

The division has developed a program of cooperation with industry, business, labor and civic leaders and as a result more than 50 community employment planning committees are now operating in California. With the assistance and advice of the division, these committees have been helpful in determining the availability of plants and manpower suitable for conversion to production related to the defense mobilization effort and in helping local industries and manpower to convert production capacity from less essential to more essential activities. Assistance has also been given in selecting locations for new plant facilities with a view to minimizing fluctuations in the labor market and taking fullest advantage of the available labor supply, as well as in developing effective relations among the community committees, the military procurement agencies and the major defense production contractors in California.

The division is also working on the problem of utilizing manpower available among older workers, the physically handicapped and other groups not readily acceptable in the labor market, as well as working with the Governor's Commission on Small Business. It has also been active in working out programs for subcontracting certain parts of production activities in connection with large manufacturing operations such as the aircraft industry.

Since the Federal Government will not provide funds for the program unless the State continues to bear one-half the costs, and since the results achieved so far seem to justify continuation of the program, we recommend approval of this request.

BUDGETARY CONTROL SECTIONS

Section 3, page 109, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that major construction, improvement or equipment projects authorized in the Budget Act shall be subject to approval and control of the Public Works Board as outlined in Section 3 of Chapter 145 of the Statutes of 1946, First Extraordinary Session. However, instead of the report required in Chapter 145, the report of expenditures for any projects acted upon by the Public Works Board will be included in the Budget submitted by the Governor. This section will assure that additional review will be given to capital outlay projects with particular reference to proper timing.

Section 4, page 109, of the Budget Bill

Recommendation: *We recommend elimination of the section.*

This section would revert certain appropriations and allotments, which were deferred by Sections 3.3 and 3.4 of the Budget Act of 1951, to a so-called unappropriated balance of the Capital Outlay and Savings Fund. The appropriations and allotments listed appear in the Budget Bill of 1952 as appropriations for the same projects.

The enactment of this section would be, in effect, an agreement by the Legislature that the projects eliminated by Sections 3.3 and 3.4 of the Budget Act of 1951 retained their identity in the Capital Outlay and Savings Fund or that they were, in effect, placed in "pockets" dedicated to the projects named. It is our understanding that such was not the

intention of the Legislature in its enactment of Sections 3.3 and 3.4 of the Budget Act of 1951. On the contrary, the action taken by the Legislature with reference to these projects was, in effect, a loss of identity as such in the Capital Outlay and Savings Fund in the sense that the Legislature would consider all proposed appropriations from the fund henceforth as new projects.

Section 5, page 111, of the Budget Bill

Recommendation: *We recommend elimination of the section.*

This section would perform the same function as Section 4 above with respect to the sum of \$1,000,000 which was appropriated by Chapter 1516 of the Statutes of 1951 which added Section 19627.3 to the Business and Professions Code and thereby made available the sum of \$1,000,000 annually for three years for permanent improvements at the Kellogg and Voorhis Units of the California State Polytechnic College. Chapter 1516 also deferred actual expenditure of the money and transferred it into the Capital Outlay and Savings Fund. We believe that here, also, the intention was a loss of identity with the future projects being requested on their own merits from time to time.

Section 6, page 111, of the Budget Bill

Recommendation: *We recommend approval.*

This section restricts expenditures from appropriations made in the Budget Act to categories or projects set forth in the Budget Act schedule except as otherwise provided in other sections of this act.

Section 7, page 112, of the Budget Bill

Recommendation: *We recommend that this section be amended to eliminate the words which would permit the Director of Finance to transfer funds between projects in capital outlay items.*

Section 7 prior to 1951 has permitted transfer of funds with approval of the Director of Finance only between so-called object categories in support, i.e., salaries and wages, operating expenses, and equipment. As Section 7 is now worded it would permit transfers between projects scheduled in each separate capital outlay item.

We do not believe that this change is desirable but feel that the Legislature should continue the line item type of control which was in the 1949, 1950, and 1951 Budget Acts for capital outlay projects.

Section 8, page 112, of the Budget Bill

Recommendation: *We recommend approval.*

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

Section 9, page 113, of the Budget Bill

Recommendation: *We recommend approval.*

This section permits the payment of premiums for bonds covering a period in excess of one fiscal year. This will permit a saving in the amount required for certain bonds.

Section 10, page 113, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that appropriations for expenses of the Legislature shall be disbursed under direction of the Legislature and are not subject to budgetary control of the Department of Finance or audit by the State Controller.

Section 11, page 113, of the Budget Bill

Recommendation: *We recommend approval.*

This section requires that the State Engineer shall make a report as to the engineering and economic feasibility of projects subject to the Flood Control Fund Act of 1946 and that reallocation of funds shall be made by the Water Resources Board. It also provides that the Water Resources Board shall determine the amounts of the reallocation.

Section 12, page 113, of the Budget Bill

Recommendation: *We recommend approval.*

This section relates to payments by the State Controller from appropriations in the Budget Act. All such claims must be audited by the Controller in accordance with rules of the State Board of Control. Provision is made for claims of a confidential nature.

Section 13, page 113, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that an agency may withdraw from an appropriation a sum up to 10 percent of the total amount appropriated to be used as a revolving fund. Provision is made for audit and approval of such funds. This section is similar to a provision contained in the Budget Act of 1951.

Section 14, page 114, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that expenditures from the Emergency Fund or Salary Increase Fund shall be deemed an augmentation and increase of the appropriation made by this act for accounting purposes.

Section 15, page 114, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that appropriations under this act shall be expended in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance. Provision is made for Salary Savings Reserve.

Section 16, page 115, of the Budget Bill

Recommendation: *We recommend approval of this section.*

This section provides that no money appropriated by this act shall be used to pay the salary of any authorized state position which was vacant or continuously unfilled between October 15, 1951, and July 1, 1952, except with the specific approval of the Director of Finance subsequent to July 1, 1952.

This section also provides that the Director of Finance shall make a report of all positions vacant for the period specified to the Joint Legislative Budget Committee not later than 30 days prior to the convening of

the 1953 Regular Session of the Legislature. A report of positions authorized to be filled and positions abolished pursuant to this section is also required. Similar sections were amended into the 1950 and 1951 Budget Bills by the Legislature.

A recapitulation of action taken by the Department of Finance on positions falling under provisions of the comparable section of the Budget Act of 1951 is as follows:

<i>Agency</i>	<i>Number of positions under 13.5</i>	<i>Number authorized to be filled</i>	<i>Number abolished</i>	<i>Number pending further review</i>
Personnel Board	2	--	2	--
Department of Agriculture	8	1	5	2
Department of Corrections	18	17	1	--
Youth Authority	7	3	4	--
Education	20	17	2	-1
Department of Employment	2	--	2	--
State Controller	3	--	3	--
State Board of Equalization	11	9	2	--
Department of Finance	8	4	4	--
Sixth District Agricultural Association	1	1	--	--
Franchise Tax Board	5	5	--	--
Department of Highway Patrol	3	3	--	--
Department of Industrial Relations	5	4	1	--
Department of Investment	2	2	--	--
Department of Mental Hygiene	165	156	1	8
Adjutant General	41	28	11	2
Department of Fish and Game	11	11	--	--
Division of Beaches and Parks	1	1	--	--
Division of Mines	1	1	--	--
Department of Professional and Vocational Standards	4	1	2	1
Public Utilities Commission	1	1	--	--
Division of Architecture	1	1	--	--
Division of Water Resources	4	3	--	1
Colorado River Board	1	--	--	1
Department of Social Welfare	2	2	--	--
Department of Veterans Affairs	1	1	--	--
Department of Public Health	13	5	8	--
Totals	341	277	48	16

Section 17, page 115, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that the Department of Finance must investigate and establish the necessity for the acquisition or replacement of motor vehicles. It provides that all passenger cars shall be of the light class except for constitutional officers or unless the Director of Finance determines that unusual requirements would justify a heavier class car.

Section 18, page 116, of the Budget Bill

Recommendation: *We recommend approval.*

This section establishes the same restriction of light cars for the Department of Public Works as Section 17.

Section 19, page 116, of the Budget Bill

Recommendation: *We recommend approval.*

This section prohibits officers of state agencies which receive appropriations in the Budget Act from making expenditures in excess of such appropriations without the consent of the Department of Finance.

Section 20, page 116, of the Budget Bill

Recommendation: *We recommend approval.*

This section prohibits the renewal of any fire insurance on public property with certain exceptions.

Section 21, page 116, of the Budget Bill

Recommendation: *We recommend approval.*

This section prohibits the purchase of furnishings for any house or apartment of three or more rooms other than a dormitory except for a superintendent of an institution, warden or physician. This is similar to a provision in the 1951 Budget Act.

Section 22, page 117, of the Budget Bill

Recommendation: *We recommend approval.*

This section restricts expenditures for rugs or carpets for state offices.

Section 23, page 117, of the Budget Bill

Recommendation: *We recommend approval.*

This section permits the State Board of Control, upon the recommendation of the Director of Finance, to transfer unneeded funds from an appropriation for support for an institution, school or college to another institution, school or college within the same agency. This is limited to the Department of Corrections, the California Youth Authority, the Department of Education and the Department of Mental Hygiene.

Section 24, page 117, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides for the reversion to the General Fund of unexpended balances, as of June 30, 1952, of certain specified appropriations made available without regard to fiscal year.

Part A provides for the reversion to the General Fund of the unexpended balance of the \$10,000 appropriated by Chapter 144, Statutes of 1946, First Extraordinary Session, for the expenses of the Agricultural Research Study Committee created by the same act. Chapter 118, Statutes of 1947, provides that the committee shall cease to exist on and after the ninety-first day after final adjournment of the 1949 Regular Session of the Legislature.

Part B provides for the reversion to the General Fund of the unexpended balance of the \$1,000,000 appropriated by Chapter 27, Statutes of 1947, to provide funds for financing a program for the acquisition of surplus housing for resale to veterans. Activity under this program was terminated during the 1948-49 Fiscal Year. The amount of \$700,000 of the \$1,000,000 appropriated by Chapter 1032, Statutes of 1949, to the Soil Conservation Equipment Revolving Fund was made available by transfer from the appropriation made by Chapter 27, Statutes of 1947.

Part C provides for the reversion to the General Fund of the unexpended balance of the \$5,000 appropriated by Chapter 361, Statutes of 1947, for the expenses of the Agricultural Research Study Committee. The committee no longer exists.

Part D provides for the reversion to the General Fund of the unexpended balance of the \$5,500 appropriated by Chapter 9, Statutes of 1950, First Extraordinary Session, for expenses of Members of the Senate incurred by them while attending the 1950 First Extraordinary Session of the Legislature.

Part E provides for the reversion to the General Fund of the unexpended balance of the \$20,000 appropriated by Chapter 11, Statutes of 1950, Third Extraordinary Session, for the expenses of Members of the Assembly incurred by them while attending the 1950 Third Extraordinary Session of the Legislature.

Part F provides for the reversion to the General Fund of the unexpended balance of the \$5,000 appropriated by Chapter 9, Statutes of 1950, Third Extraordinary Session, for the payment of mileage for the members and officers of the Assembly incurred while attending the 1950 Third Extraordinary Session of the Legislature.

Section 25, page 117, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides for the effect upon appropriations if any item is eliminated or reduced by the veto of the Governor.

Section 26, page 118, of the Budget Bill

Recommendation: *We recommend approval.*

This section permits the Department of Finance to transfer funds from one agency to another when the functions performed by the respective agencies are transferred.

Section 27, page 118, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that when functions of any agency for which appropriation has been made in this act are discontinued the unexpended portion of the appropriation for such agency shall revert to the unexpended balance of the fund from which such appropriation was made.

Section 28, page 118, of the Budget Bill

Recommendation: *We recommend approval.*

This section provides that the State Board of Control shall make adjustments in appropriations as a result of changes of laws affecting an agency.

Section 29, page 118, of the Budget Bill

This is a savings clause to protect the Budget Act should a portion of it be declared unconstitutional.

Section 30, page 118, of the Budget Bill

This section provides that the Budget Act shall take effect immediately.