

at this home, this factor should be taken into consideration in connection with our recommendation that the home be abandoned and sold and the remaining members transferred to the women veterans' unit at the Veterans' Home in Yountville as soon as it is ready for occupancy. The members will then have available to them the services of the general hospital at the Veterans' Home where hospitalization can be had at a lower per capita cost than is now possible.

CENTENNIALS COMMISSION

ITEM 270 of the Budget Bill

Budget page 762
Budget line No. 42

For Support of the Centennials Commission From the General Fund

Amount requested	\$400,000
Unexpended balance, Chapter 478, Statutes of 1947	46,193
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	\$446,193
Estimated to be expended in 1949-50 Fiscal Year	400,000
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Increase (11.5 percent)	\$46,193

RECOMMENDATIONS

Amount budgeted	\$446,193
Legislative Auditor's Recommendation	None
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Reduction	\$446,193

ANALYSIS

The Centennials Commission proposes to operate with a full staff of 16 persons through September 30, 1950, and with a reduced staff of five persons through December 31, 1950. The amount budgeted for administration for the six-months period July 1 to December 31, 1950, amounts to \$22,244.

In addition to the amount budgeted for administration, \$391,000 is requested for special items for the six-months period July through December, 1950. This is an increase of \$132,150 or 51.1 percent over the \$258,850 budgeted for special items during the entire fiscal year 1949-50. These special items are listed as follows:

Assistance to local celebrations	\$89,000
Historical Caravan	30,000
Historical markers	2,000
Publicity	20,000
Statehood celebrations	250,000
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Total, special items	\$391,000

Assistance to local celebrations amounts to \$89,000 for the six-months period July through December, 1950, an increase of \$61,000 or 218 percent over the \$28,000 budgeted for assistance to local celebrations for the entire 1949-50 Fiscal Year.

Operation of the historical caravan amounts to \$30,000 for a three months period ending September 30, 1950, as compared with \$40,000 for the period July 1 to November 30, 1949. The operation of the caravan was discontinued on November 30, 1949, and the reopening of such an expensive project is not justified.

Expenditures for historical markers amount to \$2,000, an item not included in the budget for the 1949-50 Fiscal Year. These expenditures are not recommended as this program was discontinued as of June 30, 1949.

Statehood celebrations are proposed to cost \$250,000 during the ten weeks period ending September 9, 1950. An additional \$40,000 is included for preliminary expenditures having to do with this program during the 1949-50 Fiscal Year. Thus the total sum of \$290,000 is proposed for statehood celebrations, the most expensive program proposed by the Centennials Commission. These statehood celebrations are planned on a basis of the entire cost of the program to be provided from state funds. Communities and civic organizations participate by providing street decorations and parades, as they desire.

We recommend no new appropriations for the Centennial Commission and that the \$46,193 unexpended balance in the appropriation of \$250,000 made by Chapter 478, Statutes of 1947, not be expended and that it be reverted to the General Fund.

We further recommend that the activities of the Centennials Commission be brought to conclusion as economically as possible during the current fiscal year. The objectives of the Centennial Commission will have been sufficiently accomplished as of June, 1950, at which time \$1,759,508 will have been spent from existing and prior appropriations. Other General Fund requirements during the 1950-51 Fiscal Year are more essential than a continuation of the program contemplated in the budget of the Centennials Commission for 1950-51.

GENERAL SUMMARY

The Centennials Commission, consisting of five nonsalaried members appointed by the Governor, was created by Chapter 456, Statutes of 1947, effective September 19, 1947, to sponsor and promote centennial celebrations during the years 1948 through 1950. One senator and one assemblyman, serving as a legislative interim committee on the subject of the act, meet with the commission. The act also provides for an advisory committee of 25 members to be appointed by the Governor.

Chapter 478, Statutes of 1947, appropriated to the Department of Finance the sum of \$250,000 for centennial purposes without regard for fiscal year. As of September 19, 1947, a balance of \$248,438.59 was transferred to the Centennials Commission in accordance with terms of the Act. A total of \$204,495 was expended during the Fiscal Year 1947-48.

The Budget Act of 1948, Item 352, appropriated \$2,000,000 to the commission. The Attorney General, in opinion 48/204, dated November 23, 1948, ruled that the latter appropriation was restricted to the Fiscal Year ending June 30, 1949. A total of \$1,155,013 was expended during the Fiscal Year 1948-49.

The Budget Act of 1949, Item 272, requested an appropriation of \$825,495 for the Commission for the Fiscal Year ending June 30, 1950. The Legislative Auditor, on February 21, 1949, recommended no 1949-50 appropriation and that the activities of the Centennials Commission be brought to a conclusion as economically as possible. Representations were made at that time to the Legislature that funds would be required to meet implied commitments to match local funds for programs planned during 1949. Accordingly the Legislature appropriated \$400,000 for the Fiscal Year 1949-50.

CONTRIBUTION TO LEGISLATORS' RETIREMENT FUND

ITEM 271 of the Budget Bill

Budget page 766
Budget line No. 7

For State's Contribution to the Legislators' Retirement Fund From the General Fund

Amount requested	\$28,000
Estimated to be expended in 1949-50 Fiscal Year	7,000
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Increase (300 percent)	\$21,000

RECOMMENDATIONS

Amount budgeted	\$28,000
Legislative Auditor's Recommendation	28,000
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Reduction	None

ANALYSIS

Section 9358 of the Government Code provides that the State shall contribute annually to the Legislators' Retirement Fund an amount, estimated by the Board of Administration, equal to so much of the benefits to be paid from the fund during that year as is not provided by the accumulated contributions of the members.

COMPENSATION, MEDICAL CARE AND HOSPITALIZATION OF STATE EMPLOYEES

ITEM 272 of the Budget Bill

Budget page 766
Budget line No. 48

For Compensation, Medical Care and Hospitalization of State Employees From the General Fund

Amount requested	\$540,000
Estimated to be expended in 1949-50 Fiscal Year	480,000
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Increase (12.5 percent)	\$60,000

RECOMMENDATIONS

Amount budgeted	\$540,000
Legislative Auditor's Recommendation	540,000
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Reduction	None

ANALYSIS

The amount requested, \$540,000, is the estimated amount necessary to provide compensation, hospitalization and medical care as prescribed by the Workmen's Compensation Act for all state employees injured while on duty whose salaries are paid from the General Fund. The State Compensation Insurance Fund acts as adjusting agent for the State and disburses the payments. The cost of these services is included.

The State has the status of a self insurer for state employees paid from the General Fund. Expenditures from this appropriation pay hospital costs and compensation awards for state employees during the time they are hospitalized and during periods of convalescence. When a state employee sustains a permanent disability the weekly payments for such disability will be met from this appropriation as such payments are made.

Expenditures for this purpose in the past years have been as follows :

<i>Fiscal Year</i>	<i>Amount</i>	<i>Fiscal Year</i>	<i>Amount</i>
1943-44 -----	\$148,075	1947-48 -----	\$312,108
1944-45 -----	150,207	1948-49 -----	402,903
1945-46 -----	214,749	1949-50 -----	480,000 est.
1946-47 -----	233,835	1950-51 -----	540,000 est.

All special fund agencies are required to obtain Workmen's Compensation Coverage from the State Compensation Insurance Fund. For this coverage an annual premium is paid, based on the total annual pay roll. This amount is shown in each special fund budget under the caption "Compensation Insurance." The payment of this premium by special fund agencies means that all liability for future costs for any permanent disability is defrayed in the year in which incurred.

ADDITIONAL 1949-50 COMPENSATION, MEDICAL CARE AND HOSPITALIZATION OF STATE EMPLOYEES

ITEM 273 of the Budget Bill

Budget page 766
Budget line No. 49

For Additional 1949-50 Appropriation for Compensation, Medical Care and Hospitalization of State Employees

Amount requested -----	\$110,000
Appropriation for 1949-50, Item 274, Budget Act of 1949 -----	370,000
Estimated to be expended in 1949-50 Fiscal Year -----	\$480,000

RECOMMENDATIONS

Amount budgeted -----	\$110,000
Legislative Auditor's Recommendation -----	110,000
Reduction -----	None

ANALYSIS

The budget estimate for compensation insurance benefits for state employees for the 1949-50 Fiscal Year was \$370,000. Actual expenditures for the first six months of the current fiscal year indicate that the total expenditures will amount to \$480,000. The budget request provides the additional \$110,000 which will be necessary to cover costs for the 1949-50 Fiscal Year. We recommend approval of the amount requested.

MISCELLANEOUS

ITEM 274 of the Budget Bill

Budget page 766
Budget line No. 74

For Refund of Payments of Taxes, Licenses, Fees and Other Receipts From the General Fund

Amount requested -----	\$5,000
Estimated to be expended in the 1949-50 Fiscal Year -----	5,000
Increase -----	None

RECOMMENDATIONS

Amount budgeted -----	\$5,000
Legislative Auditor's Recommendation -----	5,000
Reduction -----	None

ANALYSIS

This appropriation is necessary to make money available for refund of fees or taxes paid in error and transmitted to the General Fund before action was taken on the application which accompanied the fee.

As of February 7, 1950, there had been \$1,992.08 of such claims approved by the Board of Control for the current fiscal year. These refunds included overpayment of inheritance taxes, erroneous fees to the Division of Corporations and the Personnel Board.

We recommend that Item 274 be approved as submitted.

PACIFIC COAST BOARD OF INTERGOVERNMENTAL RELATIONS

ITEM 275 of the Budget Bill

Budget page 767
Budget line No. 69

For Support of State Cooperation With Pacific Coast Board of Intergovernmental Relations From the General Fund

Amount requested	\$10,000
Estimated to be expended in 1949-50 Fiscal Year	None
Increase	\$10,000

RECOMMENDATIONS

Amount budgeted	\$10,000
Legislative Auditor's Recommendation	None
Reduction	\$10,000

ANALYSIS

The Pacific Coast Board of Intergovernmental Relations is a voluntary cooperative organization consisting of representatives of federal, state, and local governments in the States of Washington, Oregon, and California who meet to discuss and to secure cooperation in administrative efforts to solve mutual problems. In the past, it has been the policy of all agencies attending these conferences to provide for time and traveling expenses of the persons in attendance in the budgets of the official bodies represented. There are no dues.

In 1947, the Rockefeller Foundation made a grant of \$10,000 per year for three years to support this project. The States of Oregon and Washington will not have legislative sessions in 1950, and for that reason the California State Legislature is being requested to support this entire program during the 1950-51 Fiscal Year when the board will present a plan for permanent financing and operation.

We do not recommend this item of appropriation because we believe that this function overlaps the work of the Commission on Interstate Cooperation, which has an established office in San Francisco and to which the State provides a major share of the support. The State also participates in the Governors' Conference, and the Western Governors' Conferences.

It should be pointed out that this organization is a high policy level group and that adequate appropriations have been made in the budgets of the state agencies to participate in matters of this nature. The same is probably true in the States of Washington and Oregon. This organization is a cooperative project and has no decision making powers. It should

also be pointed out that the administrators and technicians in state agencies have been given relatively liberal budgets to attend regional conferences at which representatives of other states are present. We therefore do not believe that the creation of this additional agency is essential and that state participation in the organization is already adequately provided for. We also call attention to the fact that there has been no request for contributions from the federal or local agencies represented in 1950-51, this budget item constituting a proposal that the State of California shall bear the entire cost of the program budget.

We recommend this item be not approved.

MISCELLANEOUS

ITEM 276 of the Budget Bill

Budget page 768
Budget line No. 13

For Claim of the Secretary of the State Board of Control From Several Funds

Amount requested	\$55,554
Estimated to be expended in the 1949-50 Fiscal Year	417,645
Decrease (86.7 percent)	<u>\$362,091</u>

RECOMMENDATIONS

Amount budgeted	\$55,554
Legislative Auditor's Recommendation	55,554
Reduction	<u>None</u>

ANALYSIS

The amount of \$55,554 is requested to pay 96 claims against the State of California which have been approved by the Board of Control.

Examination of the claims showed that of the 96 approved, 34 claims totaling \$35,333.34 were for damages, losses, burglaries, etc. Twenty-six claims totaling \$14,621.09 were refunds of taxes, fees and deposits. Twenty-three claims amounting to \$3,724.70 were for state obligations for which money had not been appropriated, such as vacation pay, outlawed checks and items for which the State had received goods or services. Thirteen salary overpayments which cannot be recovered total \$1,869.91.

We recommend approval of the amount requested.

RESERVE FOR CONTINGENCIES

ITEM 277 of the Budget Bill

Budget page 772
Budget line No. 22

For Emergency Fund to Be Expended Only on Written Authorization of the Department of Finance for Emergencies

Amount requested	\$1,500,000
Amount appropriated for 1949-50 Fiscal Year	1,600,000
Decrease (6.3 percent)	<u>\$100,000</u>

RECOMMENDATIONS

Amount Budgeted	\$1,500,000
Legislative Auditor's Recommendation	1,500,000
Reduction	<u>None</u>