

ANALYSIS

The following is a break-down of the \$438,948 requested:

Investigations, surveys, studies, preparation of plans and estimates, and preparation of reports on state-wide water plan -----	\$370,911
Geological investigations in cooperation with the Federal Government -----	25,000
Services rendered by State Engineer -----	43,037
 Total -----	 \$438,948

The \$43,037 for the services of the State Engineer is an increase of \$25,822 from 1949-50. The increase is due primarily to additional services to be rendered for auditing and processing claims of flood control districts in which the State is participating in right-of-way acquisition of flood control projects.

GENERAL SUMMARY

The State-wide Resources Investigation comprises a study of present water utilization plans. This includes collection and compilation of data regarding land use and cultural surveys in potential water service areas embracing about 40,000 square miles. These are supplemented with field work in areas where inadequate or no information is available. This is about half completed.

Preliminary reconnaissance and geological examinations have been made of approximately 40 percent of 150 dam and reservoir sites which are considerations. A number of other sites have already been surveyed.

Collection of power data from previous studies, reports, and installations, has been made for most of the Sierra and Coastal streams.

The geological investigation is carried out on a cooperative fifty-fifty fund matching basis with the Federal Government.

To date field work has been 90 percent completed in the Sacramento Basin. It is planned to investigate geological features of the ground water basins on the west side of the San Joaquin Valley and all ground water basins in the north coastal areas during the current fiscal year.

DEPARTMENT OF SOCIAL WELFARE

ITEM 259 of the Budget Bill

Budget page 734
Budget line No. 8

For Support of the Department of Social Welfare From the General Fund

Amount requested -----	\$1,501,227
Estimated to be expended in 1949-50 Fiscal Year -----	6,482,073
 Decrease (76.8 percent) -----	 \$4,980,846

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	—\$2,639,768	—\$2,713,834	\$74,066	734	44
Operating Expenses	—1,131,854	—1,138,867	7,013	734	45
County Contracts	—4,351,580	—4,351,580	—	734	46
Equipment	—1,027,634	—1,027,634	—	734	47
Contributions to State Employees' Retirement Fund	—140,691	—146,616	5,925	734	48
Sale of Forms	—6,788	—6,788	—	734	51
Federal Grants	4,317,469	4,317,469	—	734	33
Total Decrease	—\$4,980,846	—\$5,067,850	\$87,004		

RECOMMENDATIONS

Amount budgeted	\$1,501,227
Legislative Auditor's Recommendation	1,452,665
Reduction	\$48,562

ANALYSIS

The following is a statement of the amounts budgeted for each division of the Department of Social Welfare together with the reductions recommended by the Legislative Auditor:

Division	Proposed Expenditures 1950-51	Legislative Auditor's Recommendation	
		Expenditures	Reduction
Executive	\$72,178	\$62,502	\$9,676
Division of Personnel and Training	99,956	99,956	—
Division of Administrative Services			
Divisional Administration	14,201	14,201	—
Bureau of Administrative			
Accounting	127,509	127,509	—
Bureau of Claims Accounting	242,153	242,153	—
Bureau of Office Management	650,472	650,472	—
Bureau of Research and Statistics	87,550	87,550	—
Division of Public Assistance			
Divisional Administration	392,741	358,971	33,770
Bureau of Aid to Needy Children	25,424	22,052	3,372
Bureau of Aid to Needy Aged	30,075	30,075	—
Bureau of Aid to Needy Blind	49,328	44,197	5,131
Division of Child Welfare			
Divisional Administration	16,765	16,765	—
Bureau of Child Welfare			
Services—Federal	113,557	113,557	—
Bureau of Adoptions	101,610	101,610	—
Bureau of Boarding Homes and Institutions	205,763	183,344	22,419
Transportation of Needy Children	500	500	—
Contributions to State Employees' Retirement System	155,221	149,809	5,412
Totals—Support	\$2,385,003	\$2,305,223	\$79,780
Federal reimbursement for 50 per cent of administrative expenses chargeable to Federal Grants in Aid	883,776	852,558	31,218
Total Appropriation	\$1,501,227	\$1,452,665	\$48,562

Executive

Amount requested	\$72,178
Estimated to be expended in 1949-50 Fiscal Year	94,946
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Decrease (24.0 percent)	\$22,768

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	-\$16,768	-\$25,198	\$8,430	735	13
Operating Expenses	-6,000	-7,246	1,246	735	16
Equipment	-	-	-	735	22
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Total Decrease	-\$22,768	-\$32,444	\$9,676		

RECOMMENDATIONS

Amount Budgeted	\$72,178
Legislative Auditor's Recommendation	62,502
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Reduction	\$9,676

ANALYSIS

Detail of Reduction

	<i>Amount</i>	<i>Budget Page</i>	<i>Line No.</i>
Salaries and Wages			
Administrative adviser	\$6,060	735	7
Hearing reporter (increase from half to full time)	2,370	735	9
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Total salaries and wages	\$8,430		
Operating Expenses			
Traveling			
Administrative adviser	\$831	735	16
Hearing reporter	415	735	16
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Total operating expenses	\$1,246		
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TOTAL REDUCTION	\$9,676		

The budget request includes a proposed new position of administrative adviser at an annual cost of \$6,060. This position is actually that of a legal adviser and the job specifications require membership in the State Bar of California and a minimum of three years experience in the practice of law and was established in April, 1948 at the request of the Department of Social Welfare in lieu of an annual amount of \$6,000 for legal services by contract with the Attorney General. Despite the fact that this position was filled for a portion of the 1948-49 Fiscal Year, the budget amounts for pro rata Attorney General's services increased for 1948-49 to \$6,217 and are estimated at \$6,000 for both 1949-50 and 1950-51. Section 355 of the Political Code provides:

“The Attorney General shall be the legal adviser of each department in all matters relating to the department and to the powers and duties of its officers.”

Section 473A of the Political Code provides:

“No department * * * of the State * * * shall employ any legal adviser or attorney other than the Attorney General * * *”

Based on these considerations, we recommend the deletion of the proposed position as administrative adviser, a saving of \$6,060 in salary and \$831 in travel expenses.

The budget request proposes the increase of hearing reporter from half-time to full-time at an added salary cost of \$2,370. The hearing reporter is necessary at the monthly meetings of the Board of Social Welfare and in the past has occasionally been used to record proceedings at appeal hearings involving social welfare cases, conducted by the Division of Administrative Procedures on behalf of the Social Welfare Board.

The request for full-time services of the hearing reporter is to provide for the recording by this employee of an increased number of proceedings at appeal hearings. These hearings are scheduled at various places throughout the State at the convenience of the Board of Administrative Procedures, and a hearing officer and reporter from the nearest office of the Board is assigned to the case. The charge made for these services is for actual time and actual mileage. If the department continues to use the secretarial services provided by the Board of Administrative Procedures there will be a saving since the charges will cover only actual hours necessary instead of annual salary costs for a full-time employee of the department, and the travel costs will cover local transportation instead of travel from the official residence of the hearing reporter. Adequate provision has been made elsewhere in the budget for these services as shown in the appropriation for Division of Public Assistance:

Fair hearings-administration proceedings:

<i>Fiscal Year</i>	<i>Amount</i>
1948-49 actual	\$5,521
1949-50 estimated	7,215
1950-51 proposed	7,500

We recommend this position be retained at a half-time basis, a saving of \$2,370 in salary and \$415 in travel expense.

Division of Personnel and Training

Amount requested	\$99,956
Estimated to be expended in 1949-50 Fiscal Year	133,719
Decrease (25.2 percent)	\$33,763

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$28,900	—\$28,900	—	734	58
Operating Expenses	—4,500	—4,500	—	734	64
Equipment	—363	—363	—	734	70
Total Decrease	—\$33,763	—\$33,763	—		

RECOMMENDATIONS

Amount budgeted	\$99,956
Legislative Auditor's Recommendation	99,956
Reduction	None

ANALYSIS

The Bureau of Personnel and Training was increased by 12 positions during the period July to November 1949 to provide for the additional work load attributable to Article XXV. These positions have been eliminated in the budget request with a resultant saving of \$33,419.

The budget request of \$61,152 for salaries and wages includes normal salary increases, reclassification of three positions and one new position as intermediate typist-clerk.

Budget amounts for operating expenses have been reduced \$4,500 through decreases in travel expense. The item of \$35,000 for examination and certification is for contract services with the Division of Cooperative Services, State Personnel Board. The Federal Security Agency requires county welfare department employees to be included in a county civil service or approved merit system. The Personnel Board provides examination and certification services to insure conformity with federal requirements.

Actual expenditures as compared with amounts budgeted for these contract services have been as follows:

<i>Fiscal Year</i>	<i>Examination and certification</i>	
	<i>Amounts budgeted</i>	<i>Actual expenditures</i>
1947-48 -----	\$36,818	\$21,894
1948-49 -----	34,400	21,172
1949-50 -----	35,000	---
1950-51 -----	35,000	---

The decrease in expenditures in 1948-49 was due to the transfer of part of the county welfare employees to state civil service in accordance with Article XXV of the Constitution. Estimated expenditures for the budget year appear reasonable and approval is recommended of the amount as budgeted.

Division of Administrative Services
DIVISIONAL ADMINISTRATION

Amount requested -----	\$14,201
Estimated to be expended in 1949-50 Fiscal Year -----	10,346
Increase (37.3 percent) -----	\$3,855

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$3,605	—\$295	\$3,900	736	15
Operating Expenses -----	250	—50	300	736	18
Equipment -----	—	—	—	---	---
Total Increase -----	\$3,855	—\$345	\$4,200		

RECOMMENDATIONS

Amount budgeted -----	\$14,201
Legislative Auditor's Recommendation -----	14,201
Reduction -----	None

ANALYSIS

The budget requests provide for the establishment of one new position of assistant administrative analyst to June 30, 1951, to examine existing departmental procedures and recommend modifications or elimination where necessary and the development of new procedures.

We believe costs of this department have been too high in the past years, chiefly through the continued use of outmoded procedures, and recommend the additional position requested as a necessary step toward the evaluation and improvement of existing procedures.

BUREAU OF ADMINISTRATIVE ACCOUNTING

Amount requested -----	\$127,509
Estimated to be expended in 1949-50 Fiscal Year -----	168,104
Decrease (24.1 percent) -----	\$40,595

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$40,715	—\$43,226	\$2,511	736	51
Operating Expenses -----	—392	—392	—	736	54
Equipment -----	512	512	—	736	60
Total Decrease -----	—\$40,595	—\$43,106	\$2,511		

RECOMMENDATIONS

Amount budgeted -----	\$127,509
Legislative Auditor's Recommendation -----	127,509
Reduction -----	None

ANALYSIS

The amount budgeted provides for the establishment of one new position as senior accountant to December 31, 1950. This position is requested to provide budgetary control procedures for the county adoption agencies, which are supported by subventions from the State. This is becoming a costly program, and these subventions will amount to \$926,200 for the 1950-51 Fiscal Year. We heartily endorse the introduction of strict budgetary control and suggest the provision for a field audit of these county agencies.

We recommend approval of the amount as requested.

BUREAU OF CLAIMS ACCOUNTING

Amount requested -----	\$242,153
Estimated to be expended in 1949-50 Fiscal Year -----	251,026
Decrease (3.5 percent) -----	\$8,873

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages -----	\$11,981	—\$11,981	—	737	18
Operating Expenses -----	3,000	3,000	—	737	21
Equipment -----	108	108	—	737	27
Total Decrease -----	—\$8,873	—\$8,873	—		

RECOMMENDATIONS

Amount budgeted -----	\$242,153
Legislative Auditor's Recommendation -----	242,153
Reduction -----	None

ANALYSIS

Over a period of many years the review of county claims for reimbursement for moneys paid to approved recipients of aged aid, blind aid and aid to needy children has been handled through the laborious routine of creating a separate audit card for each of the thousands of approved cases and reconciling each item on the claim against these audit cards. An additional field audit of disbursements was made with a limited staff. The budget request contemplates a change in this procedure through the elimination of the audit card and intensifying the field audit of original documents. Three new positions are requested to increase the field audit staff.

The proposed change in method of auditing claims will eliminate the needless audit card procedure and place the audit function in the field, the only place it can be effective. As an indication of the unnecessary expense of this audit card procedure, a review of the activities of this unit for a part of 1946-47 disclosed the following:

	<i>Net audit adjustment</i>		<i>Audit costs</i>
	<i>Federal share</i>	<i>State share</i>	<i>Salaries and wages</i>
Aged aid—9 months claims -----	\$7,717	\$13,828	\$39,915
Blind aid—10 months claims -----	6,243	323	5,660
Children's aid—6 months claims ----	2,714	4,440	8,754

The change proposed will result in a more effective audit program and will reduce the staff necessary by 17 positions with a net annual saving of \$33,918. We recommend approval of the amount as requested.

BUREAU OF OFFICE MANAGEMENT

Amount requested -----	\$650,472
Estimated to be expended in 1949-50 Fiscal Year -----	798,159
Decrease (18.5 percent) -----	\$147,687

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	—\$77,064	—\$77,064	—	737	71
Operating Expenses	—32,299	—32,299	—	738	13
Equipment	—31,536	—31,536	—	738	20
Reimbursements, Sale of Forms	—6,788	—6,788	—	738	25
Total Decrease	—\$147,687	—\$147,687	—		

RECOMMENDATIONS

Amount budgeted	-----	\$650,472
Legislative Auditor's Recommendation	-----	650,472
Reduction	-----	None

ANALYSIS

The work load of the Bureau of Office Management was increased materially during the Fiscal Years 1948-49 and 1949-50 by operations made necessary because of Constitutional Amendment Article XXV. In order to compare the budget request with a period of similar activity, there is shown a comparison with the 1948-49 final budget as approved by the Legislature:

	Fiscal Year		Increase	
	1948-49	1950-51	Amount	Percent
Positions	120.6	115.4	—5.2	4.3
Salaries and wages	\$327,817	\$319,836	—\$1,521	—0.5
Operating expenses—net	290,720	326,866	16,146	5.6
Equipment	16,904	4,270	—12,634	74.7
Totals	\$635,441	\$650,472	\$15,031	2.4

The increase in operating expenses was due chiefly to the additional rental cost for the Los Angeles office. On September 30, 1949, the lease expired for 12,720 square feet in the Washington Building at an annual rental of \$16,480 (10.8 cents per square foot per month). The department moved to quarters in the Mirror Building consisting of 13,200 square feet at an annual rental of \$48,600 (30.7 cents per square foot per month).

The decrease in number of positions from 121 in 1948-49 to 116 in 1950-51 is a result of the revised plan for supervision of county welfare activities. The former procedure of creating a separate file folder for every aged, blind, or children's aid case will be discontinued with a resultant saving in clerical staff.

We recommend approval of the amount budgeted.

BUREAU OF RESEARCH AND STATISTICS

Amount requested	-----	\$87,550
Estimated to be expended in 1949-50 Fiscal Year	-----	77,976
Increase (12.3 percent)	-----	\$9,574

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$8,658	\$8,658	---	738	54
Operating Expenses-----	1,735	1,735	---	738	61
Equipment-----	-819	-819	---	738	68
Total Increase-----	\$9,574	\$9,574	---		

RECOMMENDATIONS

Amount budgeted-----	\$87,550
Legislative Auditor's Recommendation-----	87,550
Reduction-----	None

ANALYSIS

The budget request provides for the establishment of two additional positions of assistant research technician; one position to assist county welfare departments in simplifying reporting procedures and a second position to assist in rewriting the manual of policies and procedures. It is proposed to create three manuals, one for each type of aid, instead of the present cumbersome combined manual covering all three aid categories.

The proposed activities seem desirable and we recommend approval of this item as requested.

**Division of Public Assistance
DIVISIONAL ADMINISTRATION**

Amount requested-----	\$392,741
Estimated to be expended in 1949-50 Fiscal Year-----	331,392
Increase (18.5 percent)-----	\$61,349

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$51,064	\$20,294	\$30,770	739	34
Operating Expenses-----	10,285	7,285	3,000	739	40
Equipment-----	---	---	---		
Total Increase-----	\$61,349	\$27,579	\$33,770		

RECOMMENDATIONS

Amount budgeted-----	\$392,741
Legislative Auditor's Recommendation-----	353,971
Reduction-----	\$33,770

ANALYSIS

The Division of Public Assistance is responsible for supervision of the aged aid, blind aid and children's aid case work performed by the county welfare departments, and in particular the review of the basis for determination of eligibility.

The workload of this bureau was increased materially during the 1948-49 and 1949-50 Fiscal Years due to Article XXV. In order to determine the reasonableness of the budget request it is necessary to compare the proposed level of service with the 1948-49 final budget as follows:

	<i>Final Budget 1948-49</i>	<i>Proposed Budget 1950-51</i>	<i>Increase</i>	
			<i>Number</i>	<i>Percent</i>
<i>Work load</i>				
Average number of cases				
Aged Aid -----	\$201,300	\$270,500		
Blind Aid -----	7,900	10,410		
Children's Aid -----	23,960	50,700		
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	\$233,160	\$331,610	\$98,450	42.2
<i>Staff</i>				
Administrative assistant ---	1	1		
<i>Social work staff</i>				
Supervising social welfare agent, grade 2 -----	4	5	1	
Supervising social welfare agent, grade 1 -----	19	22	2	
Social welfare agent ----	18	40	22	
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Total social work staff	41	67	25	60.1
Other technical -----	3	3		
Clerical -----	30	23	-7	
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Total Staff -----	75	94	19	
<i>Expenditures</i>				
Salaries and Wages -----	\$262,048	\$348,241	\$86,193	32.9
<i>Operating Expenses</i>				
Traveling -----	\$26,500	\$37,000	\$10,500	
Fair hearings—adminis- trative procedures ----	18,502	7,500	-11,002	
	<hr/>	<hr/>		
Total Operating Expenses -----	\$45,002	\$44,500	-\$502	1.1
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Total Expenditures ---	\$307,050	\$392,741	\$85,691	27.9

The work load of the division is in proportion to the number of cases to be supervised. The average number of cases for 1950-51 shows an increase of 46.1 percent as compared with 1948-49. The budget request provides for an increase of 25 social work positions, an increase of 61 percent.

The division proposes to review county eligibility determinations by examination of a selective sample of the original case histories in the field instead of the complete office review of duplicate documents which was performed in 1948-49. We believe this proposal to be sound and that it will result in a more effective review and will eliminate much needless routing of duplicate documents from the county welfare departments to be laboriously reviewed and filed in the Sacramento office of the department. However, the performance of the review function in the field will result in a more effective use of the state staff; its time will be spent in examining original documents instead of individual case folders containing duplicate copies of part of the records, and needless correspondence concerning misplaced or lost documents. We believe the change in method will be more effective with no change in ratio of staff to number of active cases. *We therefore recommend the elimination of the two proposed new*

positions of social welfare agent, a reduction of four in the number of existing positions of social welfare agent, a reduction of two clerical positions and \$3,000 in travel expense, a total saving of \$33,770.

The adoption of our recommendation will provide for a social work staff of 61 persons, or an increase of 20 positions, or 49 percent over the social work staff in 1948-49.

BUREAU OF AID TO NEEDY CHILDREN

Amount requested	\$25,424
Estimated to be expended in 1949-50 Fiscal Year	21,465
Increase (18.4 percent)	\$3,959

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$4,131	\$759	\$3,372	739	61
Operating Expenses	—172	—172	—	739	64
Equipment	—	—	—		
Total Increase	\$3,959	\$587	\$3,372		

RECOMMENDATIONS

Amount Budgeted	\$25,424
Legislative Auditor's Recommendation	22,052
Reduction	\$3,372

ANALYSIS

The budget request provides for the establishment of one new position as social welfare agent to June 30, 1951 only, to assist in developing material to be used in effectuating Chapter 889, Statutes of 1949.

The effective date of Chapter 889, Statutes of 1949 was October 1, 1949, and any material necessary to effectuate this change in the law should have been prepared and in the hands of the county welfare departments long before June 30, 1950; this is a necessary part of the regular work load of the Bureau of Aid to Needy Children. *Therefore, we recommend the new position be not approved, a saving of \$3,372.*

BUREAU OF AID TO NEEDY AGED

Amount requested	\$30,075
Estimated to be expended in 1949-50 Fiscal Year	32,173
Decrease (6.5 percent)	\$2,098

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	—\$348	—\$348	—	740	12
Operating Expenses	—1,750	—1,750	—	740	18
Equipment	—	—	—		
Total Decrease	—\$2,098	—\$2,098	—		

RECOMMENDATIONS

Amount Budgeted	\$30,075
Legislative Auditor's Recommendation	30,075
Reduction	None

ANALYSIS

The Bureau of Aid to Needy Aged interprets policies and prepares rules and procedures based on the California Statutes, Federal Security Agency policies and decisions of the State Social Welfare Board. No increase is requested for the existing staff of seven. We recommend approval of the amount as requested.

BUREAU OF AID TO NEEDEY BLIND

Amount requested	\$49,328
Estimated to be expended in 1949-50 Fiscal Year	48,210
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Increase (2.3 percent)	\$1,118

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	\$728	—\$3,586	\$4,314	740	44
Operating Expenses	390	—427	817	740	51
Equipment	—	—	—		
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Total Increase	\$1,118	—\$4,013	\$5,131		

RECOMMENDATIONS

Amount Budgeted	\$49,328
Legislative Auditor's Recommendation	44,197
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Reduction	\$5,131

ANALYSIS

The technical staff of the Bureau of Aid to the Needy Blind was doubled during 1948-49 by administrative action. The final budget for 1948-49 provided for two supervising social welfare agents, grade 1. The two additional positions added by administrative action were one supervising social welfare agent, grade 1, \$325-\$395 and one social welfare agent, \$281-\$341. The additional position of social welfare agent was included in the 1949-50 Budget as approved by the Legislature. The additional position of social welfare agent, grade 1, is included in the budget request for 1950-51 to strengthen the Aid to Partially Self-Supporting Blind program by rendering consultant service to the counties in conjunction with the field supervisors, and evaluating field reports.

The justification for the new position describes the duties normally associated with the position of Supervisor of Aid to the Blind. The case load supervised by this staff has not increased to the extent that the case load for Aged Aid or Children's Aid has increased. No increase has been requested for the Bureau of Aid to Needy Aged, and we have recommended against a temporary increase in the staff for the Bureau of Aid to Needy Children.

We recommend the disapproval of the proposed new position, which will result in a reduction of \$4,314 in salaries and wages, and \$817 in travel expense and car mileage.

**Division of Child Welfare
DIVISIONAL ADMINISTRATION**

Amount requested	\$16,765
Estimated to be expended in 1949-50 Fiscal Year	16,656
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Increase (0.7 percent)	\$109

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$154	\$154	---	740	70
Operating Expenses-----	—45	—45	---	740	73
Equipment-----	---	---	---		
Total Increase-----	\$109	\$109	---		

RECOMMENDATIONS

Amount Budgeted-----	\$16,765
Legislative Auditor's Recommendation-----	16,765
Reduction-----	None

ANALYSIS

The budget request provides for normal salary increases. We recommend approval of the budget amount as requested.

BUREAU OF CHILD WELFARE SERVICES—FEDERAL

Amount requested-----	\$113,557
Estimated to be expended in 1949-50 Fiscal Year-----	153,357
Decrease (26 percent)-----	\$39,800

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$1,004	\$1,004	---	741	14
Operating Expenses-----	—40,704	—40,704	---	741	24
Equipment-----	—100	—100	---	741	27
Total Decrease-----	—\$39,800	—\$39,800	---		

RECOMMENDATIONS

Amount budgeted-----	\$113,557
Legislative Auditor's Recommendation-----	113,557
Reduction-----	None

ANALYSIS

The Bureau of Child Welfare Services—Federal is a function conducted by the Department of Social Welfare on behalf of the Federal Security Agency. An annual appropriation is made to the department in accordance with Section 521 (a), Title V of the Federal Social Security Act which reads, in part, as follows:

“The amount so allotted shall be expended for payment of part of the cost of district, county or other local child-welfare services in areas predominantly rural, and for developing state services for the encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need. The amount of any allotment to a State under this section for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under this section until the end of the second succeeding fiscal year.”

The decrease in the amount budgeted for the 1950-51 Fiscal Year is due to the reduction of \$42,172 in the amount budgeted for county administration. These expenditures provide for the employment by the county of social welfare workers for expanded services in the field of childrens' aid in accordance with the federal policy. There has been little variation in this level of service; however, unexpended federal funds estimated at \$19,379 for the 1949-50 Fiscal Year are available for expenditure in 1950-51.

We recommend approval of the amount as requested.

BUREAU OF ADOPTIONS

Amount requested	\$101,610
Estimated to be expended in 1949-50 Fiscal Year	185,118
Decrease (45.1 percent)	<u>\$83,508</u>

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages	—\$79,882	—\$79,882	---	741	52
Operating Expenses	—3,214	—3,214	---	741	55
Equipment	—412	—412	---	741	58
Total Decrease	<u>—\$83,508</u>	<u>—\$83,508</u>			

RECOMMENDATIONS

Amount budgeted	\$101,610
Legislative Auditor's Recommendation	101,610
Reduction	None

ANALYSIS

This bureau administers the independent adoption program and licenses certain county welfare departments and private agencies placing children for adoption. At the present time seven counties have been licensed and it is anticipated that a total of 10 counties will be licensed as of June 30, 1950 and that three more will be licensed during the 1950-51 Fiscal Year. The licensing of these counties will result in a decrease in the number of cases to be handled by the Bureau of Adoptions. There will be 29 authorized positions eliminated as a result of this shift from state to county operations.

We recommend approval of the amount as requested.

Prior to 1947 the State Department of Social Welfare was responsible for the licensing and supervision of private adoption agencies and the investigation of independent adoptions only. Independent adoptions are those where the prospective adoptive parents obtain a child and then file a petition for adoption with the court.

The 1947 Legislature amended Sections 221 to 231 of the Civil Code and Sections 1620, 1629 and 1630 of the Welfare and Institutions Code. These changes in the adoption program were based on the recommendations contained in "Report of California Adoption Survey Committee" dated November, 1946, financed by a grant from the Columbia Foundation of San Francisco.

In addition to investigation of independent adoptions the department now supervises relinquishment cases. This has been made possible

through the 1947 statutory provision for licensing and supervision of county welfare adoption units. The administrative costs of these county adoption units are paid from state subventions. In addition the State pays for cost of the care of relinquishment children from the date of relinquishment until the date of placement, but not to exceed \$200 per child. The county welfare departments may recover any additional expenses they incur for a particular child from the adoptive parents in an amount not to exceed \$200.

As a result of the 1947 changes in legislation the cost of the adoption program to the State has increased from \$413,830 in 1947-48 to \$1,158,438 for 1950-51, an increase of \$744,608 or 180 percent. During the same period the number of state supervised adoptions has decreased from 4,221 to 3,560, a decrease of 661 or 15.7 percent. The following is a comparison of costs for a four-year period :

<i>Cost of adoption program</i>	1947-48	1948-49	1949-50	1950-51
Bureau of Adoptions				
Budget -----	\$181,277	\$183,198	\$185,118	\$101,610
Administrative services ----	223,087	190,438	126,488	130,628
	<hr/>	<hr/>	<hr/>	<hr/>
State expenditures -----	\$404,364	\$373,636	\$311,606	\$232,238
County subventions				
Administration -----	\$9,335	\$152,517	\$351,504	\$714,200
Care of children -----	131	43,000	61,400	212,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total subventions ----	\$9,466	\$195,517	\$412,904	\$926,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total state cost -----	\$413,830	\$569,153	\$724,510	\$1,158,438
	<hr/>	<hr/>	<hr/>	<hr/>
Average cost per adoption---	\$98	\$150	\$198	\$325
 <i>Number of Adoptions</i>				
Department of Social Welfare				
Independent adoptions ----	4,020	3,604	2,735	980
Licensed counties				
Relinquishment and independent adoptions ----	21	203	930	2,580
	<hr/>	<hr/>	<hr/>	<hr/>
Total adoptions, state and county -----	4,221	3,807	3,665	3,560
Private agencies				
Relinquishment adoptions --	536	608	718	826
	<hr/>	<hr/>	<hr/>	<hr/>
Total adoptions -----	4,757	4,415	4,383	4,386

The above comparison indicates that the cost to the State for each adoption approved by the State Bureau of Adoptions or County Adoption Unit has increased from \$98 in 1947-48 to \$325 in 1950-51. We direct attention to the increase in the cost of state adoptions and recommend that consideration be given to increasing the present ceiling of \$200 costs that can be recovered from the adoptive parents where there is economic ability to more nearly defray the full cost incurred by the county adoption unit.

BUREAU OF BOARDING HOMES AND INSTITUTIONS

Amount requested -----	\$205,763
Estimated to be expended in 1949-50 Fiscal Year -----	174,918
	<hr/>
Increase (17.6 percent) -----	\$30,845

Summary of Increases

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and Wages-----	\$31,036	\$10,267	\$20,769	741	83
Operating Expenses-----	1,650	---	1,650	742	8
Equipment-----	—1,841	—1,841	---	742	11
Total Increase-----	\$30,845	\$8,426	\$22,419		

RECOMMENDATIONS

Amount budgeted-----	\$205,763
Legislative Auditor's Recommendation-----	183,344
Reduction-----	\$22,419

ANALYSIS

	Amount	Budget page	Line No.
Salaries and Wages			
3 Supervising social welfare agents, grade 1-----	\$8,967	741	37 and 79
5 Social welfare agents-----	11,802	741	74
	\$20,769		
Operating Expense			
Traveling-----	1,650	741	5
Total Reduction-----	\$22,419		

The Bureau of Boarding Homes and Institutions inspects and licenses all institutions providing care for aged or children and boarding homes for aged and children situated in Butte, Placer, and San Joaquin Counties. In all other counties the State has delegated the licensing of boarding homes to local authorities, who are reimbursed for actual expenses not to exceed four dollars per month per license. The work load of this bureau is as follows :

	Fiscal Years		
	Actual 1948-49	Estimated 1949-50	Proposed 1950-51
Average Number of State Supervised Licenses			
Institutions for aged and children-----	608	718	826
Cost of state supervision of institutions-----	\$206,042	\$275,394	\$353,394
Monthly cost of state supervision per institution---	\$28.24	\$31.96	\$35.65
Boarding homes for aged-----	17	32	38
Boarding homes for children-----	300	370	440
Total boarding homes for aged and children—state-----	317	402	478
Cost of state supervision of boarding homes-----	\$41,208	\$40,424	\$61,826
Monthly cost per boarding home licensee-----	\$10.83	\$8.38	\$10.78
Average Number of County Supervised Licenses			
Boarding homes for aged-----	1,272	1,572	1,850
Boarding homes for children-----	9,371	11,340	12,900
Total boarding homes for aged and children—counties-----	10,643	12,912	14,750
Cost of county supervision of boarding homes— state subvention-----	\$392,746	\$502,818	\$573,692
Monthly cost per licensee, county supervision-----	\$3.08	\$3.25	\$3.24

The staff of this bureau is as follows:

	<i>Fiscal Years</i>		
	<i>Actual</i>	<i>Estimated</i>	<i>Proposed</i>
	<i>1948-49</i>	<i>1949-50</i>	<i>1950-51</i>
Supervisor -----	1	1	1
Staff assigned to institutions			
Supervising social welfare agent, grade 2 -----	1	1	1
Supervising social welfare agent, grade 1 -----	3	4	5
Social welfare agent -----	21	29	34
-----	-----	-----	-----
Total staff assigned to institutions -----	25	34	40
Staff assigned to boarding homes			
Supervising social welfare agent, grade 2 -----	1	1	1
Supervising social welfare agent, grade 1 -----	4	4	6
Social welfare agent -----	--	--	--
-----	-----	-----	-----
Staff assigned to boarding homes -----	5	5	7
Clerical -----	7	8	8
-----	-----	-----	-----
Total staff -----	38	48	56

The budget request for this bureau provides for five new positions of social welfare agent at a cost of \$11,802, two new positions of supervising social welfare agent, grade 1, costing \$4,875, and the transfer of one supervising social welfare agent, grade 1 from the Bureau of Adoptions at a salary of \$4,092; if the increase is approved the number of positions would be increased to 56. This increase in staff is requested on the basis of providing one social welfare agent for every 30 licensed institutions. This would provide an average of eight working days per social worker for the investigation of each licensee.

We believe the licensing and inspection procedures of this bureau should be reviewed in order to standardize inspection procedures and simplify reporting and follow-up techniques. Narrative type reports are prepared concerning inspection visits, and enforcement is often limited to informal discussion of probable deficiencies noticed by inspectors. An unnecessary amount of time is spent in revisiting applicants for licenses after the original inspection has clearly indicated that the licensee is operating in violation of the minimum standards established by the bureau. We recommend this bureau enforce the law with an average of two inspections a year for each applicant or licensee.

We, therefore, recommend disapproval of the requested increase in this staff, with a saving of \$20,769 in salaries and wages and \$1,650 in travel, a total saving of \$22,419. We further recommend that the Department of Finance be instructed to review the enforcement techniques of this bureau and make a critical evaluation of the field work procedures. We believe the field work of this bureau can be efficiently handled with a field staff of 12 investigators.

TRANSPORTATION OF NEEDY CHILDREN

Amount requested -----	\$500
Estimated to be expended in 1949-50 Fiscal Year -----	500
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Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$500
Legislative Auditor's Recommendation -----	500
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Reduction -----	None

ANALYSIS

The amount requested is to provide for transportation of needy children to homes outside of California as authorized by Section 1850 of the Welfare and Institutions Code. Actual expenditures for 1947-48 amounted to \$378 and for 1948-49 were \$323. *We recommend approval of the amount as requested.*

**Department of Social Welfare
PREVENTION OF BLINDNESS**

ITEM 260 of the Budget Bill

Budget page 744
Budget line No. 7

For Treatment or Operations to Prevent Blindness or Restore Vision, From the General Fund

Amount requested -----	\$72,747
Estimated to be expended in 1949-50 Fiscal Year -----	72,747
Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$72,747
Legislative Auditor's Recommendation -----	72,747
Reduction -----	None

ANALYSIS

This appropriation is in accordance with Section 3051 of the Welfare and Institutions Code which reads as follows:

“Treatments to prevent blindness or restore vision.

“The Department of Social Welfare may provide for treatment or operations to prevent blindness, or restore vision to applicants for, or recipients of, aid to the blind who voluntarily request and make written application for such treatment or operation.

“This service shall be extended only to those persons whose age and physical and mental condition will make such physical rehabilitation profitable to the individual, shown by the findings of the physician in the report of the eye examination to be eligible for such treatment and recommended for such treatment, after a full investigation of each case by the advisory committee of ophthalmologists or by an ophthalmologist who has been designated by the advisory committee.

“The treatment or operation recommended shall be given at any hospital or clinic designated by the advisory committee, and necessary traveling expenses shall be allowed as part of the expense of the treatment. The State Department of Social Welfare shall reimburse the county or the eye patient for all necessary expenses incurred in connection with guide service, maintenance while the patient is away from his home, transportation to the eye physician or hospital and return to his home, and the cost of the nursing home care when such care is necessary. (Amended by Statutes of 1947, Chapter 683.1.)”

By making more self-sufficient persons who would otherwise receive blind assistance, this program has more than compensated the State for its direct cost. We recommend approval of the amount requested.