

with our previous recommendation that additional improvement be made in the medical records.

Also in line with our over-all recommendation for economy in furnishings of employees, we recommend that a reduction of \$2,500 be made in the amount allotted to officers' and employees' homes for furniture, rugs and household equipment.

OFFICE OF THE ADJUTANT GENERAL

For Support of the Adjutant General and National Guard from the General Fund

Item 186, page 41 of the Budget Bill and pages 507 to 514, inclusive, of the Budget. The amount requested is \$2,601,700 from the General Fund for support of the Adjutant General and National Guard. This is an increase of \$253,196 or 10.8 percent over the amount of \$2,348,504 estimated to be expended in the 1948-49 Fiscal Year. Actually additional costs are \$376,190 or 16.0 percent because 49 positions costing \$122,994 have been assumed by the Federal Government.

<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 -----	\$101,684	506
Operating expenses -----	—9,511	506
Equipment -----	39,898	506
Total -----	\$132,071	
Budgeted increase for new or expanded service:		
Salaries and wages		
Headquarters staff -----	\$9,042	508
Field organization -----	83,823	511, 512
Operating expenses		
Headquarters staff -----	1,000	508
Field organization -----	25,000	512
Equipment		
Headquarters staff -----	2,260	509
Total -----	\$121,125	

Recommendations

Amount budgeted -----	\$2,601,700
Legislative Auditor's recommendations -----	2,275,412
Reduction -----	\$326,288

We recommend that Budget Item 186 be reduced by 75 percent of the cost to the State of the anti-aircraft and airforce units when those costs are determined, and pending that determination, by not less than \$200,000.

We recommend that the Budget Item 186 be reworded so that reimbursements received from the Federal Government shall not constitute an enlargement over and above the Governor's Budget, and amounts totaling in excess of the amount of federal reimbursements credited to the support of the Adjutant General in the Governor's Budget shall be deposited in the General Fund.

We recommend that in addition to the reduction recommended above, that the amount requested be reduced by \$126,288 by reducing the amounts for the following objects of expenditure:

Salaries and wages -----	\$98,028
Operating expenses -----	26,000
Equipment -----	2,260
Total -----	<u>\$126,288</u>

Explanation of Recommended Reductions

Aircraft Units

The Adjutant General has stated that amounts expended for aircraft facilities will be reimbursed by the Federal Government on the basis that 75 percent of the cost will be borne by the Federal Government and 25 percent by the State. The Adjutant General has assured committees of the Legislature that not less than \$200,000 will be received in reimbursements. These statements have been an important factor in the legislative approval of the Budget for the Adjutant General's Office.

At the time of preparation of the Budget no reimbursement for the cost of the aircraft facilities or any other National Guard activity had been received.

The State is now supporting, to the extent of \$2,348,504, a program intended to provide internal security for the State and provide an organization prepared in an emergency to become a part of the national military forces. The size and composition of this program has been framed by the National Guard Bureau of the Federal Government, whose interest is primarily readiness for a national emergency rather than state internal security.

The situation has changed since the National Guard was originally formed, and it calls for a reappraisal of the need for the guard, and its capacity to fill that need.

The Federal Government is maintaining a large and expensive military force, with active reserves, and has in operation a Selective Service Act. At present, it appears that warfare with a foreign country may create a critical emergency in a relatively short space of time and require a highly specialized and technical type of defense. *These factors lead to the conclusion that a National Guard adapted to national defense is much more expensive than the internal security of the State requires.*

California is paying, in federal taxes, a large share of the cost of national defense. The fact that it is a border state, with numerous essential war industries, does not, of itself, require that the State bear the cost of a large auxiliary military force. There is no doubt but that an entirely competent, trained and equipped military force, at the command of the Governor, will provide adequate protection for internal security. The question is, does the internal security require a military force of the size and composition of the present National Guard?

We recommend that the cost of administering the present National Guard be limited to the cost of those units which will contribute to the internal security of the State and that some measure of the size and component units required for internal security be established. This might well eliminate, or transfer to complete federal responsibility, the fighter,

bomber, and air service units, the antircraft warning units and the artillery and heavy tank units.

The Adjutant General has been asked to furnish the Legislative Auditor with the cost to the State of the antircraft and airforce units of the National Guard. At this time, this information is not available. We are, therefore, recommending that when this information is available, that 75 percent of the amount of the cost be credited to the Budget of the Adjutant General as estimated federal reimbursement, and the Adjutant General be required to operate within the net amount appropriated until such time as reimbursements are forthcoming.

As an alternative to a flat credit of 75 percent of the cost of the part of national defense which the State is bearing in the shape of the National Guard air units, the following policy might be adopted :

The State might well bear that part of the cost of the air units equal to the average support cost per man of the ground forces, times the number of men in the air forces.

At present the strength of the air units is approximately 2,600 men. These men are available for any type of duty in the protection of the state welfare and security. The cost of such protection by that number of men is a proper cost to the State.

Rewording of Budget Item

Under the present wording of Budget Item 186 the Adjutant General has available funds appropriated for his budget by the Legislature *and* any amounts received as receipts and reimbursements from the Federal Government. The only restrictions placed upon the availability of the latter are in the hands of the Director of Finance, an official of the executive branch of government and serving under the same appointing power that appoints the Adjutant General.

Since the reimbursements from the Federal Government would ordinarily constitute a reduction of the amount requested in the budget item, were the amount of such reimbursements known, it is proper that such reimbursements be deposited in the General Fund to be available for other expenses of State.

This proposal does not contemplate any impairment of the Budget of the Adjutant General, or access of this office to deficiency allotments from the Governor's Emergency Fund. Nor does it place any restriction other than the written order of the Director of Finance on money received from the Federal Government which is not in the nature of a reimbursement.

Reduction in Salaries and Wages

We recommend salaries and wages be reduced \$98,028, from \$1,204,518 to \$1,106,490.

The Budget for the National Guard for 1948-49 was prepared in anticipation of 65 headquarters units and 299 activated company units manned by 21,992 officers and men. The 1949-50 Budget provides for 69 headquarters units and 307 company units, a total of 376 units. The present strength authorized by the National Guard Bureau is 21,000 officers and men. As of January 1, 1949, there were approximately 18,500 officers and men in the National Guard.

There will be 12 units more to be serviced by the headquarters staff in 1949-50 than in 1948-49. This is an increase of 3.3 percent more than the 364 units provided for in the 1948-49 Budget. The Adjutant General has made it clear previously that the work of the administrative staff is determined by the number of units administered. *Therefore, a 3.3 percent or \$11,641 increase in the amount appropriated for the administrative staff is justified by the increased work load.*

We recommend that the following new positions costing \$92,865 not be approved:

Branch and position	Salary	Budget page	Line
Executive:			
Staff sergeant (clerk-photo.lab. tech.)-----	\$2,682	508	34
Finance:			
Intermediate stenographer-clerk -----	2,280	508	38
Intermediate typist-clerk -----	2,160	508	39
Junior typist-clerk -----	1,920	508	40
Field Organization:			
3 Warrant officers -----	10,743	511	81
6 Master sergeants -----	20,880	511	83
15 Master sergeants -----	52,200	512	6-23
Total, new positions not recommended-----	\$92,865		

We recommend that all promotions, costing \$5,163, not be approved. New positions: Headquarters, budget page 508.

The position of staff sergeant (clerk-photographer-laboratory technician) at \$2,682 is not recommended. This position is to prepare public relations and recruiting material and render clerical assistance to the recruiting officer. It is an added service which is not justified by work load. Furthermore, the technical ability in photography and laboratory work of the person filling a position at this salary is questionable.

We do not recommend the additional positions of intermediate stenographer-clerk at \$2,280, intermediate typist-clerk at \$2,160, and a junior typist-clerk at \$1,920, in the finance section. Allowance of these positions would increase the clerical staff of the finance section by 75 percent. The work load added by the new units does not justify the addition of these positions. Furthermore, the machine records recently installed for accounting, personnel, and equipment records will eliminate much typing and other clerical work. New positions, field organization: Budget pages 511 and 512.

We do not recommend the addition of three warrant officers and 21 enlisted men to the field organization at a cost of \$83,823 a year.

Twenty-one enlisted men and three warrant officers (JG) are requested for supply personnel in the field organization of the National Guard.

It is proposed to make available one warrant officer (JG) to each division and one master sergeant to each regiment and group. Their duties will be to handle administrative matter pertaining to receipt, requisition, and issue of federal and state property to all subordinate units.

In justification of these positions it is presented that the National Defense Act and National Guard Regulation 75-3 require that a state

cannot be relieved from responsibility for federal property issued to it which becomes lost, damaged, stolen, destroyed, or unserviceable unless it is clearly shown that all reasonable precaution to care for and safeguard property was carried out.

It is contended in the budget request that the part-time company commanders, which change frequently, do not furnish the equipment "reasonable care" and that the State may become liable to the Federal Government for losses of this equipment.

The present staff of 65 military property custodians, and the company supply sergeants and company commanders can provide the federal property with sufficient care and control to protect the State from any great amount of loss. While it is recognized that the personal liability of a company commander on part-time guard duty should not be as harsh as it would be in the regular Army, it should be an important part of the National Guard training of officers to require them to recognize their responsibility with respect to equipment. *We doubt that liability for losses of federal property would approach the \$83,823 annual cost of the 24 positions.*

The State is going to great expense to provide strongrooms and watchmen for the facilities. The Federal Government is employing administrative assistants, clerks and supply sergeants for each armory. These conditions and personnel should render additional protection for equipment unnecessary.

We repeat the recommendation that was made with regard to the 1948-49 Budget, that the staff of the supply section be reduced as soon as the initial distribution of U. S. Army equipment to newly activated units has been completed. Promotions: Headquarters (Budget page 508).

We recommend that promotions in rank and increased pay in the total amount of \$5,163 for the performance of the same duties not be granted.

While it is difficult to compare the headquarters staff of the Adjutant General with existing tables of organization in army units of comparable size, because of dissimilarities in composition of the organization, and because of the federal-state relationship, it is apparent that the staff of the Adjutant General is receiving on the average more pay than similar duties and responsibilities in the state civil service.

In the interest of economy and establishing a policy, we recommend that increases in rank be approved only when expansion of duties and responsibility results from increased work load, or when an individual's position is reclassified by appropriate survey of his duties and responsibilities.

Operating Expenses

We recommend the amount requested for operating expenses be reduced \$26,000. The recommended reduction by object of expenditure is as follows:

Branch	Object	Amount	Budget page
Headquarters	Printing	\$1,000	508, line 77
Field Organization	Recruiting	25,000	512, line 42
Total		\$26,000	

We recommend that printing be reduced \$1,000. This amount appears in the Budget although it was not supported by justification.

We recommend that the amount of \$35,000 requested for recruiting be reduced to \$10,000, a reduction of \$25,000. The recruiting for the maximum strength of 21,000 officers and men will be accomplished by June 30, 1949. After that time, the recruiting program will be largely concerned with replacements. Construction and equipping of armories will in itself be an influence in recruiting.

The amount of \$1,171,818 requested for operating expenses is an increase of \$16,489 or 1.4 percent over the amount estimated for 1948-49.

Some major reductions appear in uniform allowances, reduced \$27,250, and the elimination of unit maintenance service costing \$25,000. Armory board revenues are increased \$39,600 and applied against operating expenses. Rent is reduced \$27,000 by the added state-owned armories. Eliminating these major reductions in operating expenses, there is an increase of \$135,339 or 11.7 percent over the amount estimated for 1948-49.

The level of operating expenses will largely be controlled by the number of new armories completed and equipped, and leases of existing facilities consummated. For the Fiscal Year 1949-50, there are 103 leases in effect and 82 pending.

Equipment

We recommend that the amount requested for equipment be reduced by \$2,260. The reduction by object of expenditure is as follows:

<i>Branch</i>	<i>Object</i>	<i>Amount</i>	<i>Budget page</i>
Headquarters.....	Recruiting aids	\$1,000	509, line 17
Headquarters.....	Automobile replacement	1,260	509, line 13
Total		\$2,260	

We recommend that the replacements for the two 1942 Hudson sedans, to be driven by two major generals, be made in the light car class instead of the medium heavy as requested, a reduction of \$630 on each car or a total reduction of \$1,260. While the rank of these officers customarily entitles them to a medium heavy car, in the interest of economy and because we believe that the present system of allocating automobiles for personal assignment is unsatisfactory, we recommend they be issued a light car. The cars are driven less than 800 miles a month and the nature of their use does not require a heavier car.

We recommend that recruiting aids, additional, be reduced by \$1,000. The equipment requested is laboratory equipment and a speed graphic camera and is part of a new service. We have recommended the deletion of a clerk-photographer-laboratory technician as not being economically sound, and the value of a technician at that salary doubtful. Furthermore, equipment of this sort is easily damaged, lost or stolen, and the Department of Finance has commented in audit reports on the disappearance of cameras from the National Guard in previous years. Funds from the recruiting item should continue to be used for purchase of commercial photography where necessary.

CALIFORNIA CADET CORPS

For Support of the California Cadet Corps from the General Fund

Item 187, page 41 of the Budget Bill and pages 512 and 513 of the Budget. The amount requested is \$209,642 from the General Fund for the support of the California Cadet Corps. This is an increase of \$23,579 or 12.6 percent over the amount of \$186,063 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 -----	\$6,261	513
Operating expenses -----	9,805	513
Equipment -----	7,513	513
Total -----	\$23,579	
Budgeted increase for new or expanded services:		
None -----	-----	-----

Recommendations

Amount budgeted -----	\$209,642
Legislative Auditor's recommendations -----	209,642
Reduction -----	None

Analysis

We recommend that the amount requested for support of the California Cadet Corps be approved.

The California Cadet Corps was created in 1911, with the principal purpose being the teaching of marksmanship to students in high schools with 40 or more boys, 14 years old or older. The first appropriation for the corps was \$5,000 to buy rifles for practice.

The present program of the Cadet Corps includes units in 90 schools, with 6,000 cadets enrolled. The average school in the program has five classes a week, which gives the student one unit of credit for each semester of work. The course of study suggested by the Cadet Corps for first year cadets includes the following subjects:

<i>Subject</i>	<i>Hours</i>	<i>Subject</i>	<i>Hours</i>
Orientation -----	1	Care of clothing and equipment ---	2
World military situation ---	8	Marches and bivouacs -----	4
U. S. military organization, etc. -----	6	Small arms instruction -----	14
Customs of the service -----	4	Marksmanship instruction -----	10
Personal hygiene -----	2	Range firing -----	5
Military sanitation -----	2	Team games -----	32
First aid -----	6	Drill, ceremonies, guard duty, and parades -----	64

This course is not mandatory upon school boards but may be adjusted to local conditions. Instructors are either qualified members of the faculty of the schools, or local reserve or guard officers employed by local school boards after approval by the Adjutant General.

A two weeks encampment is provided for students at Camp San Luis Obispo during the summer vacation. This was attended by approximately 700 cadets in 1948.

The Cadet Corps program is not to be confused with the R.O.T.C. program existing in the schools of Los Angeles, San Francisco, Oakland, San Diego, Sacramento, Alameda and Santa Barbara. The R.O.T.C. is supported by the Federal Government, with active duty army officers acting as instructors. The program is prescribed by the government, the officers assigned and relieved by the government, and only schools with 100 or more students in the program are eligible for R.O.T.C.

The Cadet Corps does not overlap the R.O.T.C. since the Cadet Corps is not permitted to operate in those cities in which R.O.T.C. units are located.

DEPARTMENT OF MOTOR VEHICLES

For Support of the Department of Motor Vehicles from the Motor Vehicle Fund

Item 188, pages 41 and 42 of the Budget Bill and page 515 of the Budget. The amount requested is \$8,202,638 from the Motor Vehicle Fund for support of the Department of Motor Vehicles. This is an increase of \$594,364 or 7.8 percent over the amount of \$7,608,274 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-----	\$375,512	516
Operating expenses -----	66,313	516
Equipment -----	—60,585	---
Subtotal -----	\$381,240	
Less: Amount payable from Motor Vehicle License Fee Fund -----	—155,983	516
Net total -----	\$225,257	
Budgeted increase for new or expanded service:		
Salaries and wages-----	\$254,128	523
Operating expenses (estimated)-----	87,475	523
Equipment -----	27,504	524
Total -----	\$369,107	

Recommendation

Amount budgeted -----	\$8,202,638
Legislative Auditor's recommendations-----	\$7,266,848
Reduction -----	\$935,790