

**STATE EMPLOYEES' RETIREMENT SYSTEM**

ITEM 33 of the Budget Bill

Budget page 32  
Budget line No. 18

**For Support of the State Employees' Retirement System  
From the General Fund**

Amount requested .....	\$217,608
Estimated to be expended in 1950-51 Fiscal Year .....	231,273
<b>Decrease (5.9 percent) .....</b>	<b>\$13,665</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$13,129	—\$31,141	\$18,012	35	54
Operating expense .....	—3,200	—6,720	3,520	35	55
Equipment .....	1,664	—3,441	5,105	35	56
Plus:					
Decrease in reimbursements .....	1,000	1,000	---	35	59
<b>Total increase .....</b>	<b>—\$13,665</b>	<b>—\$40,302</b>	<b>\$26,637</b>		

**RECOMMENDATIONS**

Amount budgeted .....	\$217,608
Legislative Auditor's recommendation .....	190,971
<b>Reduction .....</b>	<b>\$26,637</b>

**ANALYSIS**

**Change in Procedure for Refunds**

The amount of \$7,260 for salaries and wages and operating expenses is requested to improve the service of refunding contributions to employees of the system who leave state service.

Under the present system 90 to 120 days is required to refund the employees' money that has been deducted from his pay and credited to his account. This is entirely too long a waiting period and in many cases causes undue hardship on employees leaving state service. This delay is caused mainly by the lateness of retirement rolls reaching the State Employees' Retirement System. The proposed procedure involves *two* payments. One for the amount posted to his account at time of retirement and a second payment for the amount which has been deducted from his salary but has not been posted. Under this system an employee must still wait 20 or 30 days for a refund of only a part of his contributions and another 30 or 60 days for the balance due. This proposed procedure appears to be a poor substitute for the present method. The employee is entitled to receive all money due him within a reasonable length of time which we believe should be no longer than three weeks from his last day of service. We recommend that further study be made of the causes of delay and that if possible a procedure be devised that will pay the employee all funds due him by one check and not later than 20 working days after his last working day.

This will eliminate \$7,260 from salaries and wages and operating expenses.

**U. S. Savings Bond Division**

In accordance with the State Board of Control rules and regulations and the provisions of Section 20122 of the Government Code the State Employees' Retirement System proposes to establish a division to account for the funds deducted from state employees' salaries and issue the corresponding U. S. savings bonds. For this purpose the amount of \$19,377 has been requested for the 1951-52 Fiscal Year.

We agree with the pay roll deduction plan for the purpose of U. S. savings bonds purchase. However we believe this work could be done more economically by the central pay roll system which has a punched card installation and would have the deductions recorded in the pay roll cards. At present the centralized pay roll has not absorbed the work of all state agencies pay roll. However the take-over should be completed in the early part of the 1951-52 Fiscal Year.

We recommend that temporary help be used in the retirement system to do this work for the short time until the centralized pay roll system takes over and that no equipment be purchased for this purpose. A book-keeping machine could be rented for a short period of time. The amount of money and the temporary help necessary for retirement system should be determined by the Department of Finance after the date of take-over by the centralized pay roll system has been ascertained. This can be done before final passage of the Budget and the proper amount included as soon as determined. An amendment to Section 20122 of the Government Code will be necessary to accomplish this objective.

**COMMISSION ON INTERSTATE COOPERATION**

ITEM 34 of the Budget Bill

Budget page 36  
Budget line No. 8

*For Support of the Commission on Interstate Cooperation*

*From the General Fund*

Amount requested.....	\$25,880
Estimated to be expended in 1950-51 Fiscal Year.....	25,780
Increase .....	\$100

**RECOMMENDATIONS**

Amount budgeted .....	\$25,880
Legislative Auditor's recommendation.....	25,880
Reduction .....	None

**ANALYSIS**

The principal expenditure of this budget is \$25,000 for support of the Council of State Governments. This is the amount expended each year since 1948-49. Individual state contributions to the Council of State Governments are by formula based primarily upon population. New York, for example, appropriates \$40,000 to the council. We recommend approval of this request.

The Assembly and Senate maintain committees on Interstate Cooperation. The members of these committees are also members of the Commission on Interstate Cooperation. The Assembly allocated \$20,000 and the Senate \$8,000 for the expenses of these committees. The committees and the commission submit the same report.

**GENERAL SUMMARY**

The California Commission on Interstate Cooperation was established in 1939, Government Code Sections 8000-8001. There are similar commissions in 47 other states. Through this commission the State is a member of the Council of State Governments. The commission is composed of five members of the Assembly and five members of the Senate Committee on Interstate Cooperation, and five officers of the State appointed by the Governor.

**PERSONNEL BOARD**

ITEM 35 of the Budget Bill

Budget page 37  
Budget line No. 7

**For Support of the Personnel Board From the General Fund**

Amount requested.....	\$1,365,575
Estimated to be expended in 1950-51 Fiscal Year.....	1,362,955
Increase (0.2 percent).....	\$2,620

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$9,644	—\$1,900	\$11,544	46	61
Operating expense.....	—830	—2,643	1,813	46	62
Equipment.....	—5,950	—6,227	277	46	63
Less:					
Increased reimbursements for personnel services.....	—244	—244	---	46	66
Net increase.....	\$2,620	—\$11,014	\$13,634		

**RECOMMENDATIONS**

Amount budgeted.....	\$1,365,575
Legislative Auditor's recommendation.....	1,359,238
Reduction.....	\$6,337

**ANALYSIS**

A summary of recommended deletions is as follows:

	Amount	Budget page	Line No.
Director of supervisory training.....	\$5,772	45	33
Related operating expenses.....	487	45	49
Equipment.....	78	45	55
Total.....	\$6,337		

The increases and decreases in the proposed 1951-52 Budget over estimated expenditures for 1950-51 shown by function are as follows:

Function	Work load or salary adjustment	Expanded service	Total	Budget increase or decrease
Board.....	—\$1,379	---	—\$1,379	—1.6%
Administration.....	—101	\$7,297	7,196	6.2
Classification.....	—1,039	---	—1,039	—0.5
Examination and recruitment.....	—4,443	---	—4,443	—0.8
Compensation.....	—1,234	---	—1,234	—2.0
Office services.....	—4,703	---	—4,703	—1.5
Training.....	1,885	6,337	8,222	31.3
Cooperative personnel services.....	*244	---	244	0.3
	—\$10,770	\$13,634	\$2,864	0.2
Less:				
Increased reimbursements for personnel service.....	---	---	—244	
Net increase.....	---	---	\$2,620	0.2%

\* All expenses of "Cooperative Personnel Service" are reimbursed by state and local agencies served.

The amount of \$1,365,575 requested for the Fiscal Year 1951-52 represents an increase of \$2,620 or 0.2 percent over estimated expenditures for the current year. It should be noted however that the amount requested for 1951-52 represents a decrease of \$47,676 or 3.4 percent less than the Budget Act appropriation for the current year. Estimated savings of \$50,296 during the current year result from the deletion of 9½ positions due to decreases in work load, and improvements in operating procedures. The agency is to be commended for effecting these changes promptly thereby realizing substantial savings in the current year.

By object of expenditure the amount of \$1,179,032 requested for salaries and wages for the Fiscal Year 1951-52 represents an increase of \$9,644 or 0.8 percent over the amount of \$1,169,388 estimated for expenditure during the current year.

The detail on the increase in salaries and wages is as follows:

Normal salary adjustments-----	\$37,627
2 new positions-----	11,544
9½ positions deleted-----	—23,830
Decrease—temporary help and overtime-----	—4,225
Less: increase in salary savings-----	—11,472
Net increase—Salaries and wages-----	\$9,644

The additional positions requested are as follows:

	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
1 Safety coordinator-----	\$5,772	39	17
1 Director of supervisory training-----	5,772	45	33

The amounts requested for operating expenses and equipment, with the exception of items directly related to the position recommended for deletion, are in line with agency requirements and are recommended for approval as submitted.

**Safety Education Program**

The safety education program proposed for the Budget year is authorized by Section 19261 of the Government Code which was added by Chapter 643, Statutes of 1949. The code provides in part "The board may establish standards of health and safety in state agencies and may develop a comprehensive health and safety program designed to improve the efficiency and raise the morale of state employees."

On September 23, 1949, the Personnel Board asked the Division of Industrial Safety to make a study of injuries to state employees. As a result a "Study of Lost Time Injuries to California State Employees July 1, 1947, through June 30, 1949," was released by the Division of Industrial Safety in March, 1950.

This report indicates the need for state employees becoming "safety conscious" and the desirability of organized accident prevention campaigns. For the two fiscal years studied, the over-all state employee injury frequency—the number of lost time injuries per million man-hours work

—is 15.03. The frequency for civilian employees of the Federal Government for the calendar year 1948 is 7.7. Reduction in accident costs should also result from an improvement in this frequency rate. Direct costs of medical and indemnity payments for the calendar years 1946-47-48 totaled \$1,961,042. These costs do not include such indirect costs as Retirement Board payments and wages paid during disability (sick leave and vacation).

To initiate the safety education program an additional position of safety coordinator at a cost of \$5,772 has been requested. The total cost of the new service in the Personnel Board including related operating expense and additional equipment is \$7,297.

In view of savings to the State that should result in the proposed program, and on the basis that a real improvement will be demonstrated by the Board, we recommend that the amount requested for the safety education program be approved.

#### Expanded Supervisory Training Program

*We recommend that the position of director of supervisory training at a cost of \$5,772, together with related costs for operating expense totaling \$487 and equipment amounting to \$78, not be approved.*

It is recognized that improvement of supervisory personnel in the state service is needed and should be a point of primary emphasis by the Training Division of the Personnel Board. An interagency supervisory training program has been carried on last year and this year in Sacramento through the cooperation of the city schools.

The program has been retarded because of difficulty in finding qualified leaders. It is also noted that it has not been possible to date to initiate like programs outside the Sacramento area. It is also proposed to initiate a supervisors forum as a follow-up for those persons who have participated in the 20-hour training program.

The present technical staff of the Training Division consists of a Chief and two Associate Personnel Technicians. In the interest of economy we recommend that expansion of the Training Division be disapproved, that outside assistance continue to be utilized for supervisory training and that the activities of the Training Division be organized to permit maximum attention to this activity by the existing staff.

#### Telephone and Telegraph

The amount for telephone and telegraph for the current year was reduced by the Legislature from \$18,418 to \$17,377 on the basis that tighter administrative controls on long distance calls would result in substantial savings in toll charges. The Personnel Board acted accordingly and established a rigid procedure for the control of long distance telephone calls.

As a result estimated expenditures for long distance toll charges for the current year have been scheduled to decrease \$1,220 or 30 percent under the \$4,000 actually expended for long distance during the Fiscal Year 1949-50. We believe this reduction illustrates how management can effect substantial savings in telephone toll charges through adequate controls without sacrificing operating efficiency.

SECRETARY OF STATE

ITEM 36 of the Budget Bill

Budget page 47  
Budget line No. 37

For Support of the Secretary of State From the General Fund

Amount requested .....	\$219,255
Estimated to be expended in 1950-51 Fiscal Year .....	196,467
<b>Increase (11.6 percent) .....</b>	<b>\$22,788</b>

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$2,684	—\$532	\$3,216	49	15
Operating expense .....	1,435	—565	2,000	49	34
Equipment .....	18,669	5,716	12,953	49	42
<b>Total increase .....</b>	<b>\$22,788</b>	<b>\$4,619</b>	<b>\$18,169</b>		

RECOMMENDATIONS

Amount budgeted .....	\$219,255
Legislative Auditor's recommendation .....	201,086
<b>Reduction .....</b>	<b>\$18,169</b>

ANALYSIS

The recommended reduction of \$18,169 for an entirely new service is composed of the following :

	Amount
1 Junior chemist (recurring cost) .....	\$3,216
Supplies for laminating process .....	1,500
Travel for junior chemist .....	500
Laminating equipment .....	12,953
<b>Total .....</b>	<b>\$18,169</b>

The above expenditure is for the purpose of laminating historical documents of the State of California.

The reasons for recommending disapproval of the above amount are as follows :

1. This request was previously submitted to the Legislature in the 1949 Session, AB 2401, which proposed an appropriation of \$10,000 for a records preservation laboratory, and was disapproved by the Ways and Means Committee.

2. Technicians have expressed doubt as to the acceptability of the lamination process.

3. Only approximately 3,000 documents are to be laminated. The capacity of the machine is 75 to 125 per hour. Therefore, the use of the equipment would be required for a short period of three months. It does not appear that for so small a job the purchase of the equipment is justified.

4. There are no known available operators in the West. The chemist must be sent east for training. The expense of training would recur each time the position was vacated.

5. There is no evidence that other state agencies or the public would use this service to make it self-supporting.

It should also be pointed out that the Department of Finance refused the request for emergency funds for this purpose in 1949 and refused to

allow the amount of \$11,000 to be included in the 1950-51 Budget. The management analysis section of the Department of Finance in its report of November 9, 1949, recommended that funds be disallowed for this purpose.

Due to the fact that this is a one-time job we recommend that the laminating of the documents in question be contracted with a firm doing this type of work. It will be necessary to amend Section 12262 of the Government Code to clarify the authority of the Secretary of State to remove documents from his custody.

**Secretary of State**  
**PRINTING OF ROSTER OF PUBLIC OFFICIALS**

ITEM 37 of the Budget Bill Budget page 51  
Budget line No. 11

*For Support of the Compilation and Publication of Roster of Public Officials, From the General Fund*

Amount requested .....	\$4,000
Estimated to be expended in 1950-51 Fiscal Year .....	4,000
Increase .....	None

**RECOMMENDATIONS**

Amount budgeted .....	\$4,000
Legislative Auditor's recommendation .....	4,000
Reduction .....	None

**ANALYSIS**

The cost of producing the roster has been decreased \$1,000 since the 1949-50 Fiscal Year. This was accomplished by a reduction in the preparation costs with the use of an electric typewriter and reduction in the printing costs by making photographic plates of the copy.

**Secretary of State**  
**COLLECTION AGENCY DIVISION**

ITEM 38 of the Budget Bill Budget page 52  
Budget line No. 27

*For Support of the Collection Agency Division From the Collection Agency Fund*

Amount requested .....	\$36,074
Estimated to be expended in 1950-51 Fiscal Year .....	34,189
Increase (5.5 percent) .....	\$1,885

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$86	\$86	---	51	66
Operating expense .....	792	792	---	52	18
Equipment .....	1,007	1,007	---	52	25
Total Increase .....	\$1,885	\$1,885	---		

**RECOMMENDATIONS**

Amount budgeted .....	\$36,074
Legislative Auditor's recommendation .....	36,074
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Reduction .....	None

**ANALYSIS**

It should be pointed out in connection with the Collection Agency Division that it is now estimated to be on a self-supporting basis. Estimated revenue for 1951-52 is \$39,500, while requested expenditures are \$36,074. Nevertheless, in the interests of sound government organization, we believe the Legislature should give consideration to the transfer of the division to the Department of Professional and Vocational Standards, which has primary responsibility for the licensing and regulation of business and professions.

**DEPARTMENT OF AGRICULTURE**

ITEM 39 of the Budget Bill

Budget page 54  
Budget line No. 63

**For Support of the Department of Agriculture From the General Fund**

Amount requested .....	\$4,669,451
Estimated to be expended in 1950-51 Fiscal Year .....	4,562,730
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Increase (2.3 percent) .....	\$106,721

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$49,669	\$32,093	\$17,576	75	47
Operating expense .....	65,183	2,190	62,993	75	48
Equipment .....	-5,843	-15,986	10,143	75	49
Less:					
Increase in reimburse- ments .....	-2,288	-2,288	---	75	52
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Total increase .....	\$106,721	\$16,009	\$90,712		

**RECOMMENDATIONS**

Amount budgeted .....	\$4,669,451
Legislative Auditor's recommendation .....	4,669,451
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Reduction .....	None

**ANALYSIS**

The amount requested for support of the Department of Agriculture from the General Fund for the Fiscal Year 1951-52 provides for increases in departmental activities as follows:

Activities	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Departmental Administration	\$9,038	\$9,038	---	53	8
Division of Plant Industry					
Administration .....	404	404	---	53	12
Bureau of Entomology					
General entomology .....	-4,113	-4,113	---	53	14
Destruction and control of beet leaf hoppers and host plants .....	19,000	---	\$19,000	53	15