the new position.

An adjustment was made. The adjustment is reflected in the present proposed budget for 1949-50, and shows that the new employee's annual salary remains at \$7,200 or \$600 per month. However, the secretary's salary is now scheduled for 1948-49 at \$7,008 per annum carrying a monthly salary range of \$505-\$613, and is scheduled to further increase to \$7,356 or \$613 per month for 1949-50.

It is to be noted that this increase brings the secretary to the top of his new salary scale and represents an annual increase of \$2,356 or 47.1 percent over his original 1947-48 budgeted salary. The duties of the position remain identical.

For Additional Support from the General Fund to Be Made Available by Executive Order of the Director of Finance, to Meet Emergencies, Upon Resolution of the Disaster Council

Item 30, page 4 of the Budget Bill and page 21 of the Budget. The amount requested is \$100,000 from the General Fund for additional support of the Disaster Council. This sum together with the regular support budget amount of \$33,081 is an increase of \$101,173 or 317.07 percent over the amount of \$31,908 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
None -----	-----	-----
Budgeted increase for new or expanded service:		
Other current expenses -----	\$100,000	-----

Recommendations

Amount budgeted -----	\$100,000
Legislative Auditor's recommendations -----	-----
Reduction -----	\$100,000

In line with our reasons covered in the analysis of the regular support budget we recommend against the appropriation of any additional funds in the guise of other current expenses.

Additional factors, however, also merit a denial of this request.

In the event of an emergency, there is already established an emergency fund from which disbursements may be authorized if a real need exists. This applies to the Disaster Council as well as to the other agencies of State Government.

Further, if a real emergency should arise the impact or extent of which should warrant sizeable expenditures, or wherein the security of the State was threatened, then it would undoubtedly be necessary to call a special session of the legislature to give proper consideration to the matter.

Obviously under either of the above alternative situations, the present requested appropriation is not needed and should be disallowed.

LIEUTENANT GOVERNOR

For Support of the Lieutenant Governor from the General Fund

Item 31, page 4 of the Budget Bill and page 22 of the Budget. The amount requested is \$25,020 from the General Fund for support of the Lieutenant Governor. This is a decrease of \$3,496 or 12 percent under the amount of \$28,516 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	\$376	22
Operating expenses -----	—3,366	22
Equipment -----	—506	22
Total reduction -----	\$3,496	
Budgeted increase for new or expanded service:		
None -----	-----	-----

Recommendations

Amount budgeted -----	\$25,020
Legislative Auditor's recommendations -----	\$25,020
Reduction -----	None

Analysis

The salary increase of \$376 provides for automatic salary increases. The decrease in operating expenses of \$3,366 represents a reduction in travel expenses. The decrease in equipment of \$506 represents curtailment of equipment purchased.

We again recommend that additional duties be given to the position of Lieutenant Governor in order that the State might benefit from the fullest utilization of his services. The high office and salary paid would justify giving this official greater responsibilities.

STATE EMPLOYEE'S RETIREMENT SYSTEM

For Support of State Employee's Retirement System from the General Fund

Item 32, page 4 of the Budget Bill and page 23 through 25 of the Budget. The amount requested is \$173,569 from the General Fund for support of administration of the State Employee's Retirement System. This is a decrease of \$7.00 or .004 percent under the amount of \$173,576 estimated to be expended in the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Salaries and wages -----	—\$10,887	24
Operating expenses -----	34,936	24
Equipment -----	65	25
Total -----	\$24,114	
Less reimbursements for charges to contracting public agencies -----	—24,121	23
Net decrease -----	—\$7	
Budgeted increase for new or expanded service:		
None -----		

Recommendations

Amount budgeted -----	\$173,569
Legislative Auditor's recommendation -----	\$156,478
Reduction -----	\$17,091

We further recommend that a study be made by the Administrative Analyst of the Department of Finance, of the possibility of combining the administration of the four separate retirement systems of the State into one administrative unit. The State Employees' Retirement System, the Teachers' Retirement System, the Judges Retirement System, and the Legislators Retirement System would be combined under one administrative unit. One board could be established for the four, and the accounts, records and payments could be maintained and made by the Controller. We believe such a study will show that this consolidation will result in very material savings.