

DEPARTMENT OF INDUSTRIAL RELATIONS

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

Item 154, page 33 of the Budget Bill and pages 389 through 398 of the Budget. The amount requested is \$3,703,321 for support from the General Fund, an increase of \$180,201 or 5.1 percent over estimated expenditures for the Fiscal Year 1948-49.

<i>Division</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on work load, price increase, or salary adjustment at existing level of service:		
Departmental Administration -----	\$10,611	390
Cconciliation Service -----	—1,451	391
Apprenticeship Standards -----	2,900	391
Housing -----	—6,659	392
Industrial Accidents -----	—25,842	394
Industrial Safety -----	50,532	395
Industrial Welfare -----	6,334	395
Wage Board -----	—7,192	396
Labor Law Enforcement -----	26,362	396
Labor Statistics and Research -----	13,173	397
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Payments from Federal Grants—decrease ----	\$68,768	
	6,000	
	<hr/>	
Total -----	\$74,768	
Budgeted increase based on new or expanded service:		
Departmental Administration -----	\$1,690	390
Cconciliation Services -----	45,285	391
Apprentice Standards -----	5,975	391
Housing -----	2,400	392
Industrial Accidents -----	20,906	394
Industrial Safety -----	3,858	395
Industrial Welfare -----	25,319	395
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Total -----	\$105,433	

Recommendations

Amount budgeted -----	\$3,703,321
Legislative Auditor's recommendations -----	\$3,493,138
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Reduction -----	\$212,183

Summary of Recommended Reductions

Departmental Administration	
Operating expenses	<i>Amount</i>
Office—painting of director's office -----	\$500
Equipment	
Automobile—replacement -----	1,190
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	\$1,690
Cconciliation Service	
Salaries and wages	
4 Conciliator positions -----	\$21,984
Intermediate stenographer-clerk -----	4,560
	<hr/>
	\$26,544

	<i>Amount</i>
Operating expenses -----	10,840
Equipment—additional -----	7,901
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	\$45,285
Division of Apprenticeship Standards	
Salaries and wages	
11 Supervisors of training agreements -----	\$56,490
11 Clerical positions -----	30,690
Operating expenses -----	17,900
Equipment -----	10,045
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	\$115,125
Division of Industrial Accidents	
Administration	
Equipment	
Office—additional -----	\$474
Hearings and Compensation	
Salaries and wages	
New positions -----	17,959
Equipment	
Office—additional -----	2,473
	<hr/>
	\$20,906
Division of Industrial Safety	
Salaries and wages	
Editorial assistant -----	\$3,540
Equipment	
Office—additional -----	318
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	\$3,858
Division of Industrial Welfare	
Salaries and wages	
New positions -----	\$13,380
Operating expenses -----	3,100
Equipment—additional -----	8,839
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	\$25,319
Total reductions -----	\$212,183

Departmental Administration

The amount requested is \$154,815, an increase of \$12,301 or 8.6 per cent over estimated expenditures for the Fiscal Year 1948-49.

<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 -----	\$9,882	390
Operating expenses -----	500	390
Equipment -----	229	390
Total -----	\$10,611	
Budgeted increase for new or expanded service:		
Operating expenses		
Office -----	\$500	390
Equipment		
Automobile—replacement -----	1,190	390
Total -----	\$1,690	

Recommendations

Amount budgeted	\$154,815
Legislative Auditor's recommendations	153,125
Reduction	\$1,690

Recommended Items of Reduction

Operating expenses—Office	\$500
Equipment—automobile replacement	1,190

Analysis

The proposed new position of intermediate typist-clerk in the accounting bureau, is for the purpose of centralizing the work of notifying eligibles of open positions and maintaining the open certification files. This will eliminate the present duplication of work which results in some instances from notifications to the same eligibles being originated by separate departments. *It is recommended that the budget request for this position be granted.* Furthermore, it is recommended that this procedure be adopted immediately, and that the Department of Finance authorize the payment for this position from salary savings during the balance of the Fiscal Year 1948-49.

The amount of \$5,100 for office expense is \$500 or 10.9 percent more than the estimated expenditure for the Fiscal Year 1948-49. A \$500 amount is requested to provide for painting the director's office. The building was renovated just prior to occupancy in September, 1947, and an expenditure of this amount should not be necessary for any one portion of the premises. *It is recommended that this item be disallowed.*

The amount of \$1,190 is requested for automobile replacement. This is to replace a 1946 Buick, mileage of 33,000 on September 1, 1948. A new motor was installed by the dealer at his own expense, and \$233.43 expended for repairs during the past year. The estimated mileage averages 600 miles per month. *This automobile should now be in shape to provide economical transportation for 600 miles per month for the next two years. It is recommended that this item be disallowed.*

As a result of a Department of Finance audit during the year 1947, it was recommended that a central cashiering operation be established to handle all cash receipts. Two additional positions, a senior account clerk and an intermediate typist-clerk were approved for the 1948-49 Fiscal Year. The centralized cashier operation has not yet been put in operation and these positions have not been filled due to a question concerning the legal status of funds collected by the Division of Labor Law Enforcement.

It is recommended that a centralized cashier office be placed in operation immediately for all payments except the Division of Labor Law Enforcement. The Department of Finance should expedite the study of questions concerning receipt of moneys by central cashier for the Division of Law Enforcement, with a view to controlling cash receipts for all departments in San Francisco at a central office.

The department has been successful in bringing together the various divisions with the exception of Apprenticeship Standards at a single location at 965 Mission Street in San Francisco. *An increase in efficiency and economy in operation has resulted from this move and the director and the San Francisco staff are to be complimented.*

As a result of the consolidation of several commissions and departments into the Department of Industrial Relations in 1945, and the desire for additional field offices for various divisions, there are now 37 divisional branch offices in California in 19 cities, distributed as follows:

- 4 Divisional branch offices in 1 city
- 12 Divisional branch offices in 4 cities
- 14 Divisional branch offices in 7 cities
- 7 Divisional branch offices in 7 cities

It is necessary in the interest of efficiency that every effort be made to consolidate the divisional offices of the department in various cities into a single departmental branch in each city. Economies will be possible through the combined usage of telephone facilities, receptionist services, stenographic services and equipment pools. The Department of Finance should endeavor to facilitate such a program.

Prior to 1948 the Department of Industrial Relations was able to use the teletype equipment of the Department of Justice. This was particularly valuable for traffic to the Los Angeles office and state departments in Sacramento. *Because of the increasing volume of messages handled by the teletype system operated by the Department of Justice this service is not now available.* The increase in telegraph and long distance phone costs is partially due to this factor. A reorganization of the teletype operation recommended by us should make possible this service and saving.

CONCILIATION SERVICE

The amount requested for Conciliation Service is \$95,194, an increase of \$43,834 or 85.3 percent over the estimated expenditures for the Fiscal Year 1948-49.

<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-----	\$1,610	390
Decrease in salary savings-----	3,000	390
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Equipment—additional -----	\$4,610	
	-6,061	
	<hr/>	
	-\$1,451	
Budgeted increase for new or expanded service:		
Proposed new positions-----	\$26,544	390
Operating expenses -----	10,840	390
Equipment—additional -----	7,901	391
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	\$45,285	

Recommendations

Amount budgeted -----	\$95,194
Legislative Auditor's recommendations-----	49,909
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Reduction -----	\$45,285

Items of Recommended Reduction

Salaries and wages-----	\$26,544
Operating expenses -----	10,840
Equipment—additional -----	7,901

Analysis

The Conciliation Service was created in 1947 by Senate Bill 189, with an appropriation of \$12,500.

During the first eight months of operation of the Conciliation Service, to June 30, 1948, the expenditures amounted to \$17,833, with a \$5,333 transfer from the Emergency Fund.

Expenditures for the 1948-49 Fiscal Year including 6,061 for equipment are estimated at \$51,360.

Salary adjustments at the present level of service would increase expenditures for the 1949-50 Fiscal Year to \$51,909.

The Conciliation Service is requesting an increase of \$45,285 for four additional conciliator positions (intermittent) and one intermediate stenographer-clerk. Operating expenses and additional equipment reflect the proposed expansion. *No adequate data are available to justify the positions on the basis of work load.* At the same time, it should be recognized that almost all of the cases requesting conciliation are also supplied with federal conciliators, and that for this reason the department's desire to have greater state participation in conciliation cases should be regarded as a request for additional service not required on the basis of work load increases. Inherent in the request is also a stated intention to attempt to forestall future labor disputes by intensive field work out of additional conveniently located centers throughout the State.

California law is permissive with respect to the State Conciliation Service participating in all cases in which a request is put forth by either party to a labor dispute. Rivalry which exists between the State and Federal Conciliation Services may eventually result in a completely unwarranted duplication of services.

The Legislature should give consideration to the question of whether the State should participate in cases involved in interstate commerce, or should provide adequate conciliation service for cases of strictly intra-state commerce only. *We recommend against a 60 percent increase in staff until a clearly defined legislative or departmental policy is established and functioning accordingly.*

We recommend that the amount requested by the Conciliation Service be reduced to the same level of service as the 1948-49 Fiscal Year. This would result in a saving of \$26,544 in salary and wages, \$10,840 in operating expenses, and \$7,901 in additional equipment, or a total savings of \$45,285.

DIVISION OF APPRENTICESHIP STANDARDS

The amount requested is \$591,155, an increase of \$8,875 or 1.5 percent over the estimated expenditures for the 1948-49 Fiscal Year.

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on price increase or salary adjustment at existing level of service :		
Salaries and wages -----	\$20,831	391
Operating expenses -----	2,845	391
Equipment -----	—20,776	391
	\$2,900	

<i>Item of increase</i>	<i>Amount</i>	<i>Budget page</i>
Budgeted increase based on new or expanded level of service:		
Equipment		
Office equipment—additional -----	\$2,375	391
Automobile—2 additional -----	3,600	391
	<hr/>	
	\$5,975	

Recommendations

Amount budgeted -----	\$591,155
Legislative Auditor's recommendations -----	476,030

Reduction -----	\$115,125
Summary of Reductions	

<i>Positions</i>	<i>Number</i>	<i>Salary range</i>	<i>Savings 1949-50 Fiscal Year</i>
Supervisors of training agreements -----	11	\$376-458	\$56,490
Clerical help			
Senior stenographer-clerk -----	2	220-268	6,070
Intermediate stenographer-clerk -----	5	190-231	12,710
Intermediate clerk -----			
Intermediate typist-clerk -----	3	180-220	9,800
Intermediate file clerk -----			
Junior stenographer-clerk -----			
Junior clerk -----	1	160-190	2,110
Junior typist-clerk -----			
Total clerical help -----	11		<hr/> \$30,690
Total reduction in salaries and wages -----			<hr/> \$87,180

Reduction in Operating Expenses:	<i>Amount</i>
Office -----	\$1,750
Printing -----	920
Telephone and telegraph -----	2,540
Postage -----	1,080
Travel—staff -----	4,960
Automobile—mileage -----	890
Automobile—operating -----	5,660
Freight, cartage and express -----	100
Total reduction in operating expense -----	<hr/> \$17,900

Reduction in Equipment:	
Office—additional -----	\$2,375
Automobile—6 replacement -----	4,070
Automobile—2 additional -----	3,600
Total reduction in equipment -----	<hr/> \$10,045
Total reductions -----	<hr/> \$115,125

Analysis

In our analysis of the 1948-49 Budget Bill, we stated that the Division of Apprenticeship Standards should show a substantial increase in the number of completed apprenticeships if the value of the program was to be demonstrated. The expansion in number of apprentices in the early years of the program under the Shelley-Maloney Act, passed in 1939, did not produce a corresponding increase in apprentices completing the three-year training due in large part to the number who discontinued training to enter military service.

As of September 30, 1948, there were 34,012 active agreements in effect. A schedule of completions and estimated completions through 1954, the year when it is expected the program will be completed, is as follows:

Year	Apprentices completing training
1940	120
1941	378
1942	780
1943	280
1944	254
1945	175
1946	244
1947	1,296
To complete in 1948	3,113
To complete in 1949	6,795
To complete in 1950	8,844
To complete in 1951	5,620
To complete in 1952	2,814
To complete in 1953	348
To complete in 1954	32

The number of apprentice and specialty training applications received declined to a monthly average of 829 for the first three months of the Fiscal Year 1948-49. The number of apprentice applications received for the past three years is as follows:

	Apprentices indentured	Monthly average
Calendar year	1939	49
	1940	1,747
	1941	3,326
	1942	2,704
	1943	1,240
	1944	1,289
	1945	2,207
Fiscal year	1945-46	16,049
	1946-47	14,893
	1947-48	13,673
Three months	1948-49	2,487

An analysis of the existing level of service and the work load of the Division of Apprenticeship Standards reveals that there are a number of areas where economies could be effected without impairing the basic values of the program administered. *In the first place, it would appear that the range of subjects for which apprenticeship agreements are made is extremely broad, including accountants, state employees, and other specialized service occupations not ordinarily associated with the apprenticeship programs.* In some instances, the work performed by the division of these areas duplicates that performed by the industry itself. For example, the State has not only one, but a number of its own in-service training programs, and a State training officer employed by the Personnel Board. Many large organizations have their own in-service training organizations. Despite this, the division desires supervisors of training agreements to visit large organizations where individual plant standards have been established.

The Federal Government, in administering Public Law 346 through the Veterans Administration, contracts with the State to investigate and supervise firms participating in the federal program. The State also supervises these firms on behalf of its own program, and budgets additional personnel for this purpose. We recommend that this supervision be coordinated to eliminate duplication and that the request of the division be cut by 11 supervisors of training agreements.

These supervisors of training agreements also act as secretaries for Joint Apprenticeship Committees, a function which the State should not be called upon to perform. Part of the savings proposed would come from a reduction in this service, as well as from the coordination with federally-contracted inspections and in reduction of the inspection of firms which maintain satisfactory individual plant standards.

The savings recommended would approximate \$56,490 in salaries of supervisors of training agreements plus clerical assistance of approximately \$20,690; in addition \$17,900 in operating expenses and \$10,045 in new equipment assigned to these positions.

In view of the fact that the division has already fulfilled its purpose of organizing the apprenticeship program and successfully brought into being the joint apprenticeship committees in all fields, the State should now withdraw many of its promotional activities. *This is especially true inasmuch as the division estimates that the program has reached its peak.* If genuine success has been achieved in these joint programs, the State should not find it necessary to continue to stimulate participation at the same high degree as has been felt desirable during the formative period.

Particular attention is directed to the item of telephone expense of \$6,162.56 for the Fiscal Year 1946-47 and \$11,110.62 for the 1947-48 Fiscal Year. Economies in use of long distance phone calls can be effected at the staff level.

DIVISION OF HOUSING

The amount requested is \$194,421, a decrease of \$4,259 or 2.1 percent below the estimated expenditures for 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 -----	\$1,028	391
Operating expenses -----	1,343	392
Equipment -----	-9,030	392
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	-\$6,659	
Budgeted increase for new or expanded service:		
Operating expenses		
Automobile operation -----	\$2,000	392
Rent -----	400	---
	<hr/>	
	\$2,400	

Recommendations

Amount budgeted -----	\$194,421
Legislative Auditor's recommendation -----	194,421
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Reduction -----	None

Analysis

The Division of Housing now has two field staffs, housing inspectors and camp inspectors. The proposal has been made to reclassify the camp inspectors as housing inspectors. This would permit the assignment of smaller areas to each of the field staff for both types of inspection, thus reducing duplication of effort and the amount of travel.

In our analysis of the 1948-49 Budget Bill we pointed out that the whole problem of inspection of camps and courts had not been adequately studied in the past. At that time we recommended such a study be undertaken by the administrative analyst staff of the Department of Finance. We repeat this recommendation. It should be possible to reduce the number of inspectors by better organization of territories.

The amount budgeted for automobile operation has been increased \$2,000. A reassignment of duties will provide one more traveling inspector.

The increase in rent of \$400 is to provide for the rental of a larger space for the Sacramento office of the division. We recommend that this increase be granted. However, the Department of Industrial Relations now leases space at four locations in Sacramento, one each for the Division of Housing, Division of Labor Law Enforcement, Division of Apprentice Standards, and Departmental Administration. A more economical administration could result if these offices could be consolidated. This is being studied by the Department of Finance.

DIVISION OF INDUSTRIAL ACCIDENTS

The amount requested is \$1,120,493, a decrease of \$4,936 or 0.4 percent below the estimated expenditures for 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:		
Administration		
Salaries and wages -----	\$10,807	392
Operating expenses -----	—642	392
Equipment -----	—4,234	392
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	\$5,931	
Hearings and compensation		
Salaries and wages -----	\$14,471	393
Operating expenses -----	7,096	393
Equipment -----	—9,047	393
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	\$12,520	
Revision of permanent disability rating schedule		
Salaries and wages -----	—\$30,523	393
Operating expenses -----	—13,670	394
Equipment -----	—100	394
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	—\$44,293	
Budgeted increase for new or expanded service:		
Administration		
Equipment—additional -----	\$474	392
Hearings and Compensation		
Salaries and wages -----	17,959	393
Equipment—additional -----	2,473	393
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	\$20,432	

Recommendations

Amount budgeted -----	\$1,120,493
Legislative Auditor's recommendations -----	1,102,395
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Reduction -----	\$20,906

Items of Recommended Reduction

Administration	<i>Savings</i>
Equipment	<i>1949-50</i>
Office—additional	<i>Fiscal Year</i>
Legal books for chairman and six commissioners -----	\$474
Hearings and compensation	
Salaries and wages	

	<i>Salary range</i>	
<i>Positions</i>		
Associate statistician (half year) -----	\$376-458	\$2,595
Occupational analyst, Grade 2 (one year) -----	376-458	4,780
Assistant permanent disability rating specialist -----	281-341	3,372
Permanent disability rating specialist—trainee -----	231-281	2,772
Intermediate stenographer-clerk -----	190-231	2,280
Intermediate typist-clerk -----	180-220	2,160
		<hr/>

\$17,959

Equipment

Office—additional	
Furniture and equipment for new positions -----	\$1,225
Books for use of referees and library in San Francisco and Los Angeles -----	1,248

\$2,473

Analysis

The Division of Industrial Accidents administers the workmen's compensation laws. The division includes the Industrial Accidents Commission, a medical bureau, a legal bureau and a permanent disability rating bureau.

The number of original cases filed during the Fiscal Year was 11,490, only 1 percent higher than the preceding year and 19 percent below the number of original cases filed during the Fiscal Year 1944-45. Supplemental cases filed have shown an increase; however, the supplemental cases require less time and attention than original cases. The following is a tabulation of cases filed:

<i>Fiscal year</i>	<i>Original cases filed</i>	<i>Supplemental cases filed</i>
1943-1944 -----	12,984	4,028
1944-1945 -----	14,245	4,370
1945-1946 -----	13,693	5,648
1946-1947 -----	11,376	7,066
1947-1948 -----	11,490	8,694
1948-1949 Est. -----	11,750	9,200
1949-1950 Est. -----	12,000	9,800

The revision of the permanent disability schedule is to be completed by June 30, 1949. This revision was necessitated to provide for increased cost of living and further refinement in employment classifications. The cost of this project will amount to \$43,000. The Legislative Auditor in the analysis of the Budget Bill for the Fiscal Year 1948-49, recommended that the revised permanent disability schedule should be accompanied by

a report showing the basis for periodic revision of the schedule due to changing economic conditions.

Included in the request for administration, equipment, office—additional, is the amount of \$1,197 “to maintain the legal bureau library and legal books for the chairman and six commissioners.” *We recommend that this be reduced to \$723, the amount authorized for this purpose in the 1948-49 Budget. This would be a saving of \$474.*

Six additional positions have been requested Hearings and Compensation. One of these positions, assistant statistician, is for a half year, two positions are requested for one year, and three permanent positions. The work load in Hearings and Compensations has not increased beyond the volume handled during the Fiscal Year 1944-45. *Therefore we recommend that the additional positions be not allowed. This would result in a saving of \$17,959 in salaries and wages, and \$1,225 additional office equipment.*

The request for additional office equipment includes an amount of \$2,497 for books for use of referees and library in San Francisco, and Los Angeles. This is in addition to the request of \$1,197 for books for the administration discussed in a preceding paragraph. Included in this \$2,497 is \$700 for 54 sets of California Compensation Cases. We are of the opinion that the work of the division could be conducted just as effectively with the expenditure of half the requested amount for books and recommend that this item be reduced to \$1,249, a saving of \$1,248.

DIVISION OF INDUSTRIAL SAFETY

The amount requested is \$863,038, an increase of \$54,390 or 6.7 percent over the estimated expenditures for the Fiscal Year 1948-49.

<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 -----	\$45,892	394
Operating expenses -----	13,059	394
Equipment -----	—8,817	395
	<hr/>	
	\$50,532	
Budgeted increase for new or expanded service:		
Salaries and Wages:		
Editorial assistant, \$295-358 -----	\$3,540	394
Equipment:		
Office—additional -----	318	395
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	\$3,858	
Total increase -----	\$54,390	

Recommendations

Amount budgeted -----	\$863,038
Legislative Auditor's recommendations -----	\$859,180
Reduction -----	<hr/>
	\$3,858

Analysis

The Division of Industrial Safety is responsible for the enforcement of laws and lawful orders pertaining to safety in employment, and inspects places of employment for compliance with minimum standards for safety.

During the past fiscal year the Division of Industrial Safety has not been able to obtain experienced engineers to fill all the authorized positions on the inspection staff. During the current fiscal year it is proposed to recruit men at the untrained level and inaugurate an in-service training program. The division also plans to expand educational activities in an endeavor to reduce the number of occupational injuries.

The Department of Finance has completed a study of the control system for periodic reinspection of pressure vessels. As a result of this study a tabulating card system will be installed to adequately control the assignment of these inspections. Two intermediate key-punch operators and one junior clerk are necessary to place the control system in operation. We recommend approval of these three positions.

As the educational program of the division has developed, starting in 1947, the number of requests for lectures and demonstrations has increased and one position is requested to meet this demand. Any increase to meet these requests, however, should at least in part be considered an increase in service rather than in work load.

The editorial assistant is requested to provide for a more intensive education program in accident prevention. It raises the question of the extent to which increases in the program of disseminating safety information should come about by increasing editorial staff, or whether the added work should be done by existing safety engineers as a part of their regular work. The expansion of an educational program in place of increasing the number of physical inspections is in line with prior recommendations of the Budget Committee. This is, in part, a recognition that the rapid introduction of safety devices in industry has reduced accidents resulting from the absence of such devices to a minor factor in the total industrial accident problem. However, we recommend that there should be the greatest possible integration of the educational program with the work of the safety inspectors, and for that reason expansion of personnel in the educational program should be limited to actual preparation of the materials required in the program. At present there are four positions including a supervisor and one editorial aid assigned to this program.

In line with our recommended policy of limiting additional personnel to the requirements of preparing informational material, it would not appear that any increase is justified at this time. *We, therefore, recommend against approving the proposed position of editorial assistant. This would result in a saving of \$3,858 in salaries and wages and \$318 in equipment assigned to the position.*

DIVISION OF INDUSTRIAL WELFARE

The amount requested is \$241,687, an increase of \$31,653 or 15.1 percent over the estimated expenditures for 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:		
Normal salary increases -----	\$3,241	395
Estimated salary savings -----	—152	---
	<u>\$3,089</u>	
Operating Expenses:		395
Office -----	\$250	---
Printing -----	1,257	---
Telephone and telegraph -----	360	---
Postage -----	225	---
Freight, cartage, and express -----	75	---
Traveling -----	—1,000	---
Automobile mileage -----	100	---
Automobile operation -----	800	---
Rent -----	120	---
	<u>\$2,187</u>	
Equipment:		395
Office—replacement -----	\$760	---
Office—additional -----	—1,282	---
Automobile—replacement -----	1,430	---
Automobile—additional -----	150	---
	<u>\$1,058</u>	
Total increase based on work load, etc. ---	\$6,334	
Budgeted increase based on new or expanded service:		
Salaries and Wages:		
Proposed New Positions:		
Senior information clerk -----	\$2,520	395
Industrial welfare agent (2) -----	7,440	---
Intermediate stenographer-clerk -----	2,280	---
Junior stenographer-clerk (part time) ---	1,140	---
	<u>\$13,380</u>	
Operating Expenses:		395
Freight, cartage, and express -----	\$100	---
Traveling -----	2,000	---
Automobile operation -----	1,000	---
	<u>\$3,100</u>	
Equipment:		395
Office—additional -----	\$3,439	---
Automobile—additional -----	5,400	---
	<u>\$8,839</u>	
Total increase for new service -----	<u>\$25,319</u>	
Total increase -----	<u>\$31,653</u>	

Recommendations

Amount budgeted -----	\$241,687
Legislative Auditor's recommendations -----	216,368
Reduction -----	<u>\$25,319</u>

Analysis

The Division of Industrial Welfare deals principally with the enforcement of those provisions of the Labor Code regulating the working conditions of women. The following tabulation shows the number of female factory workers in California and the number of agents employed by the division:

	<i>Female factory workers</i>	<i>Industrial welfare agents and auditors</i>
September, 1941 -----	91,400	13
June, 1945 -----	177,100	13
September, 1946 -----	123,600	21
September, 1948 -----	133,100	23

During the seven-year period, 1941 to 1948, the number of women employed increased 46 percent while the staff of agents authorized for the division increased 77 percent.

The budget request includes four proposed new full-time positions and a part-time position. It is proposed to employ a senior information clerk for Los Angeles to handle telephone and counter calls which would release an agent for the San Bernardino area. It is further proposed to establish two new permanent positions of welfare agent, and to assign one additional agent to the San Jose area, and one additional agent to the Sacramento area.

In the justification for additional positions is found a description of "Work Program."

"The State is divided into geographic units for enforcement purposes. An agent is given some local metropolitan territory and an outlying territory and is responsible for enforcement of the orders and Labor Code sections in her assigned area. Agent services all complaints in her area and makes routine inspections of new industries, seasonal industries, etc., and performs such public relations work as is necessary to effect better understanding of the laws enforced by the Industrial Welfare Division."

Also included in the justification is the statement that certain counties "are not covered as they should be to provide the workers with the protection to which they are entitled under the law."

It is doubtful that routine inspections of established business concerns against which no complaint has been filed is a necessary function of this division.

In the justification for automobiles, private, is found "one agent in the Los Angeles office will retire before July 1, 1949. This agent does not drive an automobile. Her successor will be an agent who drives and will be given outside assignments." This division was granted an increase of two agents for the 1948-49 Fiscal Year. *A further increase in number of authorized personnel does not appear to be justified at this time and is not recommended.*

The amount requested for freight, cartage and express is \$275, an increase of \$175 or 175 percent over the \$100 estimated and actual expenditures for the proposal in the 1948-49 Fiscal Year. It is recommended that a \$75 increase be granted.

Included in the \$14,500 request for traveling is an amount of \$2,200 for the chief of the division which includes two trips to Washington,

D. C. Since the activities of the division pertain solely to the enforcement of the California law and the chief of the division has already been absent from California on trips to Washington, D. C., for *the past three years, it is recommended that this item be reduced to \$200.*

Automobile operation, additional office equipment and additional automobile equipment reflect an increase based on 4½ new positions. We recommend these items be reduced to the following amounts:

	<i>Amount</i>
Automobile operation -----	\$6,100
Office—additional -----	122
Automobile—additional -----	150

The Division of Labor Law Enforcement is assigned the responsibility of enforcing labor laws relating to conditions of employment, child labor, wages, hours of work, sanitation, etc. Some of the operations performed by the Division of Industrial Welfare duplicate the work done in Labor Law Enforcement. For example, pay roll audits are made by this division as well as by the Division of Labor Law Enforcement. A thorough study of the work of these two divisions was recommended in the Legislative Auditor's Report to the Joint Legislative Budget Committee for the Fiscal Year 1947-48. Such a study is essential to determine the most economical method of properly enforcing the provisions of the Labor Law.

We again recommend that consideration be given to consolidation of these two divisions.

DIVISION OF LABOR LAW ENFORCEMENT

The amount requested is \$459,291, an increase of \$26,362 or 6 percent over the estimated expenditures for 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 -----	\$22,174	396
Operating expenses -----	6,512	396
Equipment -----	-2,324	396
	<u>\$26,362</u>	
Budgeted increase for new or expanded service:		
None -----		

Recommendations

Amount budgeted -----	\$459,291
Legislative Auditor's recommendations -----	459,291
Reduction -----	None

Analysis

The work of the Division of Labor Law Enforcement has been increased by the provisions of the Agriculture Unloaders Act of 1947.

The following is a partial tabulation of the work load of this division:

	<i>Actual</i>		<i>Estimated</i>	
	<i>1946-47</i>	<i>1947-48</i>	<i>1948-49</i>	<i>1949-50</i>
Wage claims -----	17,633	21,468	24,500	26,500
Non-wage complaints -----	3,220	3,180	3,200	3,200
Employment agency licenses issued -----	1,383	1,760	2,100	2,300
Civil suits -----	227	306	500	600
	<u>22,463</u>	<u>26,714</u>	<u>30,300</u>	<u>32,600</u>

The amount requested provides for one additional deputy labor commissioner for the San Joaquin Valley, whose headquarters will be in Fresno, but who will also furnish needed part-time assistance in the Stockton and Bakersfield districts. An additional stenographer-clerk is requested for the Los Angeles office and additional temporary help during the employment agency licensing period. We recommend approval.

DIVISION OF LABOR STATISTICS AND RESEARCH

The amount requested is \$201,254, an increase of \$13,173 or 7 percent over the estimated expenditures for 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 -----	\$11,608	397
Operating expenses -----	830	397
Equipment -----	735	397
	<u>\$13,173</u>	
Budgeted increase for new or expanded service:		
None -----		

Recommendations

Amount budgeted -----	\$201,254
Legislative Auditor's recommendations -----	201,254
Reduction -----	None

Analysis

The Division of Labor Statistics and Research compiles administrative statistics for the Industrial Accident Commission and will provide additional assistance to the commission by utilization of mechanical statistical equipment for the records of the Permanent Disability Rating Bureau.

The division performs the tabulating work for other divisions of the Department of Industrial Relations.

Present programs of statistics covering employment, union labor agreements, and factory registrations will expand in step with the continued expansion of industry in California. The division proposes to absorb the increased load primarily by increasing mechanization of operations. The only new position requested is one key punch operator. We recommend approval of the amount requested inasmuch as this division has constantly improved its statistical output with lower unit costs, and the statistical data processed appears to be essential.

Payment of the Additional Workmen's Compensation for Subsequent Injury as Provided by Section 4751 of the Labor Code

Item 155, page 33 of the Budget Bill and page 397 of the Budget. The amount requested is \$75,000 from the General Fund, an increase of \$25,000, or 50 percent above the estimated expenditures for the 1948-49 Fiscal Year.

Recommendations

<i>Appropriation</i>	<i>Amount budgeted</i>	<i>Legislative Auditor's recommendations</i>	<i>Reduction</i>
General Fund	\$75,000	-----	\$75,000
Unemployment Compensation Disability Fund.....	-----	\$75,000	-----

Analysis

This is the amount set up to provide such payments as are required by Section 4751 of the Labor Code which reads as follows:

“4751. Injury of employee permanently partially disabled resulting in 70 percent disability: Compensation. If an employee who is permanently partially disabled by reason of the loss of, or loss or use of, a hand, an arm, a foot, a leg, or an eye, receives a subsequent compensable injury resulting in additional permanent partial disability so that the degree of disability caused by the combination of both disabilities is greater than that which would have resulted from the subsequent injury alone, and the combined effect of the last injury and the previous disability or impairment is a permanent disability equal to 70 percent or more of total, he shall be paid in addition to the compensation due under this code for the permanent partial disability caused by the last injury, compensation for the remainder of the combined permanent disability existing after the last injury, as provided in this article. (Added by Stats. 1945, Ch. 1161 ¶ 2.)”

Section 4754 of the Labor Code establishes this fund and reads as follows:

“Special additional compensation: Award and payment: Reimbursement of fund. The commission shall fix and award the amounts of special additional compensation to be paid under this article, and shall direct the State Compensation Insurance Fund to pay the additional compensation so awarded. *Such additional compensation may be paid only from funds appropriated for such purpose.* Out of any such appropriation the fund may reimburse itself for the cost of service rendered in payment of compensation awards pursuant to this article and maintenance of accounts and records pertaining thereto, which cost shall not exceed five percent of the amount of award paid. (Added by Stats. 1945, Ch. 1161, ¶ 4; Amended by Stats. 1947, Ch. 1505, ¶ 1.)”

The Budget Act appropriations from the General Fund for the Fiscal Years 1947-48 and 1948-49 were for \$100,000 each year. Actual amount of claims and administration expense paid under this provision of the law amounted to \$21,241 for the 1947-48 Fiscal Year and are estimated at \$50,000 for 1948-49, and \$75,000 for 1949-50. The increase

in estimated cost to \$75,000 for the 1949-50 Fiscal Year is due to gradual increase in the number of claims and an increase in the amount of awards anticipated as a result of the revision of the permanent disability rating schedule.

No

We recommend that the required amount of \$75,000 be appropriated from the Unemployment Compensation Disability Fund. This fund has an estimated unbudgeted surplus at July 1, 1949, of \$201,193,865 as shown on page 300 of the Budget. Revenues are estimated at \$48,714,388 and expenditures \$27,465,847 for the 1949-50 Fiscal Year, leaving an unbudgeted surplus of \$222,442,406 as of June 30, 1950.

To change this appropriation it will be necessary to amend Item 155 of the Budget Bill to read: "For payment of the additional workmen's compensation for subsequent injury as provided by Section 4751 of the Labor Code from Unemployment Compensation Disability Fund, notwithstanding any limitations restricting the expenditures from such fund or the benefits that may be paid from such fund." If this change in the appropriation is made, the General Fund commitments for the 1949-50 Fiscal Year will be reduced \$75,000.

OFFICE OF THE FIRE MARSHAL

For Support of the Office of Fire Marshal from the General Fund

Item 156, page 33 of the Budget Bill, and page 400 of the Budget. The amount requested is \$252,149 from the General Fund for support of the Office of Fire Marshal. This is an increase of \$10,456 or 4.3 percent over the amount of \$241,693 estimated to be expended in 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-----	\$5,535	400
Operating expenses-----	4,567	400
Equipment-----	-1,276	400
Total-----	\$8,826	
Budgeted increase for new or expanded service:		
Equipment-----	\$1,630	401
Total-----	\$1,630	

Recommendations

Amount budgeted-----	\$252,149
Legislative Auditor's recommendation-----	213,116
Reduction-----	\$39,033 (15.5%)