

request in question as being essential to continued growth and progress of the port particularly in view of the greatly increased competition from other ports, we also recommend that the board render periodic reports indicating the results and efficacy of these large expenditures.

**For Capital Outlay for Construction, Improvements and Repairs, from the San Francisco Harbor Improvement Fund**

Item 393, page 77 of the Budget Bill and page 996 of the Budget. The amount requested from the San Francisco Harbor Improvement Fund is \$137,500 for construction, improvements and repairs. This is an increase of \$20,500 or 17.52 percent over the amount of \$117,000 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 :		
Construction -----	\$20,500	-----

**Recommendations**

Amount budgeted -----	\$137,500
Legislative Auditor's recommendations -----	\$137,500
Reduction -----	None

**Analysis**

This expenditure represents only minimum and essential construction and includes \$27,500 for a culvert and sanitary sewer, \$40,000 for belt railroad tracks and \$20,000 for paving approach, all at Fishermans Wharf. There is also the sum of \$50,000 for minor emergency repairs. We recommend approval of the request.

**For Administration of Unemployment Compensation Disability Benefits, Department of Employment, Payable from the Unemployment Compensation Disability Fund**

Item 394, page 77 of the Budget Bill and page 285 of the Budget. The amount requested is \$2,482,729 for support from the Unemployment Compensation Disability Fund. This is an increase of \$229,582 or 10.2 percent over the actual and estimated expenditures of \$2,253,147 in the 1949-50 Fiscal Year.

This increase occurs in the following items :

<i>Item of Increase</i>	<i>Amount</i>
Salaries and wages, due to salary adjustments -----	\$177,982
Operating expenses, due to price increase :	
Telephone -----	\$6,000
Printing and binding -----	4,000
Supplies -----	9,000
Medical fees, due to more thorough examination of applicants -----	7,000
Actuary fees -----	3,600
Rental—Additional space in Los Angeles -----	22,000
-----	51,600
Total -----	\$229,582

Estimated payment of disability benefits for the 1949-50 Fiscal Year is \$24,834,000. This is a decrease of \$637,179 or 2.5 percent under the actual and estimated payment of \$25,471,179 for 1948-49 Fiscal Year.

The unbudgeted surplus in the Unemployment Compensation Disability Fund is estimated to be, as of June 30, 1950, \$222,442,406. This is an increase of \$21,248,541 or 10.6 percent over the actual and estimated unbudgeted surplus as of June 30, 1949 in the amount of \$201,193,865.

*Recommendation*

It is recommended that Item 394 be approved in the amount of \$2,482,729 as requested.

*Section 3, page 77 of the Budget Bill.* This provides that all items for capital outlay in excess of \$10,000 shall be subject to the Public Works Board.

We recommend approval.

*Section 4, page 77 of the Budget Bill.* This section restricts expenditures from appropriations made in the Budget Act to object categories set forth in the Budget Act and the Governor's Budget except as specifically provided in other sections of this act. This is similar to a provision in the 1948 Budget Act.

We recommend approval.

*Section 5, page 78 of the Budget Bill.* This section provides that the Director of Finance may, upon request of any state agency to which appropriation is made in the Budget Act, authorize augmentation of the amount available for expenditure for an object category designated in any schedule set forth for such appropriation in the Budget Act by transfer from any other object category within the same schedule. The amount of each of such authorization shall be presented in a report to the Joint Legislative Budget Committee.

We recommend approval.

*Section 6, page 78 of the Budget Bill.* This section permits the Director of Finance to augment appropriations in the Budget Act when additional amounts are received from local or federal government agencies or other sources, which are in excess of the amount considered in determining such an appropriation. It likewise permits the Director of Finance to reduce appropriations in the same manner.

We recommend approval.

*Section 7, page 79 of the Budget Bill.* This section permits the payment of premiums for bonds covering a period in excess of one fiscal year. This will permit a saving in the amount required for certain bonds.

We recommend approval.

*Section 8, Page 79, of the Budget Bill.* This is a provision relating to expenditures made by the Legislature and is similar to a provision contained in the Budget Act of 1948.

We recommend approval.

*Section 9, Page 79 of the Budget Bill.* This section is similar to Section 10.5 of the Budget Act of 1948 requiring that the State Engineer shall make a report as to the engineering and economic feasibility of projects subject to the Flood Control Fund Act of 1946 that reallocation of funds shall be made by the Water Resources Board. It also provides that the Water Resources Board shall determine the amounts of the reallocation.

We recommend approval.

*Section 10, page 79 of the Budget Bill.* This provision relates to payments by the State Controller from amounts appropriated in the Budget Act. It is similar to a provision contained in the Budget Act of 1948.

We recommend approval.

*Section 11, Page 80 of the Budget Bill.* This provision relates further to methods of making payments from appropriations in the Budget Act and is similar to a provision in the 1948 Budget Act.

We recommend approval

*Section 12, Page 80 of the Budget Bill.* This is similar in purpose to a provision in the 1948 Budget Act, and relates to accounting procedure.

We recommend approval.

*Section 13, Page 80, of the Budget Bill.* This is similar to a section in the 1948 Budget Act providing additional budgetary controls.

We recommend approval.

*Section 14, page 81 of the Budget Bill.* This section provides certain budgetary controls by the Department of Finance over automobile purchases.

We recommend approval.

*Section 15, page 81 of the Budget Bill.* This section prohibits officers of state agencies which receive appropriations as provided in the Budget Act from making expenditures in excess of such appropriations without the consent of the Department of Finance. This is similar to a provision contained in the 1948 Budget Act.

We recommend approval.

*Section 16, page 82 of the Budget Bill.* This section prohibits the renewal of any fire insurance on public property with certain exceptions. This is similar to a provision in the 1948 Budget Act.

We recommend approval.

*Section 17, page 82 of the Budget Bill.* This section permits the State Board of Control, with the recommendation of the Director of Finance, to transfer unneeded funds from an appropriation for support of state institutions to other institutions within the same agency. This is limited to the Department of Corrections, the California Youth Authority, the Department of Education, and the Department of Mental Hygiene. This is similar to a provision in the 1948 Budget Act.

We recommend approval.

*Section 18, page 82 of the Budget Bill.* This is a technical provision similar to one contained in the 1948 Budget Act.

We recommend approval.

*Section 19, page 82 of the Budget Bill.* This section permits the Department of Finance to transfer funds from one agency to another when the functions performed by the respective agencies are transferred.

We recommend approval.