

Recommendations

Amount budgeted	\$25,685
Legislative Auditor's recommendations.....	\$25,685
Reduction	None

Analysis

The California District Securities Commission was created by the District Securities Commission Law, Statutes of 1931, Chapter 371, and is composed of five members, including the Attorney General, State Engineer, Superintendent of Banks and officials of two Irrigation Districts.

Additional responsibilities were assigned to the commission by the Irrigation Districts Refinancing Law, Statutes of 1937, and by the Irrigation District Law Amendments of 1937, 1939, 1941, 1943 and 1947.

The commission is charged with the direction and supervision of bond financing, construction of works and expenditures of bond proceeds of irrigation districts and other agriculture or water districts which apply to the Commission for certification of bonds as legal investments for savings banks and trust funds.

The Statutes of 1943 contained the provision that any proposal to enter into a contract between the United States Government and Irrigation Districts for water supplies or construction of works shall be submitted to the Commission. This has resulted in considerable increase in the activity of the Commission.

The function of the California Districts Securities Commission differs from the functions of the Corporation Commission. The District Securities Commission acts as a regulatory body for irrigation and water districts, which are public organizations similar to municipalities. In counterdistinction, the Corporation Commission supervises corporations which are legal entities doing business as individuals.

The amount of \$25,685 requested for the budget year 1949-50 covers expenditures necessary for the continued operation of the California Districts Securities Commission. Proposed expenditures are less than the actual and estimated expenditures for present fiscal year. This economy has been possible through the elimination of provision for a part-time clerk and reduction in automobile expense, in line with a previous recommendation of the Budget Committee.

An analysis of the proposed work load for this agency indicates that the amount requested will probably be necessary for adequately fulfilling the responsibilities of the Commission.

DEPARTMENT OF JUSTICE

For Support of the Department of Justice from the General Fund

Item 163, page 35 of the Budget Bill and page 419 of the Budget. The amount requested is \$1,816,236, from the General Fund for support of the Department of Justice. *This is an increase of \$262,521 or 16.9 percent over the amount 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-----	\$118,665	420
Operating expenses-----	14,234	---
Equipment-----	-26,616	---
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	\$106,283	
Decrease in reimbursements-----	55,800	---
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	\$162,083	
Budgeted increase for new or expanded service:		
Salaries and wages-----	\$24,972	420
Operating expenses-----	64,346	---
Equipment-----	11,120	---
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	\$100,438	

Recommendations

Amount budgeted-----	\$1,816,236
Legislative Auditor's recommendations-----	1,785,424
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Reduction-----	\$30,812

The recommended reduction of \$30,812 consists of the following deletions:

<i>Salaries and Wages</i>	
1 communication supervisor-----	\$4,092
2 senior clerks-----	5,040
1 research assistant-----	2,640
2 intermediate clerks-----	4,320
1 key punch operator, Grade 2-----	2,160
<i>Operating Expense</i>	
Printing—monthly bulletin-----	2,000
<i>Equipment</i>	
Items of additional equipment representing improvements above the existing level of service, 50 percent reduction-----	5,560
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	\$25,812
Increase in Item 164-----	5,000
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Total-----	\$30,812

Analysis

It should be noted that \$55,800 of the \$262,521 increase in the net support budget for the agency is occasioned by a decrease of \$55,800 in reimbursements received from other agencies for legal, teletype, and fingerprint services.

This in turn does not mean that the agency is extending less service in that amount to such other agencies. Further examination of the decrease in reimbursements shows that \$48,050 of the decrease is due to the fact that in the 1948-49 figures this sum is shown as reimbursement for legal services rendered in 1947-48 for two agencies, namely the Department of Employment and the Department of Social Welfare. This has the effect of almost doubling the normal amount of reimbursements from these two agencies in 1948-49, while only current charges are included in the 1949-50 figure.

The Bureau of Criminal Identification furnishes a large amount of service such as fingerprint and name checks to various other state agencies.

Where such other state agency is a special fund agency, a charge is made for such services and is reflected as a reimbursement or an abatement to the Department of Justice Budget.

However, where the service is furnished to a General Fund agency, no charges are made and no corresponding abatements or reimbursements are shown.

We recommend that in all cases an appropriate charge for the service be made to the requesting agency irrespective of whether it is a General Fund agency or a special fund agency, and such charges be itemized by the department and appear in the Budget as reimbursements to the credit of the Department of Justice Budget.

This practice is essential to proper budgeting since to exclude or include a charge for a service rendered to another agency merely on the basis of the source of support funds for the agency receiving the service, is to ignore the value of the service. The practice penalizes special fund agencies and operates as a windfall to General Fund agencies.

It can also lead to situations where a considerable work load is imposed on the Bureau of Identification in furnishing fingerprint or name checks to a General Fund agency and the ultimate merit of the service to the receiving agency may be out of all proportion to the cost involved to the Department of Justice. If the cost is shown in the budget of the receiving agency it would come up for consideration as to its merits with each budget review and the requesting agency would be more prone to review the benefits derived.

We understand that the Division of Corporations is utilizing the services of the Bureau of Identification in having a name check made on all parties represented in articles of incorporation and in permits to sell stock. Since it is a General Fund agency it pays nothing for the service. Furnishing such types of information however constitutes the essence of the work load in the record section of the bureau. This section is requesting new positions in the Budget now under consideration.

An example of the inconsistency of charging or not charging a particular agency for a service depending upon whether such agency is supported from the General Fund or a special fund is found in the matter of the Board of Equalization.

Two divisions of the Board of Equalization, namely the Motor Transportation License Tax Division and the Motor Vehicle Fuel Tax Division, are supported from special funds and pay the Department of Justice for services furnished. Other divisions of the Board of Equalization which are supported from the General Fund also utilize the services of the Department of Justice but pay nothing.

Salaries and Wages

The total increase in salaries and wages amounts to \$143,637 or 10.15 percent.

This increase is attributable to the following changes :

Normal salary adjustments-----	\$42,635
31 proposed new positions-----	75,252
Decrease in salary savings-----	25,700

\$143,637

The presently authorized positions total 391.5.

The sum of \$78,252 is required to finance salaries and wages for 31 proposed new positions. These added 31 positions will represent a 7.92 percent increase in staff.

One proposed new position to cost \$4,092 is in the teletype section. This represents an increase of 4.76 percent in staff for this unit.

Eight proposed new positions to cost \$19,860 are for the Bureau of Statistics, and represent a 40 percent increase in staff for this unit.

Sixteen proposed new positions to cost \$34,920 are in the record section of the Bureau of Criminal Identification and represent a 40 percent increase in staff for this section.

Five proposed new positions to cost \$13,200 are in the fingerprint section of the Bureau of Criminal Identification and represent an 8.33 percent increase in staff for this unit.

The 31 proposed new positions are shown by function as follows:

Division of General Administration :	
1 Communication supervisor -----	\$4,092
1 Assistant statistician -----	3,540
1 Research assistant -----	2,640
2 Senior clerks -----	5,040
3 Intermediate clerks -----	6,480
1 Key punch operator, grade 2 -----	2,160
Division of Civil Law :	
1 Deputy Attorney General, grade 3 * -----	6,210
Bureau of Criminal Identification :	
1 Senior file clerk -----	2,520
11 Intermediate file clerks -----	23,760
4 Intermediate typist-clerks -----	8,640
5 Intermediate fingerprint technicians -----	13,200
<hr/> 31 Total -----	<hr/> \$75,252

* This position was originally included in the Budget to provide for legal services to the Department of Social Welfare. Since the Department of Social Welfare has now hired an administrative assistant, who is an attorney, the requested new position in the Department of Justice Budget is to be deleted. This will also reduce the amount of reimbursements to be collected by the Department of Justice.

The merits of each of the proposed new positions and recommendations in connection therewith are as follows:

1 Communication supervisor -----\$4,092 (salary only)

This position is requested on the basis of recommendations incorporated in the report of E. A. Hosmer, Communications Engineer, providing for the centralization of all communications facilities under the jurisdiction of the Division of Communications.

Recommendation

Delete the position. A total of 18 teletypewriter positions are provided in the Budget. In addition there are three supervising positions. Proposed changes are presently contemplated in the teletype system at San Francisco that will result in some reduction in staff. When these changes are effected it would then be proper to consider the establishment of a position in the category requested. However, such a position should at that time be preferably established on the basis of a reduction in one existing supervisor by effecting a reclassification. This would not necessitate an additional position, but would at the same time provide for proper supervision of the communications facilities.

1 Assistant statistician -----\$3,540 (salary only)

This position is requested in order to conduct research in connection with an accumulation of approximately three years of data on parolees and parole violators returned to prison.

Recommendation

Approve the position. If we are to obtain any evaluation of the benefits or deficiencies in connection with the system of training and treatment under the present parole procedure, obviously studies must be made on case histories of individuals who have been subjected to the influences of the program.

If properly made and evaluated, such studies should result in definite improvements in prison and parole administration, with ultimate savings inherent in any improved program of essentials.

2 Senior clerks -----\$5,040 (salary only)

These positions are requested to establish a felony arrest series in the criminal statistics unit. Previous budget allowances provided funds to establish this series of reports, but actual practice developed that the personnel allowed could only handle the crime report series.

Recommendation

Delete the positions. The positions will result in a new service in the performance of which there will be some overlapping in the handling of source material now processed by the statistical unit of the Judicial Council.

The establishment of any new service should be deferred at this time. Consideration should be given to effect proper coordination or consolidation of the respective operations of the statistical units of the Judicial Council and the Department of Justice before embarking on any new program.

1 Intermediate clerk -----\$2,160 (salary only)

Recommendation

Approve the position. This position is requested to handle added work load incidental to processing statistics relative to the activities of the juvenile courts throughout the State. Initially, 16 counties were participating and the requested position will enable the Youth Authority to receive accurate data concerning juvenile court actions on a state-wide basis.

1 Research assistant -----\$2,640 (salary only)

2 Intermediate clerks ----- 4,320 (salary only)

1 Key punch operator, grade 2 ----- 2,160 (salary only)

\$9,120

The above four positions are complementary to each other and are therefore discussed as a working unit.

The agency request for these positions is predicated upon establishing the fourth major program within the Statistical Bureau. This program involves the collection, on a state-wide basis, of reports on all criminal cases passing through our superior courts.

Recommendation

Delete the positions. *This program represents the inauguration of a new service.* Before launching any additional program in the statistical field of this unit, requiring the expenditure indicated, we believe that ample consideration must first be given toward permitting the unit to operate successfully on those programs it has already undertaken.

The presently authorized positions in the statistical unit now total 20 with an annual salary cost alone of \$66,399. This is a sizeable expenditure for statistical purposes, and until it can be clearly demonstrated that the statistics furnished and the analyses thereof are resulting in tangible improvements in administration and reductions in cost to justify the expenditure, consideration of new programs should be deferred.

We also desire to emphasize that the Supreme Court and the Judicial Council also have a small statistical unit. The program contemplated by the Department of Justice would result in some duplication of effort. In view of this, we recommend that a consolidation be made in order to encompass all of the requirements from a statistical standpoint in the one statistical unit now serving the Youth Authority, the Department of Corrections and the Department of Justice.

1 Senior file clerk -----	\$2,520 (salary only)
11 Intermediate file clerks -----	23,760 (salary only)
4 Intermediate typist-clerks -----	8,640 (salary only)
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	\$34,920

The above 16 positions are all requested for the record section in the Bureau of Criminal Identification.

Recommendation

Approve the positions. *The requested positions are necessary to process the current volume of name ~~searchers~~ fingerprint searchers and additions to records in connection with crime reports and information checks.*

While the increase in clerical staff is large, the backlog of work warrants the additional personnel. Even with such an increase in staff, it is doubtful if the positions requested would be sufficient if there should be any material increase in the activity of the various agencies now using the facilities of the Bureau. A substantial amount of incoming work load has been going into a backlog. The additional positions will merely permit the agency to handle the current volume with no provisions for utilizing any of the backlogged information.

5 Intermediate fingerprint technicians -----	\$13,200 (salary only)
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Recommendation

Approve the positions. These positions are requested in order to provide sufficient technicians to process the normal flow of work in connection with fingerprint additions and requests. At present the bureau is unable to process all of the work and a sizable proportion is being by-passed into a backlog.

Operating Expenses

Operating expenses are scheduled at \$456,323 for 1949-50. This is an increase of \$78,580 or 20.80 percent over the amount of \$377,743 estimated to be expended in the 1948-49 Fiscal Year.

The increase, by function, for operating expenses is indicated below :

<i>Function</i>	<i>Increase in operating expense</i>	
	<i>Amount</i>	<i>Percent</i>
Division of General Administration -----	\$65,565	37.08
Division of Civil Law -----	1,154	2.34
Division of Criminal Law -----	705	25.22
Bureau of Criminal Identification -----	5,675	14.46
Bureau of Investigation -----	2,471	4.57
Division of Narcotic Enforcement -----	3,010	5.42
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	\$78,580	20.80

The major increase in operating expense occurs in the Division of General Administration in the amount of \$65,565. This is attributable primarily to an increase of \$59,746 covering the added cost of rental of equipment for the teletype section. Such increased costs are in line with equipment installations recommended by the Communications Division of the Department of Finance based upon a survey covering the communications facilities of the various state agencies.

We recommend a deletion of \$2,000 in operating expense in the Bureau of Criminal Identification to cover the printing costs of a monthly bulletin.

Funds were allocated in the 1948-49 Budget to provide for the printing of a monthly bulletin. Such funds were not expended for the purpose designated. We recommend that since the bulletin has not been undertaken that no funds be appropriated for the establishment of this new service at this time.

We believe it to be of far more importance that the bureau devote all of its energy toward making further improvements in the techniques of the service it is required to render rather than take on any new activity.

Equipment

Equipment expenditures are scheduled at \$53,666 for 1949-50. This is a decrease of \$15,496 or 22.41 percent under the amount of \$69,162 estimated to be expended in 1948-49.

The trend by function is as follows :

<i>Function</i>	<i>Increase in equipment</i>	
	<i>Amount</i>	<i>Percent</i>
Division of General Administration -----	—\$3,878	—36.85
Division of Civil Law -----	—897	—5.44
Division of Criminal Law -----	—875	—55.21
Bureau of Criminal Identification -----	—8,372	—24.41
Bureau of Investigation -----	3,503	588.74
Division of Narcotic Enforcement -----	—4,977	—87.59
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Total -----	—\$15,496	—22.41

Out of the total of \$53,666 for equipment, the sum of \$15,947 is for items of replacement and the further sum of \$37,719 is for additional equipment.

A resume of the equipment schedule for this facility shows that the total amount required for *additional* items of equipment to equip all proposed new positions, plus some items due to normal expansion at the existing level of service totals \$26,599. Deducting this latter sum from the total of \$37,719 requested for additional items leaves \$11,120 for equipment additions that represent improvements *above* the existing level of service.

We recommend that a reduction of 50 percent or \$5,560 be made in the amount of additional equipment, representing improvements above the existing level of service.

Further reductions in equipment are contingent upon deletion of proposed new positions.

DEPARTMENT OF JUSTICE—ADDITIONAL SUPPORT

For Additional Support of the Department of Justice, Payable from the Motor Vehicle Fund

Item 164, page 35 of the Budget Bill and page 419 of the Budget. The amount requested is \$35,000 from the Motor Vehicle Fund for additional support of the Department of Justice. *This is the same amount as the 1948-49 appropriation, and the funds go toward support of the teletype system of the Department of Justice.*

The volume of teletype business attributable to the Department of Motor Vehicles has continually increased, while the contribution from the Motor Vehicle Fund toward support of the teletype system has remained constant.

Recommendation

We recommend that Item 164 be approved in the amount of \$40,000, an increase of \$5,000, and Item 163 reduced by \$5,000.

We further recommend that an analysis be made of the cost of the teletype service on an average per message basis, and that such cost form the basis for projecting the amount of this appropriation based on the message volume of the Department of Motor Vehicles. This will place the allocation of the cost of the service on a more realistic basis in future budgets.

DEPARTMENT OF JUSTICE—OTHER CURRENT EXPENSES

For Fees to Special Counsel Employed Pursuant to Section 12520 of the Government Code, Department of Justice

Item 165, page 35 of the Budget Bill and page 424 of the Budget. The amount requested is \$2,500 from the General Fund to cover cost of employment of special counsel in those instances where the office of the Attorney General is required to act in place of the duly constituted district attorney as a result of failure or inability of the latter to perform the duties of his office. This is the same amount as requested in 1948-49. It is a recurring item and its expenditure is limited by the terms of the appropriation.

Recommendation

Approve Item 165 in the amount of \$2,500 as requested.

For Litigation and Legal Services in Connection with Activities of the Colorado River Board, Department of Justice

Item 166, page 35 of the Budget Bill, and page 425 of the Budget. The amount requested is \$39,860 from the General Fund for litigation, and legal services in connection with the activities of the Colorado River Board. This is an increase of \$990 or 2.54 percent over the amount of \$38,870 estimated to be expended in the 1948-49 Fiscal Year.

The expenditure consists of a salary and wage cost of \$33,310 and operating expenses totaling \$6,550.

The salaries and wages are for one deputy attorney general, grade 4, at \$9,310 and for intermittent consulting services of outside counsel to cost \$24,000.

The major item of operating expense covers travel in the amount of \$6,000.

This litigation has been pending for a considerable period of time and while an expensive item in itself it is nevertheless extremely important that every effort be expended to protect the invaluable water rights of the State.

The matter will in all probability, be brought to a close by a Supreme Court decision possibly in the 1949-50 Fiscal Year. Accordingly, we believe that substantial savings should result from elimination of the necessity of employing outside counsel with the same frequency as heretofore experienced.

We recommend approval of Item 166 in the amount of \$39,860 as requested.

For Enforcement of the Provisions of the Cartwright and Unfair Practices Acts, Department of Justice, from the General Fund

Item 167, page 36 of the Budget Bill and page 426 of the Budget. The amount requested is \$17,530 from the General Fund for enforcement of the provisions of the Cartwright and Unfair Practices Acts. No funds for this purpose were 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:		
Salaries and wages -----	\$14,760	426
Operating expenses -----	1,850	426
Equipment -----	920	426
Total -----	\$17,530	

Recommendations

Amount budgeted -----	\$17,530
Legislative Auditor's recommendations -----	None
Reduction -----	\$17,530

Analysis

This is a repeat request for funds to provide for similar positions to those requested in the 1947-48 Budget and which were disallowed at that time. The present four positions would provide for two deputies attorney general and two senior legal stenographers.

In view of the specialized activity of the Federal Government in the antitrust field, it is obvious that the really big cases that might be developed in California would in most cases have interstate relationships and would therefore be within federal jurisdiction. Thus, the activity of the State should be limited to cases having an intrastate aspect only. The agency has already experienced some limited activity in this field with present personnel staffing. Expansion of this activity through specialization to the degree indicated by the budget request does not appear warranted.

Attention is directed to the fact that the prime responsibility for enforcement of this act starts at the district attorney level. Thus added stimulus at this stage should be one of the objectives of the department, rather than assuming the burden as a direct responsibility.

DEPARTMENT OF METAL HYGIENE—SUMMARY OF BUDGET REQUEST

Items 168-185, Inclusive

The increases proposed in the 1949-50 Budget for the 11 mental institutions in the Department of Mental Hygiene are for the most part the *result of a uniform raising of the standard of care in the mental hospitals and homes* and to care for added population. For that reason it is logical to analyze the proposed increases on the basis of the total program underlying the requested raising of standards, and to consider at the same time the problem facing the State in meeting the added population.

During the past few years the budget of the Department of Mental Hygiene has been predicated upon raising the degree of care given to patients in the state mental institutions systematically to a level comparable with those of the most advanced states in the Union and without considering the advantages we have in climate and production. To this end the State increased appropriations for specialized treatment, for medicines and equipment; it strengthened the research program at Langley Porter Clinic, steadily increased the ratio of doctors, nurses, attendants and other specialized personnel in the institutions, and increased expenditures for food in order to obtain the fullest benefits from improved knowledge of dietetics. At the same time the State acquired two additional hospitals and has initiated a large-scale building program to attempt to reduce the problem of overcrowding. On the theory that it would reduce the number of persons required to be institutionalized, the department undertook to establish five out-patient clinics in the cities of Los Angeles, San Diego, Fresno, Sacramento, and Berkeley.