

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEM 146 of the Budget Bill

Budget page 416
Budget line No. 54

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

Amount requested	\$3,855,256
Estimated to be expended in 1949-50 Fiscal Year	3,780,124
 Increase (1.9 percent)	 \$75,132

Summary of Increases

		INCREASE DUE TO				
	Total increase	Work load or salary adjustments	New services	Budget page	Line No.	
Salaries and Wages	\$65,614	\$60,562	\$5,052	416	75	
Operating Expenses	9,381	8,179	1,202	416	76	
Equipment	21,828	22,160	332	416	77	
 Federal Grant	\$53,167 \$21,965	\$46,581 \$21,965	\$6,586 ---	416	63	
 Total Increase	\$75,132	\$68,546	\$6,586			

RECOMMENDATIONS

Amount Budgeted	\$3,930,256
Legislative Auditor's Recommendation	3,470,514
Reduction	\$459,742

ANALYSIS

A summary of the recommended reductions is as follows:

<i>Division</i>	<i>Amount of reduction</i>
Departmental Administration	\$13,000
Division of Apprenticeship Standards	314,846
Division of Housing	3,540
Division of Industrial Accidents	8,636
Division of Industrial Safety	1,915
Division of Industrial Welfare	117,805
 Total	 \$459,742

The basis for recommending these reductions is presented in our analysis of the budget request for each division.

Departmental Administration

Amount requested	\$369,392
Estimated to be expended in 1949-50 Fiscal Year	359,842
 Increase (2.6 percent)	 \$9,550

Summary of Increases

		INCREASE DUE TO				
	Total increase	Work load or salary adjustments	New services	Budget page	Line No.	
Salaries and Wages	\$3,520	\$3,520	---	417	35	
Operating Expenses	5,920	5,920	---	417	47	
Equipment	110	110	---	417	54	
 Total Increase	\$9,550	\$9,550				

RECOMMENDATIONS

Amount Budgeted	\$369,392
Legislative Auditor's Recommendation	356,392
Reduction	\$13,000

ANALYSIS

The increase in salaries and wages is due to normal salary increases and reclassification of one intermediate typist-clerk.

We recommend a reduction of \$13,000 in operating expenses, consisting of \$7,800 in rent for branch offices of the Division of Apprenticeship Standards, and \$5,200 in rent for branch offices of the Division of Industrial Welfare. Detailed discussion of the basis for these reductions is presented in the budget analysis for these divisions.

The amount of \$4,076 requested for equipment appears reasonable.

During the year 1948-49, the department completed the establishment of a central cashiering operation recommended in the audit report of the Department of Finance in 1947. An adequate control of all property and equipment of the Department was completed as of June 30, 1949.

Three recommendations of the Legislative Auditor contained in the 1949 Report to the Joint Legislative Budget Committee have not been acted upon by the Division. They are reiterated here as being worthy of attention:

1. Consolidation of divisional offices in various cities into single branch offices in each city. The seven divisions of the Department have branch offices as follows:

One city has seven divisional branch offices.

Two cities have four divisional branch offices in each city.

Four cities have three divisional branch offices in each city.

Four cities have two divisional branch offices each.

Eight cities have one divisional branch office each.

It is necessary in the interests of efficiency and economy that the divisional branch offices in each city be consolidated into a single departmental office. Economies will be possible through the combined use of telephone facilities, receptionist and stenographic services, automobile pools, and office supplies.

2. Installation of teletype system connecting the more important branches. This will permit a reduction of long distance telephone charges and telegraph expense, and provide better service.

3. Handling of personnel matters by department instead of divisions. Contacts with the Personnel Board, hiring and transfers are handled, for the most part, by the divisions, and result in needless duplication of time and effort.

Conciliation Service	
Amount requested	\$71,040
Estimated to be expended in 1949-50 Fiscal Year	69,238
Increase (2.6 percent)	\$1,802

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages.....	\$2,605	\$2,605	---	417	68
Operating Expenses.....	1,929	1,929	---	417	80
Equipment	2,732	2,732	---	418	8
Total Increase.....	\$1,802	\$1,802			

RECOMMENDATIONS

Amount budgeted.....	\$71,040
Legislative Auditor's Recommendation.....	71,040
Reduction	None

ANALYSIS

The increase of \$2,605 in salaries and wages is due to normal salary increases for existing authorized positions. The increase of \$1,929 in operating expenses provides for travel expenses and auto mileage for the three additional conciliators authorized in the 1949-50 Budget.

The expenditures of the Conciliation Service have been as follows:

	<i>Expenditure</i>
Eight months ending June 30, 1948.....	\$17,833
Fiscal Year 1948-49.....	52,026
Fiscal Year 1949-50 (estimated).....	69,238
Fiscal Year 1950-51 (request).....	71,040

GENERAL SUMMARY

The Conciliation Service was created by Chapter 1049, Statutes of 1947. The law provides that the State Conciliation Service may participate in any labor dispute when a request is made by either party to the dispute.

The State Conciliation Service is primarily a duplication of the service available to parties to a labor dispute through the Federal Conciliation Service. The Federal Conciliation Service has, to all intents, complete jurisdiction in all labor disputes in California. All labor disputes involving interstate commerce or under the Taft-Hartley Law come under federal jurisdiction. However, a signed agreement between the Federal Conciliation Service and the State Conciliation Service provides that when any party to a dispute requests the service of the State Conciliation Service, the federal conciliators will not enter the case except on request. As of June 30, 1949, the Conciliation Service was engaged in 53 cases involving 11,069 employees.

For the last six years, the proportion of all employed workers in California who have been involved in work stoppages has been less than that for the United States as a whole. In 1948, 4.1 percent of California's workers were involved in work stoppages resulting from industrial disputes, compared with 5.5 percent for the entire country. In the preceding

five years California's experience compared more favorably, as may be seen from the following tabulation.

Beginning in year	Percent of total employed workers involved in work stoppages	
	United States	California
1943 -----	6.9	1.1
1944 -----	7.0	1.0
1945 -----	12.2	5.1
1946 -----	14.5	10.7
1947 -----	6.5	4.2
1948 -----	5.5	4.1

In the first postwar year of 1946, when a peak number of almost 260,000 workers participated in work stoppages in California, the number of idled workers represented 10.7 percent of the total number of employed workers in the State. Yet for the Nation as a whole, 14.5 percent of all employed workers were in work stoppages that year. The proportion of workers involved in work stoppages in California was lowest in 1944, only 1 percent. The figure for the Nation was 7 percent in the same year.

Comparisons of the number of persons idled in work stoppages, whether the comparison is made between different periods of time or between states, have only small bearing upon the conciliation services available. The prevailing economic conditions, extent of labor organization and types of industry concerned are the major determining factors in work stoppages. However, a small and efficient conciliation service can accomplish much, and the results secured to date, although difficult to measure, appear satisfactory.

Division of Apprenticeship Standards

Amount requested -----	\$530,000
Estimated to be expended in 1949-50 Fiscal Year -----	551,954
Decrease (4.0 percent) -----	\$21,954

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$14,300	\$14,300	---	418	42
Operating Expenses -----	4,949	4,949	---	418	56
Equipment -----	2,705	2,705	---	418	64
Decrease -----	\$21,954	\$21,954	---		
Federal Grant -----	21,965	21,965	---	416	63
Net Increase in State Expenditures -----	\$11	\$11			

RECOMMENDATIONS

Amount budgeted -----	\$530,000
Legislative Auditor's Recommendation -----	215,154
Reduction -----	\$314,846

ANALYSIS

Summary of Reductions

	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Salaries and wages:			
1 Confidential secretary	\$3,690	418	19
24 Supervisors of training agreements	129,120	418	22
45 Clerical positions	125,226	418	23-36
Total salaries and wages	\$258,036		
Operating expenses	48,000	418	56
Equipment	8,810	418	63
Total reduction	\$314,846		

Emergency Expansion of Staff

In 1945, 1946 and 1947 the staff of the Division of Apprenticeship Standards was increased for the specific purpose "to meet the emergency of reconversion brought about by the sudden ending of hostilities." These emergency increases in staff authorized by the Legislature were as follows:

	<i>Date effective</i>	<i>Additional professional positions</i>
Chapter 1430, Statutes of 1945	July 17, 1945	4
Chapter 14, Statutes of 1946	February 12, 1946	18
Chapter 14, Statutes of 1947	August 5, 1947	24
Total emergency increase in professional positions		47

The following tabulation shows the expanded budget for the Division of Apprenticeship Standards during the period of reconversion:

	<i>State budget</i>	<i>Special appropriations</i>	<i>Total State expenditures</i>	<i>Federal funds</i>	<i>Total budget</i>
1941-42	\$21,434	---	\$21,434	---	\$21,434
1942-43	27,147	---	27,147	---	27,147
1943-44	31,928	---	31,928	---	31,928
1944-45	32,934	---	32,934	---	32,934
1945-46	33,759	\$58,197	91,956	---	91,956
(Statutes 1945, Ch. 1430)					
1946-47	69,655	226,633	296,288	\$110,220	406,508
(Statutes 1946, Ch. 14)					
(Statutes 1947, Ch. 14)					
1947-48	313,870	---	313,870	218,277	532,147
1948-49	323,433	---	323,433	212,887	536,320
1949-50	361,589	---	361,589	190,865	551,954
Budget request, 1950-51	361,600	---	361,600	168,400	530,000

The Division of Apprenticeship Standards has met this problem of training for peace-time pursuits by expanding its program to six times the former level of service. It has encouraged and actively promoted the formation of hundreds of local joint apprentice committees.

Now the period of reconversion is past and the State is in a period of increasing unemployment among members of unions and apprentices in training. It is time that the State reconsidered the activities of this division in relation to the needs for peace-time apprenticeship training, and in relation to the other state services devoted to vocational education.

State and Federal Participation

The supervision of apprenticeship training is a service provided by both the Federal Government and the State of California. The Fitzgerald Act, approved by the Seventy-fifth Congress, effective July 1, 1937, provided in part:

"The Secretary of Labor is hereby authorized and directed to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship, to bring together employers and labor for the formation of programs of apprenticeship, * * *

The Division of Apprenticeship Standards, U. S. Department of Labor, maintains a permanent staff of 21 federal employees in California. *The States of Pennsylvania and Michigan, with total state populations approximately the same as California, but with a greater degree of industrialization, have adequate programs of apprenticeship training entirely supervised by the U. S. Department of Labor with no expenditure of state funds.*

The following table shows the growth of the staff engaged in supervision of apprenticeship training in California by years from 1941-42 to 1949-50:

	1941- 1942	1942- 1943	1943- 1944	1944- 1945	1945- 1946	1946- 1947	1947- 1948	1948- 1949	1949- 1950
State Staff for Supervision of Apprenticeship Train- ing									
Nine members of Apprentice Council									
Assistant to the director	1	1	1	1	1	1	1	1	1
Confidential secretary	-	-	-	-	-	1	1	1	1
Assistant chief	-	-	-	-	-	-	1	1	-
Supervisors of training agreements	1	1	1	1	6	8	25	25	31
Supervisors of training agreements war emergency	1	1	1	1	3	-	-	-	-
Clerical positions	6	6	6	5	7	26	47	48	51
Total State Staff for Supervision of Ap- prenticeship Train- ing	9	9	9	8	17	36	75	76	84
State Employees Paid for by Contract With Veterans' Division for Supervision of on-the-job Training									
Assistant chief	-	-	-	-	-	-	-	-	1
Area supervisor	-	-	-	-	-	-	2	2	2
Supervisors of training agreements	-	-	-	-	-	32	29	28	22
Total State Staff for Su- pervision of on-the- job Training	-	-	-	-	-	43	42	41	34
Total Division Staff	9	9	9	8	17	79	117	117	118

	1941- 1942	1942- 1943	1943- 1944	1944- 1945	1945- 1946	1946- 1947	1947- 1948	1948- 1949	1949- 1950
Federal Staff									
One Regional Director									
Area supervisors	2	2	2	2	2	2	2	2	2
Supervisors of training agreements	6	5	5	5	5	11	11	11	11
Clerical	6	5	5	5	5	8	8	8	8
Total Federal Staff	14	12	12	12	12	21	21	21	21
Total Staff—									
Apprenticeship Training	23	21	21	20	39	100	138	138	139

Extent of Apprenticeship Program

As of September 1, 1949, the Division of Apprenticeship Standards prepared a statement of the active apprentices in California. This statement shows a total of 28,944 active apprentices engaged in training for 374 trades or specialties. *Of these classifications 97, or 25.9 percent of the total, had but one trainee and 252 of these classifications, or 67.4 percent of the total, had ten or less trainees.* The majority of these classifications are specialties outside the normal scope of apprenticeship, which is defined by Webster as:

“One bound by legal arrangement to serve another for a certain time with a view to learning a trade.”

A trade is defined as:

“A pursuit requiring manual or mechanical training and dexterity. Trade applies to any of the mechanical employments or handicrafts, except those connected with agriculture.”

The Division of Apprenticeship Standards has endeavored to include in the apprenticeship program all veterans who apply for on-the-job training through the Veterans' Administration, whether or not the veteran was learning a trade. This has been done under the title of so-called “Specialty Training.” This promotional program has been carried on at a great cost to the State and is outside the legal scope of the California Apprenticeship Statute.

We direct particular attention to the following “apprenticeship” programs:

Accordion Maker	Dog Trainer
Claims Adjuster	Hotel Manager
Announcer	Golf Professional
Beekeeper	Cost Accountant
Order Clerk	Reporter
Commission Man	Salesman, Men's Clothing
Controller	Superintendent of Construction

The Division of Apprenticeship Training has provided a statement of applications received, which shows that *in 1947-48 the applications for specialty training amounted to 3,541, or 30.7 percent of the total of 11,533 applications received, and in 1948-49 the applications for specialty training amounted to 3,045, or 38.1 percent of total applications.*

The following is a tabulation of applications received by months:

	<i>Applications Received</i>		<i>Total</i>	<i>New Employees of Plants Training Under PL 679</i>
	<i>Apprenticeship</i>	<i>Training</i>		
1947				
July -----	1,122	695	1,817	} Not reported
August -----	632	268	900	
September -----	577	282	859	
October -----	882	345	1,227	
November -----	823	210	1,033	
December -----	1,261	140	1,401	
1948				
January -----	413	239	652	} Not reported
February -----	559	195	754	
March -----	521	281	802	
April -----	398	261	659	
May -----	398	244	642	
June -----	406	381	787	
Total, 1947-48--	7,992	3,541	11,533	
1948				
July -----	405	338	743	} Not reported
August -----	397	293	690	
September -----	385	243	628	
October -----	419	297	716	
November -----	387	212	599	1,164
December -----	405	198	603	924
1949				
January -----	422	211	633	1,563
February -----	409	211	620	485
March -----	450	257	707	1,304
April -----	430	278	708	414
May -----	369	236	605	170
June -----	466	271	737	---
Total, 1948-49--	4,944	3,045	7,989	6,024

Statutory Provisions

The Shelley-Maloney Act, Chapter 220, Statutes of 1939, contains the following provisions:

"Duties of the Administrator of Apprenticeship

3073. The administrator, or his duly authorized representative shall administer the provisions of this chapter; * * * cooperate in the formation of joint apprenticeship committees and advise with them on problems affecting labor standards; supervise and recommend apprenticeship agreements as to these standards * * *.

Joint Apprenticeship Committees

3075. Local or State joint apprenticeship committees may be selected by the employer and the employee organizations, in any trade in the State or in a city or trade area, whenever the apprentice training needs of such trade justifies such establishment. Such joint apprenticeship committees shall be composed of an equal number of employer and employee representatives.

Approval and Execution of Apprenticeship Agreements

3079. Every apprentice agreement under this chapter shall be approved by the local joint apprenticeship committee, a copy of which shall be filed with the State Apprenticeship Council."

Divisional Activities Exceed Statutory Requirements

During the Fiscal Year 1948-49 the Division of Apprenticeship Standards has operated at a level of service far in excess of any provisions of the statute.

The entire specialty training program has no place in the division of Apprenticeship Standards. We believe that it was never intended by the Legislature that the apprenticeship training program should include "Specialty Training Programs" for cost accountants, dog trainers or shoe salesmen. It is an intrusion into the field of Adult Education and a duplication of the services supervised by the Department of Education in readjustment education, vocational education and vocational rehabilitation.

Another area of unwarranted service is the service rendered to the Joint Apprenticeship Committees. Among typical services rendered to committees are the preparation of agenda, assistance with preparation of meetings, making field inspections of plants and conducting interviews with trainees, providing information and making recommendations as to actions, etc. It has been the policy of the Division to have a representative attend *each* committee meeting. The committees possess legal responsibility under the Apprenticeship Act as well as an economic interest in the program, and the extensive service provided to the Committees by the Division tends to destroy the Committees' value as separate entities and, in some instances, results in the committees becoming nothing but rubber stamps for actions taken by the Division.

The following is a statement of the Division of Apprenticeship Standards, dated October 24, 1949, of the work load accomplished and summary of activities for the Fiscal Year 1948-49:

	Number	Man hours	Percent work load	Cost of service to total Apprenticeship on-the-job training	Veterans
<i>Apprentice registration</i>					
1. Two hours each for preparation and investigation of new applications -----	18,375	36,750	21.7	\$116,381	---
2. Attendance at graduation exercises and issuance of trade certificates -----	4,741	9,482	5.6	30,034	---
3. Processing cancellations -----	3,667	7,334	4.3	23,062	---
<i>Actual applications</i>					
a. Two hours each for processing apprentice applications -----	4,944	9,888	5.8	31,107	---
b. Two hours each for processing Specialty Training applications -----	3,045	6,090	3.5	18,771	---
c. One new field visit to half of new specialty trainees -----	1,523	3,046	1.8	9,654	---
<i>Miscellaneous activities</i>					
1. Training Conferences, 51 Supervisors, 4 per year, 3 days each -----	4	4,896	2.9	15,555	---
<i>Establishments</i>					
1. Visits to one of every four establishments approved by Joint Apprenticeship Committees -----	6,422	12,844	7.6	---	\$40,760
2. Visits 3 times a year to each establishment approved under individual plant standards -----	11,740	23,480	13.9	---	74,548
3. Visits to half the firms approved under PL 346 and 679 -----	321	642	0.4	---	2,145

<i>Establishments—continued</i>	<i>Number</i>	<i>Man hours</i>	<i>Percent work load</i>	<i>Cost of service to total Apprenticeship training</i>	<i>Veterans on-the-job training</i>
4. Visits to 1 of every 5 firms under on-the-job training -----	1,586	3,172	1.9	---	10,190
5. Promotional visits to firms, investigation of firms submitting applications and special visits—10 calls per man per month-----	6,120	12,240	7.2	---	38,615
<i>Committees</i>					
1. One-hour service per month for each Joint Apprenticeship Committee-----	566	6,798	4.0	21,453	---
2. 2½ hours per month for each State Joint Apprenticeship Committee -----	5	158	0.1	536	---
3. One hour per month for each Trade Advisory Joint Apprenticeship Committee-----	47	654	0.4	2,145	---
4. Two hours per month for each on-the-job Steering Committee -----	28	672	0.4	---	2,145
5. 12 man-hours per month for each committee being promoted -----	103	14,832	8.8	47,196	---
Travel time -----	---	16,450	9.7	7,539	44,484
Total work load 1948-49-----	---	169,338	100.0	\$323,433	\$212,887

The statement of work load for 1948-49 shows that the Division spent 36,750 man-hours in preparing and investigating 18,375 new applications. *Only 7,989 of these resulted in actual applications.* The statute clearly provides that every agreement shall be *approved by the local joint apprenticeship committee* and a copy filed with the State Apprenticeship Council. The preparation and investigation of applications is the responsibility of the employer and the local joint apprenticeship committee; the State has no responsibility until the local committee has acted. *We recommend that this function be reduced to 1,000 hours for the 1950-51 Fiscal Year, a reduction of 21,170 man-hours.*

The statement of work load for 1948-49 shows that 9,482 hours were spent in attending graduation exercises and processing trade certificates. Such exercises are purely promotional in nature and the attendance by Supervisors of Training Agreements is not essential to the program. This function should be carried out primarily by the joint apprenticeship committees. *We recommend a 75-percent reduction in the time spent in attending graduation exercises for the 1950-51 Fiscal Year with a saving of 2,735 man-hours.*

The statement of work load for 1948-49 shows 6,090 hours in processing "specialty training" applications and 3,046 hours in field visits to "specialty" trainees. *We recommend the elimination of these programs as being outside the intent of the apprenticeship law and a needless duplication of the services provided by adult and vocational education programs supported by the State and Federal Governments. This will result in a saving of 5,420 man-hours in the 1950-51 Fiscal Year.*

The statement of work load for 1948-49 shows 4,896 hours spent by 51 supervisors of apprenticeship training in attending four conferences of three days each. This illustrates the needlessly expensive policy of this

division. All of these employees were qualified for the positions they hold at the time they entered state service. Any further instructions necessary can be provided through the media of mimeographed bulletins or through the director of the division, assistant chief of the division, or the two area supervisors. *We recommend the discontinuance of these training conferences in the 1950-51 Fiscal Year, a saving of 4,416 man-hours.*

The statement of work load for 1948-49 shows 6,798 man-hours spent in attending each joint apprenticeship committee. *Services being rendered to these committees are excessive and we recommend a 50 percent reduction in the amount of time so spent in the 1950-51 Fiscal Year, a saving of 2,045 man-hours.*

The statement of work load for 1948-49 shows 14,832 man-hours spent in promoting 103 joint apprenticeship committees. The assistance of the division is available for any group of employees, unions or employees wishing to form a joint apprenticeship committee, but we do not believe that the division should continue to spend this amount of time in the promotion of committees. *We recommend that not to exceed 1,000 hours be expended for this type of activity in the 1950-51 Fiscal Year, a reduction of 7,990 man-hours.*

Summary of Work Load Reductions

The following is a summary of work load reductions recommended :

Work Load Forecast 1950-51 and Recommended Reductions			
	<i>Budget request</i>	<i>Legislative Auditor's recommendation</i>	
	<i>Positions</i>	<i>Positions</i>	<i>Reduction</i>
Supervisor of Training Agreements			
State Staff -----	46	22	24
Federal Staff -----	10	10	---
Total Positions -----	56	32	24
1824 work hours per man per year--	102,144 hours	58,368 hours	43,776 hours
Necessary for contract services			
with Veterans Administration ----	36,480 hours	36,480 hours	---
Available for supervision of			
Apprenticeship Training Program--	65,664 hours	21,888 hours	43,776 hours

Summary of Recommended Reductions in Personnel

The staff of the Department of Apprenticeship Standards as shown by the budget request for the Fiscal Year 1950-51 includes:

50 Professional Positions:

Chief of the division (assistant to the director)

Assistant chief

2 area supervisors

46 supervisors of training agreements

60 Clerical Positions:

1 confidential secretary

59 stenographers, typists, clerks, etc.

The stenographic and clerical work for two supervisors of training agreements should be adequately handled by a single stenographic employee through proper utilization of dictating equipment. A large portion of the stenographic work now being performed by this clerical force is in the nature of unjustified services being provided for local joint apprenticeship committees as discussed in a previous paragraph. We therefore recommend the elimination of the position of confidential secretary to the chief of the division and 45 clerical employees. The adoption

of our recommended cuts will leave a staff of 26 professional employees and 14 clerical employees. Our recommendation provides an adequate staff to handle the legitimate work load of this division.

GENERAL SUMMARY

The California Apprenticeship Labor Standards Act, Sections 3070-3089 of the Labor Code, became effective September, 1939. This act brought into being a State Apprenticeship Council to encourage the training of skilled journeymen in trades requiring one to six years to learn.

Section 3090 was added to the Labor Code in September, 1949, naming the Division of Apprenticeship Standards as the approval agency for on-the-job training and enabling the State to receive reimbursements from the U. S. Veterans Administration for supervision of firms employing veterans of World War II on the on-the-job training program. Such training programs as may not meet the criteria for full apprenticeship training may be set up by the employer, subject to approval from the division.

The California Apprenticeship Council is composed of 11 members, four representatives each from employer and employee organizations and one from the general public, appointed by the Governor; with the Director of Industrial Relations and the Chief of the Bureau of Trade and Industrial Education, State Department of Education, as ex officio members.

The Division of Apprenticeship Standards has provided the following tabulation showing the development of the apprenticeship and specialty training program in California:

<i>Fiscal Year ending June 30</i>	<i>Registrations</i>	<i>Completions</i>	<i>Cancellations</i>	<i>Reinstatements</i>	<i>Active end of year</i>
1939-40 --	1,313	3	2	---	1,308
1940-41 --	2,087	367	127	3	2,904
1941-42 --	2,723	598	265	6	4,770
1942-43 --	2,472	442	1,295	12	5,517
1943-44 --	1,106	343	2,608	67	3,739
1944-45 --	1,129	125	352	24	4,415
1945-46 --	8,412	207	367	193	12,446
1946-47 --	15,261	665	2,537	267	24,772
1947-48 --	13,779	2,230	3,605	81	32,797
1948-49 --	7,989	4,741	3,667	549	30,921

Division of Housing

Amount requested -----	\$189,405
Estimated to be expended in 1949-50 Fiscal Year -----	187,543
Increase (1.0 percent) -----	\$1,862

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$6,444	\$6,444	---	419	22
Operating Expenses -----	877	877	---	419	36
Equipment -----	-5,459	-5,459	---	419	44
Total Increase -----	\$1,862	\$1,862			

RECOMMENDATIONS

Amount budgeted	\$189,405
Legislative Auditor's Recommendation	185,865
Reduction	\$3,540

ANALYSIS

Items of recommended reduction are as follows:

Salaries and Wages		Budget page	Line No.
Junior housing inspector	\$2,916	419	10
Reclassification to housing inspector	624	419	18
	<u>\$3,540</u>		

Chapter 631, Statutes of 1949 exempts from the provisions of Section 15290 of the Health and Safety Code, cities and counties that have enacted and are enforcing local ordinances regulating auto and trailer parks, where such ordinances prescribe minimum standards equal to or greater than the provisions of the State Housing Act. This amendment to the Housing Act takes away the authority of the Division of Housing to inspect auto and trailer parks in many metropolitan areas, and will result in a decline in work load for the division in the 1950-51 Fiscal Year.

The budget request for the Fiscal Year 1950-51 provides for reclassification of six existing positions from junior housing inspector (salary range \$243-\$295) to housing inspectors (salary range \$295-\$358). The division states it has been difficult to employ qualified personnel at this salary range for junior housing inspector. This change would provide a staff consisting of three district supervisors, one administrative aid, 19 housing inspectors, and 11 clerical employees.

During the Fiscal Year 1948-49, the Housing Division operated with an average of 10 inspectors and 8 junior inspectors, a total inspection staff of 18. Since no significant change is expected in work load, we recommend the elimination of one position of junior housing inspector, and its proposed reclassification to housing inspector, a saving of \$3,540 for the 1950-51 Fiscal Year.

Division of Industrial Accidents

Amount requested	\$1,087,650
Estimated to be expended in 1949-50 Fiscal Year	1,080,914
Increase (0.6 percent)	\$6,736

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$10,718	\$10,718	---	420	68
Operating Expenses	143	143	---	420	80
Equipment	<u>-4,125</u>	<u>-4,125</u>	---	421	9
Total Increase	\$6,736	\$6,736			

RECOMMENDATIONS

Amount budgeted	\$1,087,650
Legislative Auditor's Recommendation	1,079,014
Reduction	\$8,636

ANALYSIS

A summary of the recommended reductions is as follows:

Salaries and wages		Budget	Line
Assistant permanent disability rating specialist	\$4,702	page 420	No. 64
Operating expenses			
Traveling	1,616	420	76
Equipment			
Office—replacement	777	421	4
Office—additional	1,541	421	5
Total recommended reduction	\$8,636		

An additional position of assistant permanent disability rating specialist at an annual cost of \$4,702 is requested to June 30, 1951. This is to continue for another year a limited term position authorized in the 1949-50 Budget. The justification for the position is stated as follows: "For the next several years the Rating Bureau will be operating under two separate Rating Schedules. The present schedule will have to be used for injuries occurring before July 1, 1950, and the new schedule for injuries occurring after that date."

We do not believe this is a valid justification for the additional position since this work will be handled but once by reference to either the new or the old schedule. *We recommend the elimination of the proposed position, a saving of \$4,702.*

The amount of \$25,616 is requested for traveling expense for the Fiscal Year 1950-51. The actual expenditures for travel in the Fiscal Year 1948-49 amounted to \$23,175. No additional positions have been added requiring travel in connection with official business. *We therefore recommend that this item be reduced to \$24,000 for the 1950-51 Fiscal Year, an amount of \$825 in excess of actual expenditures for travel in 1948-49. This will result in a saving of \$1,616.*

The budget request for \$4,690 to replace office equipment includes \$684 for six new typewriters to replace the following:

Make	Serial number	Date Purchased
Royal	2053633	July, 1937
Royal	2059513	July, 1937
Royal Noiseless	1797958	Oct., 1935
L. C. Smith	S1377731	June, 1938
Remington Noiseless	X435487	June, 1938
Underwood	4832041	June, 1938

These typewriters were carefully inspected and four were found to be in good operating condition and should be continued in use through June, 1951. Two machines should be replaced, the Royal 2059513 and the Royal Noiseless 1797958.

Replacement is requested of seven stenographers' chairs at a cost of \$259. Four of these chairs are in need of replacement; however, three chairs were found to be in good repair.

Replacement is requested for two center drop typewriter desks at a cost of \$210. These desks are 60x34 and were purchased in May, 1932, and December, 1942. Replacement is requested on the basis that the "center drop does not work". Inspection found them to be in good usable condition except for dents and scratches. Instead of replacement an expenditure not to exceed \$30 per desk for refinishing is suggested.

We recommend the continued use of four typewriters, three stenographers' chairs and two desks, a saving of \$777.

The request for additional office equipment includes an amount of \$790 for purchase of legal and medical books necessary to maintain the Compensation Bureau libraries in San Francisco and Los Angeles, and reference books for the chairman, six commissioners and counsels. The estimated and actual expenditure for this purpose amounts to \$723 for the 1949-50 Fiscal Year. Another item of \$1,541 is included to purchase legal and medical books and periodicals for the libraries and for referees, doctors and permanent disability rating specialists. The bureau maintains an adequate reference library in both San Francisco and Los Angeles, and it would be a waste of state funds to provide reference books for each individual staff member. We believe \$790 is adequate for the purpose of maintaining the two libraries and recommend the deletion of the item of \$1,541 for purchase of additional books and periodicals.

The work load of the Division of Industrial Accidents has shown a decline since 1944-45 when 14,245 original cases were filed. In 1948-49, 12,905 original cases were filed, and the Division estimates 13,956 original cases will be filed in 1949-50 and 14,000 original cases in 1950-51. Supplemental cases filed show an increase; however, the supplemental cases require less time and attention than original cases.

<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 -----	11,681	8,694
1948-1949 -----	12,905	8,390
1949-1950 est. -----	13,956	9,656
1950-1951 est. -----	14,000	10,000

GENERAL SUMMARY

The Division of Industrial Accidents administers the workmen's compensation laws. It is under the control of the Industrial Accident Commission, consisting of seven members appointed by the Governor. The Governor designates the chairman of the commission from the membership of the commission. The chairman is administrative officer, and the remaining six members function as two panels—Panel No. 1 in San Francisco and Panel No. 2 in Los Angeles.

A staff of 38 referees assists the commission in deciding claims filed with the commission. The referees' function is to examine all parties and witnesses regarding the facts in each case, upon which he can recommend to the commission the necessary findings of fact and conclusions of law. No decision is final until approved by a panel of the commission.

At the 1949 Session of the Legislature Senate Bill 886 and Assembly Bill 1181 proposed amendments to the Labor Code, which would make unnecessary the review by the commission of a compensation award made by a referee unless a petition for rehearing is filed.

Permanent Disability Rating Schedule

After a determination as to degree of permanent disability has been made by the commission the amount of the award is established by reference to the Schedule for Rating Permanent Disabilities. Section 4660 of the Labor Code provides:

"In determining the percentages of permanent disability, account shall be taken of the nature of the physical disability or disfigurement, the occupation of the injured employee, and his age at the time of such injury, consideration being given to the diminished ability of such injured employee to compete in an open labor market. The commission may prepare, adopt and from time to time amend, a schedule for the determination of the percentages of permanent disabilities in accordance with this section."

In accordance with this provision of the law, the commission adopted the "Schedule for Rating Permanent Disabilities" in 1914. Except for infrequent minor changes this schedule is currently in use. This schedule gives each type of disability with variants for occupational classifications of the injured person, and further variants for age at time of injury.

On July 1, 1946, a special appropriation of \$50,000 was made for the purpose of revising the permanent disability rating schedule. This task was not completed until July, 1949, and the revised schedule will become effective July 1, 1950. The new schedule contains additions and refinements which have increased its bulk from 36 to 82 printed pages.

The State of California is the only one of the states which provides for modification of the compensation benefits based on both the occupation and the age of the injured person. In contrast to the 82-page permanent disability rating schedule proposed for California, the basic schedule for the rating of injuries in the State of Washington is contained on a single printed page.

The report of the Senate Interim Committee on Workmen's Compensation Benefits presented to the Senate on January 17, 1949, comments on the permanent disability rating plan in use in California as follows:

"General dissatisfaction with the rating plan has long been prevalent among claimants, persons practicing before the commission, insurance carriers, and representatives of employee and employer organizations . . . there is widespread demand for simplification so that the rating schedule and rules for the use thereof will be readily understandable to persons of average intelligence without the need for special training in permanent disability rating problems."

The Fifteenth National Conference on Labor Legislation, held in Washington, D. C., on November 30 through December 2, 1948, recommended in part as follows:

"Permanent partial disability: Compensation shall be calculated on the basis of permanent total disability and shall be payable in addition to compensation for healing period. For administrative simplicity, there shall be a schedule of permanent partial disability based on the foregoing principle."

The provisions of the California statute providing variants for age and occupation result in delays in determining amount of awards and additional administrative expense both to the State and to private insurance carriers. The cost of the Permanent Disability Rating Bureau of the Division of Industrial Accidents is in excess of \$45,000 a year.

Division of Industrial Safety

Amount requested	\$881,690
Estimated to be expended in 1949-50 Fiscal Year	845,194
Increase (4.3 percent)	\$36,496

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$34,606	\$34,606	---	422	28
Operating Expenses -----	3,759	3,759	---	422	45
Equipment -----	—1,869	—1,869	---	422	54
Total Increase -----	\$36,496	\$36,496			

RECOMMENDATIONS

Amount Budgeted -----	\$881,690
Legislative Auditor's Recommendation-----	879,650
Reduction -----	\$2,040

ANALYSIS

A summary of the recommended reductions is as follows:

		Budget page	Line No.
Operating Expense:			
California Safety News-----	\$500	422	33
Traveling-Staff -----	500	422	38
Equipment:			
Office-Additional -----	1,040	422	49
	<u>\$2,040</u>		

The Division of Industrial Safety is endeavoring to increase the efficiency of the field staff through development of a method for providing specific field assignments, including names and addresses of places to be visited, instead of the present assignments to inspect all places of employment in a certain area. To accomplish this objective the division proposes to establish a tabulating card file of the 90,000 places of employment where industrial hazards may exist; these constitute 42 percent of all places of employment in the State. To set up this procedure the following amounts are included in the 1950-51 budget request:

Salaries and Wages:	Amount	Budget page	Line No.
6 temporary positions, Junior Clerk to June 30, 1951, only-----	\$2,210	422	23
Four key punch operators, 4 months--	3,040	422	24
Tabulating machine operator, 4 months	924	422	25
	<u>\$6,174</u>		
Operating Expense:			
Forms and supplies-----	\$1,150	422	32
Rental—tabulating equipment -----	330	422	42
	<u>\$1,480</u>		
Equipment:			
Files -----	1,494	422	49
	<u>\$9,148</u>		

This is in line with our previous recommendation that greater coordination be secured between known danger points, based on previous experience with accident incidence and investigations made.

The budget request includes \$3,650 for the printing of a quarterly magazine *California Safety News*. This is a good presentation of developments in the field of accident prevention and has been made easily readable through generous use of photographic and chart material. The amount of \$3,650 includes \$500 for printing one of the quarterly issues in color. We do not believe the printing of this magazine in color will

enhance its value or result in a wider reading public, and as a matter of policy we question whether the State should use color in periodicals except in unusual circumstances. We recommend the deletion of this added expenditure, a saving of \$500.

Included in the amount of \$50,000 requested for travel is an item of \$750 for travel by two members of the staff to represent the Division at the annual National Safety Congress. It has been the practice in the past to send two staff members to this meeting and the American Standards Association Code meetings. The reports of these meetings, including detailed findings and recommendations, are readily available, and out-of-state travel by staff members is not essential. The National Safety Congress will be held October 16 through 20, 1950, at Chicago, Illinois, and we recommend this item be reduced to \$250 for the travel expense of one representative to the National Safety Congress. This is a saving of \$500.

The budget request for additional office equipment amounts to \$4,690, an increase of \$1,040 over the amount of \$3,650 for the prior year. Miscellaneous items, chiefly field testing kits and visual aids, amount to \$2,343 as compared with \$893 for the previous year. We recommend a more careful determination of the necessity for the items in the miscellaneous category, thereby reducing these proposed expenditures to \$3,650, the amount budgeted for the current fiscal year. This will result in a saving of \$1,040.

GENERAL SUMMARY

The Industrial Accident Prevention Bureau was established by the Statutes of 1914 and became the Division of Industrial Safety in the Department of Industrial Relations in 1945. The members of the Industrial Safety Board are appointed by the Governor for overlapping terms of four years; the Director of the Department of Industrial Relations is chairman. The Board adopts all safety orders after conducting public hearings.

The staff of safety engineers is responsible for enforcement of the safety orders. The statutes provide for collection of fees for inspection of air tanks, boilers and elevators.

Division of Industrial Welfare

Amount requested	\$214,927
Estimated to be expended in 1949-50 Fiscal Year.....	217,580
Decrease (1.2 percent)	\$2,653

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$2,163	\$2,163	---	422	78
Operating Expenses	184	184	---	423	22
Equipment	—5,000	—5,000	---	423	30
Total Decrease	—\$2,653	—\$2,653			

RECOMMENDATIONS

Amount budgeted	\$214,927
Legislative Auditor's Recommendation	97,122
Reduction	\$117,805

ANALYSIS

A summary of the recommended reductions is as follows:

Salaries and wages:	Amount	Budget page	Line No.
14 Industrial welfare agents-----	\$65,324	422	70
2 Senior pay roll auditors-----	7,176	422	74
12 Clerical -----	25,886	422	71-72
28	\$98,386		
Operating expense -----	18,000	423	22
Equipment -----	1,419	423	30
	<u>\$117,805</u>		

The Division of Industrial Welfare enforces labor laws regulating the employment of women. The Division of Labor Law Enforcement has the responsibility of enforcing all labor laws.

Each of these divisions maintains a field staff operating through separate branch offices. Industrial welfare agents investigate the same firms and cover the same areas assigned to deputy labor commissioners acting for the Division of Labor Law Enforcement.

This duplication between the field staff of these two divisions is shown by the location of their staffs:

Office location	Division of Industrial Welfare		Division of Labor Law Enforcement	
	Technical	Clerical	Technical	Clerical
San Francisco -----	8	8	7	16
San Jose -----	---	---	1	1
Oakland -----	2	1	3	4
Sacramento -----	---	---	2	2
Stockton -----	---	---	1	2
Fresno -----	1	1	3	2
Bakersfield -----	---	---	1	2
Los Angeles -----	11	9	6	15
Long Beach -----	---	---	2	2
Santa Barbara -----	---	---	1	1
San Bernardino -----	---	---	2	1
San Diego -----	1	1	2	3
El Centro -----	---	---	1	1
	<u>23</u>	<u>20</u>	<u>32</u>	<u>52</u>

A comparison of the 1948-49 work load of these two divisions further illustrates this duplication of services:

Enforcement Activities	Industrial Welfare		Labor Law Enforcement	
	Number	Average per staff member per week	Number	Average per staff member per week
Complaints filed-----	4,579	4	26,317	17
Hearings -----	810	1	14,975	10
Wages collected -----	\$79,111	\$70	\$1,231,448	\$785
Routine inspections-----	16,905	15	3,924	3
Civil Suits Filed				
(Handled by legal staff) -	---	---	402	---
Licenses Issued				
(Handled by clerical staff)	145	---	2,197	---

The Legislative Auditor's Report to the Joint Legislative Budget Committee dated February 27, 1948, recommended the consolidation of

these two divisions. This recommendation was repeated in the Legislative Auditor's Analysis of the Budget Bill for 1949, as the most economical method of properly enforcing the provisions of the Labor Law. *We again recommend the consolidation of these two divisions.* The addition of six deputy labor commissioners to the staff of the Division of Labor Law Enforcement would enable that staff to handle 4,932 complaints relative to non-compliance with labor laws relating to the employment of women and 2,811 hearings necessary to adjudicate these complaints. Sufficient time would also be available for 740 routine inspections in connection with laws relating to the employment of women. *We therefore recommend no 1950-51 appropriation for the Industrial Welfare Division and the addition of \$34,176 to the budget of the Division of Labor Law Enforcement to provide for the following additional positions:*

Salaries and wages	
6 deputy labor commissioners-----	\$25,776
2 intermediate stenographer clerks-----	4,800
	<hr/>
	\$30,576
Operating expense-----	\$3,600
	<hr/>
Total -----	\$34,176

The adoption of this recommendation would result in a saving of \$180,791 for the Fiscal Year 1950-51.

If an appropriation is made for the Division of Industrial Welfare for the 1950-51 Fiscal Year, economies should be made in its method of enforcement of the labor laws relating to women. During the nine year period 1940 to 1949 the required work load of this Division has increased from 1,636 complaints to 4,579 complaints, an increase of 2,943 complaints, or 180 percent. The controllable work load has increased from 5,639 routine inspections to 16,905 routine inspections, an increase of 11,266 inspections, or 200 percent. *This expansion in number of routine inspections is expensive and unnecessary; we recommend in the interest of economy, that the number of routine inspections be reduced.*

The following tabulation shows the increase in the work load of the Division of Industrial Welfare in 1948-49 as compared with 1939-40.

	1939-40	1948-49	Increase	
			Number	Percent
Complaints filed -----	1,636	4,569	2,943	180
Hearings -----	not shown	810	---	---
Wages collected -----	\$242,542	\$79,111	—\$163,431	—67
Civil suits -----	13	none	—13	—100
Inspections and audits-----	5,639	16,905	11,266	200

Comparison of Staff

	1939-40	1948-49	Increase	
			Number	Percent
Chief of division-----	1	1	---	---
Secretary stenographer-----	1	1	---	---
Assistant to chief-----	---	1	1	---
Area supervisor-----	1	1	---	---
Industrial welfare agent-----	7	21	16	229%
Senior pay roll auditor-----	---	2		
Clerical -----	5	17	12	240
	<hr/>	<hr/>	<hr/>	<hr/>
	15	44	29	193

A comparison of the appropriated amounts for 1939-40 and 1948-49 shows an increase from \$57,496 to \$205,816. This is an increase of \$148,320, or 258%.

The Division of Labor Law Enforcement allocates 15 percent of the time of its field staff to routine inspection of places of employment and employment agencies; 85 percent of staff time is expended in appropriate action upon complaints filed. The Division of Industrial Welfare, in contrast, now has a sufficient staff of agents so that 74 percent of the time of the field staff is spent upon routine inspections of places of employment and only 26 percent of their time in investigation of complaints.

During the consideration of the 1949-50 Budget, the Chief of the Division of Industrial Welfare testified before a subcommittee of the Assembly Ways and Means Committee that only one industrial welfare agent on her staff was so busy investigating complaints that none of the agent's time could be devoted to routine investigation of establishments where no violation of the labor laws was alleged. We believe that a reduction to seven in the number of agents and a reassignment of territories will result in a sufficient work load of complaints for each agent to occupy 85 percent of staff time. *We recommend the reduction of this staff from: Two senior pay roll auditors and 21 industrial welfare agents to a total of seven industrial welfare agents, a reduction of 16 positions.* This will provide an adequate staff for the investigation of all complaints concerning violations of labor laws regarding women. *We recommend a reduction of 12 in the clerical staff, \$18,000 in operating expense and \$1,419 in equipment, a total saving of \$117,805.*

GENERAL SUMMARY

The work load of the Division of Industrial Welfare is affected by the total number of women employed in the state. The Division of Labor Statistics and Research has provided the following tabulation of the number of employed women in California:

	Total number of women employed *	Women employed in service ind.	Women employed in manufacturing
April, 1940	656,000	†	71,000
June, 1945	1,169,000	†	†
September, 1946	1,225,000	†	181,800
September, 1948	1,236,000	299,000	195,700
September, 1949	1,210,000	298,000	180,200

* Includes employers, own-account workers and unpaid family workers.

† Not available.

Division of Labor Law Enforcement

Amount requested	\$474,478
Estimated to be expended in 1949-50 Fiscal Year	447,623
Increase (6.0 percent)	\$26,855

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$20,893	\$20,893	---	425	19
Operating Expenses	6,142	6,142	---	425	31
Equipment	-180	-180	---	425	33
Total Increase	\$26,855	\$26,855			

RECOMMENDATIONS

Amount budgeted	\$474,478
Legislative Auditor's Recommendation	474,478
Reduction	None

ANALYSIS

The increase in salaries and wages of \$20,893 is due to normal salary increases, two reclassifications and three new positions as follows:

	Amount	Budget Page	Line No.
Supervising deputy labor commissioner...	\$4,980	424	18
Special investigator	3,540	424	17
Junior stenographer-clerk	2,160	424	14

The administrative analyst staff of the Department of Finance completed a survey of the organizational structure of this division and recommended the establishment of two additional supervising labor commissioners. The budget request provides for the reclassification of a deputy labor commissioner to a supervising level and a new position as supervisor. The new position as special investigator will be used in the enforcement of the laws for the licensing of labor contractors. The increase of \$6,142 in operating expense is due principally to the added personnel.

The revised plan of organization provides supervision for the field staff of 34 deputies through four supervisors located in San Francisco, Los Angeles, Sacramento and San Bernardino. We believe this plan will provide better supervision of the field staff with a nominal increase in over-all cost, and recommend approval of the budget as requested.

The following tabulation shows the work load of the division:

	Actual		Estimated
	1947-48	1948-49	1949-50
Complaints filed			
Wage claims	21,468	23,239	24,500
Other complaints	3,180	3,078	3,200
Inspections	3,673	3,924	4,000
Civil suits	306	402	500
Employment agency licenses	1,760	2,003	2,300

GENERAL SUMMARY

The Division of Labor Law Enforcement enforces all labor laws not specifically under the jurisdiction of other state agencies. The more important laws administered by this division are:

1. Payment of wages
2. Child labor
3. Private employment agencies
4. Ventilation and sanitary conditions
5. Weekly day of rest
6. Public works law
7. Hours of work
8. Misrepresentation of employment
9. Posting of bonds
10. Display of tipping sign
11. Payment of wages in seasonal and theatrical occupations
12. Use of union label
13. Prohibition of blacklisting of former employees
14. Regulation of unloaders of farm products.

Division of Labor Statistics and Research

Amount requested	\$205,074
Estimated to be expended in 1949-50 Fiscal Year	191,287
Increase (7.2 percent)	\$13,787

Summary of Increases

		INCREASE DUE TO			
	Total increase	Work load or salary adjustments	New services	Budget page	Line No.
Salaries and Wages	\$11,959	\$6,907	\$5,052	425	19
Operating Expenses	1,496	294	1,202	425	31
Equipment	332	---	332	425	38
Total Increase	\$13,787	\$7,201	\$6,586		

RECOMMENDATIONS

Amount budgeted	\$205,074
Legislative Auditor's Recommendation	205,074
Reduction	None

ANALYSIS

The Budget request of \$205,074 provides for a better presentation of statistics relative to employment in the State and will enable the division to prepare an adequate breakdown of employment statistics by area. The increase of \$5,052 in salaries and wages will add one research assistant and one clerk for this added service.

The proposed new service will be of substantial value in forecasting civilian employment and unemployment and is a much needed extension of the activities of this division. We recommend approval of the amount as requested.

GENERAL SUMMARY

The Division of Labor Statistics and Research is required to collect, compile, and present statistics regarding the condition of labor in the State. This division assists other divisions of the Department of Industrial Relations in the compilation of administrative statistics. The division cooperates with the Department of Employment and the Bureau of Labor Statistics of the United States Department of Labor.

**ADDITIONAL WORKMEN'S COMPENSATION FOR SUBSEQUENT INJURY AS
PROVIDED BY SECTION 4751 OF THE LABOR CODE**

ITEM 147 of the Budget Bill

Budget page 425
Budget line No. 53

***For Payment of Additional Workmen's Compensation for Subsequent Injury
From the General Fund***

Amount requested	\$75,000
Estimated to be expended in 1949-50 Fiscal Year	50,000
Increase (50 percent)	\$25,000

RECOMMENDATIONS

Amount budgeted	\$75,000
Legislative Auditor's Recommendation	75,000
Reduction	None

ANALYSIS

The amount requested will provide funds for the payment of special additional compensation to workers who had a disability or impairment at the time they were hired and who receive a subsequent compensable injury resulting in a combined degree of disability greater than the effect of the most recent injury and the previous disability or impairment considered separately.

The Budget Act appropriations and actual expenditures for payment of claims and administrative expense have been as follows:

<i>Fiscal year</i>	<i>Budget Act appropriation</i>	<i>Amount expended</i>
1947-48 -----	\$100,000	\$21,241
1948-49 -----	100,000	17,542
1949-50 -----	75,000	50,000 (est.)
1950-51 -----	75,000	75,000 (est.)

Actual expenditures have been substantially less than amounts appropriated. It is impossible to forecast accurately the expenditures required under this provision of the statute. Amendments approved at the 1949 Session of the Legislature will tend to increase the payment for a certain portion of claims under this section, resulting from injuries after October 1, 1949. *We recommend approval of the amount as requested.*

GENERAL SUMMARY

The Statutes of 1911, Section 4750 of the Labor Code, exempted employers from liability for disability from a second injury in excess of the amount for that portion due to the later injury as though no prior disability or impairment had existed.

Section 4751 was added by Chapter 1161, Statutes of 1945, providing for the payment from state funds of special additional compensation for subsequent injury, where the degree of permanent disability resulting from both disabilities is greater than the rating assigned to each injury.

Chapter 1525, Statutes of 1949, amended Section 4753 of the Labor Code to provide that payments shall be reduced to the extent of monetary payments the employee is receiving from any federal or state funds to which he has not contributed. The prior wording of the code provided for deduction of monetary payments to which the employee was entitled. Section 4753.5 was added, which provided for payment from this fund of expenses incurred by the Attorney General in properly representing the State before the commission and in court in cases involving subsequent injuries.

The California statutes provide for payments of claims for subsequent injury from the *General Fund*. The workmen's compensation laws of twenty-one states or territories provide revenue for their subsequent injury fund by requiring the payment of workmen's compensation death benefits into the fund when there are no dependents of the deceased.

The State of Maryland provides for a \$100 payment into the Subsequent Injury Fund for each accidental injury causing death, this payment being in addition to compensation to dependents.