

**REVENUE DEFICIENCY (RAINY DAY) FUND**

ITEM 32 of the Budget Bill

**For Use of Revenue Deficiency (Rainy Day) Fund for Extreme Emergencies**

This item makes available in the event of an extreme emergency during the 1953-54 Fiscal Year any money in the Revenue Deficiency Reserve Fund for such an emergency. For purposes of extreme emergency as defined by Section 1505 of the Military and Veterans Code, it provides that this money or so much as necessary shall be transferred to the Emergency Fund upon direction of the Governor, Controller and Director of Finance and pursuant to the recommendation of the California State Disaster Council. Upon termination of the state extreme emergency, the unencumbered balance of the money so transferred shall be returned to the Revenue Deficiency Reserve Fund.

The same use of the "Rainy Day" Fund as provided by this item was made by Item 269.1 of the Budget Act of 1951 and was provided for by statute during the 1950-51 and current fiscal years. We believe adequate safeguards are established for the use of this money during extreme emergencies.

We recommend approval.

**LIEUTENANT GOVERNOR**

ITEM 33 of the Budget Bill

Budget page 30  
Budget line No. 7

**For Support of the Lieutenant Governor From the General Fund**

Amount requested .....	\$31,770
Estimated to be expended in 1952-53 Fiscal Year .....	33,777
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Decrease (5.9 percent) .....	\$2,007

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	—\$227	—\$227	---	30	27
Operating expense .....	—1,780	—1,780	---	30	39
Equipment .....	---	---	---	---	---
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Total increase .....	—\$2,007	—\$2,007	---		

**RECOMMENDATIONS**

Amount budgeted .....	\$31,770
Legislative Auditor's recommendation .....	31,770
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Reduction .....	None

**ANALYSIS**

The decrease of \$2,007, or 5.9 percent, over the current year is largely due to the decrease in the item of traveling which should be less for the budget session year of 1953-54. We recommend approval of the amount requested.

# Employees' Retirement

## STATE EMPLOYEES' RETIREMENT SYSTEM

ITEM 34 of the Budget Bill

Budget page 31  
Budget line No. 17

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

Amount requested .....	\$239,495
Estimated to be expended in 1952-53 Fiscal Year .....	276,972
Decrease (15.6 percent) .....	\$37,477

#### Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	—\$14,242	—\$14,242	---	34	26
Operating expense .....	10,615	10,615	---	34	27
Equipment .....	—10,115	—10,115	---	34	28
Less:					
Increased reimbursements ..	—23,735	—23,735	---	34	32
Total increase .....	—\$37,477	—\$37,477	---		

#### RECOMMENDATIONS

Amount budgeted .....	\$239,495
Legislative Auditor's recommendation .....	239,495
Reduction .....	None

#### ANALYSIS

The decrease of \$14,242 in salaries and wages is due to the following:

Decrease in salary savings .....	+\$5,450
Decrease in authorized positions .....	22,398
One proposed new position .....	+2,706
Net decrease .....	\$14,242

The significant decrease of \$22,398 in authorized positions results mainly from a decrease of \$23,978 for the 1953-54 Fiscal Year for temporary help to bring up to date the accumulation of current service from January 1, 1932, to June 30, 1950. This backlog will be liquidated before the 1953-54 Fiscal Year. Therefore, no request is being made for the 1953-54 Fiscal Year for this purpose. The function of verifying state members' prior service shows a decrease of \$3,600. These decreases are partially offset by the normal salary adjustments.

One proposed new position of intermediate clerk is requested for the 1953-54 Fiscal Year. This position is fully justified on an anticipated increased work load basis.

The increase of \$10,615 is the result of anticipated work load and is principally due to the following:

Printing .....	\$3,232
Postage .....	640
Rent—building space .....	2,400
Office—actuarial valuation for 1954 .....	5,500
Total .....	\$11,772

Minor decreases offset, in part, the above increase.

Membership increases and old worn-out files have necessitated the purchase of many new files to house the current records of the system. It is anticipated that \$11,900 will be spent for new files in the 1952-53 Fiscal

Year. However, more new filing cabinets will be needed during the 1953-54 Fiscal Year to accommodate the anticipated increased membership. The amount requested for this purpose for the 1953-54 Fiscal Year is \$9,140.

The amount of \$7,576 is estimated to be expended in the current fiscal year for the purchase of office machinery, while only \$2,799 is requested for the 1953-54 Fiscal Year. An office safe, amounting to \$1,346, was purchased in the current fiscal year. No expenditure of this nature is anticipated in the 1953-54 Fiscal Year.

The above items of expenditure explain the major portion of the \$10,115 decrease in equipment.

The increase of \$23,735 in reimbursements is due to a proposed increase in charge for services of 25 cents per member of contracting public agencies.

The following table shows the anticipated work load increases for the Fiscal Year 1953-54:

<i>Item</i>				<i>Increase 1953-54</i>	
	<i>1951-52</i>	<i>1952-53</i>	<i>1953-54</i>	<i>over 1952-53</i>	<i>Percent</i>
Membership:					
State -----	62,848	63,800	67,200	3,400	5.3
Public agency -----	50,970	52,000	53,000	1,000	1.9
Subtotals -----	113,818	115,800	120,200	4,400	3.8
Retired members -----	6,639	7,420	8,370	950	12.8
Totals -----	120,457	123,220	128,570	5,350	4.3
Deaths -----	474	500	525	25	5.0
Withdrawals -----	17,346	17,000	17,000	---	---

**COMMISSION ON INTERSTATE COOPERATION**

ITEM 35 of the Budget Bill

Budget page 35  
Budget line No. 7

*For Support of Commission on Interstate Cooperation From the General Fund*

Amount requested -----	\$27,105
Estimated to be expended in 1952-53 Fiscal Year -----	26,532
Increase (2.2 percent) -----	\$573

**RECOMMENDATIONS**

Amount budgeted -----	\$27,105
Legislative Auditor's recommendation -----	27,105
Reduction -----	None

**ANALYSIS**

The California Commission on Interstate Cooperation is composed of five Members of the Senate, five Members of the Assembly and five members appointed by the Governor. The expenses of the legislative members are paid through allocations from legislative funds to the Senate and Assembly Committees on Interstate Cooperation, respectively. This commission was established by Chapter 376, Statutes of 1939, and is designed to furnish a means whereby representatives of the 48 states can meet and discuss and report upon problems of joint state interest and of state-federal relations.

The requested budget for 1953-54 of \$27,105 is \$573 or 2.2 percent above estimated expenditures for 1952-53. There has been no substantial

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change in the program for 1953-54 except for an increase of from \$900 to \$1,500 for travel expense. This expenditure appears to be justified in view of the increased regional conferences and activities sponsored in recent years by the Council of State Governments. The largest part of this expenditure is \$25,000 which is the California share of support to the Council of State Governments, mainly for the maintenance of a western regional office and staff in San Francisco. This is the same amount as has been appropriated for this purpose in previous years.

We recommend approval of the budget as submitted.

**PACIFIC COAST BOARD OF INTERGOVERNMENTAL RELATIONS**

ITEM 36 of the Budget Bill

Budget page 35  
Budget line No. 70

*For State of California Participation or Membership in the Pacific Coast Board of Intergovernmental Relations From the General Fund*

Amount requested .....	\$10,000
Estimated to be expended in 1952-53 Fiscal Year .....	10,000
Increase .....	None

**RECOMMENDATIONS**

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

**ANALYSIS**

The amount requested would provide for the State's share in supporting the Pacific Coast Board of Intergovernmental Relations. There have been no expenditures charged against the current year appropriation for this purpose as of the writing of this analysis as a contract is being negotiated, the terms of which will provide the basis for the State paying its share of this organization's cost of operation. There is no record that either Oregon or Washington has contributed to the organization's support up to this time.

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. It has been the policy for 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.

We recommend disapproval of this item for the reasons presented at the time of the previous requests. 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.

We wish to point out again 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.

This organization is a cooperative project and has no decision-making powers. It should also be noted that state agencies have been provided relatively liberal budgets to permit administrators and technicians to attend conferences at which representatives from other states are present.

*We, therefore, do not believe that this additional agency is essential and recommend that this item be not approved.*

**PERSONNEL BOARD**

ITEM 37 of the Budget Bill

Budget page 36  
Budget line No. 7

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

Amount requested .....	\$1,571,283
Estimated to be expended in 1952-53 Fiscal Year .....	1,541,016
Increase (2.0 percent) .....	\$30,267

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$18,903	\$11,103	\$7,800	44	33
Operating expense .....	10,945	2,409	8,536	44	34
Equipment .....	2,014	1,634	380	44	35
Less:					
Increased reimbursements .....	—1,595	—1,595	---	44	38
Total increase .....	\$30,267	\$13,551	\$16,716		

**RECOMMENDATIONS**

Amount budgeted .....	\$1,571,283
Legislative Auditor's recommendation .....	1,561,303
Reduction .....	\$9,980

**ANALYSIS**

The following is a summary of the recommended reductions:

	Amount	Budget page	Line No.
Examining and recruiting out-of-state expert examiners..	\$1,800	40	36
Compensation			
2 junior staff analysts .....	7,800	40	77
Equipment—additional .....	380	41	22
Total reduction .....	\$9,980		

The amount of \$1,571,283 is requested for the support of the Personnel Board for the 1953-54 Fiscal Year. This represents an increase of \$30,267, or 2.0 percent, over estimated expenditures for the current year. The amount of \$1,441,662 appropriated by the Budget Act of 1952 for support during the current year has been augmented by allocations of \$80,033 from the Salary Increase Fund and \$19,321 from the Emergency Fund. Experience to date during the current year indicates that the proposed allocation from the Emergency Fund will be necessary because estimated salary savings are not being realized.

**Personnel Board**

The increases and decreases in the proposed 1953-54 Budget over estimated expenditures for 1952-53, shown by function, are as follows:

<i>Function</i>	<i>Increase or decrease</i>	<i>Percent</i>
Board -----	\$613	0.6
Administration -----	185	0.1
Classification -----	171	0.07
Examining and recruiting -----	7,945	1.3
Compensation -----	16,620	21.7
Office services -----	5,049	1.5
Training -----	154	0.4
Cooperative personnel services * -----	1,125	1.5
Less: Increased reimbursements -----	-1,595	---
<b>Net increase -----</b>	<b>\$30,267</b>	<b>2.0</b>

\* All costs of "cooperative personnel services" are reimbursed by state and local agencies served.

Work load data upon which the budget request is based indicate an increase of 1,000 civil service employees over the current year and a slight increase in the number of examinations to be held. In general, however, it can be considered that the work load in the budget year will be at approximately the current year level.

	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Examining and recruiting			
Reduce out-of-state expert examiners -----	\$1,800	40	36

*We recommend deletion of the increase provided for out-of-state expert examiners.* This represents an expansion of nation-wide recruitment activities. These activities are centered largely in the medical classes. Nation-wide recruitment is carried on only when sufficient qualified applicants are not available within the State. We believe the vacancy situation in the State today does not justify expansion of this activity.

	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Compensation			
Delete two junior staff analysts -----	\$7,800	40	77
Related equipment -----	380	41	22
<b>Total -----</b>	<b>\$8,180</b>		

This division is responsible for developing state-wide wage and salary data upon which to base recommendations to the Personnel Board relative to salary ranges for all civil service classes. This division has relied heavily in the past on data collected by cooperative surveys conducted jointly by local, state and federal agencies. We agree with the agency that the size of the state payroll, and other factors involved in obtaining adequate pay data, justify the conducting by the State of independent salary surveys in the future.

It is proposed to accomplish the four area wage surveys each year by utilizing staff members from the examining and classification divisions for a three to six weeks' period. The two additional positions requested were to permit partial repayment to other divisions of man-hours contributed. This is a new activity and the type of program that is best accomplished as a joint activity, and one that should be absorbed by the present staff until an experience pattern is established. Increases in operating expenses, in the amount of \$6,736 for additional travel, rent and telephone necessary to support this activity, is recommended for approval.

**SECRETARY OF STATE**

ITEM 38 of the Budget Bill

Budget page 45  
Budget line No. 37

*For Support of the Secretary of State From the General Fund*

Amount requested .....	\$200,110
Estimated to be expended in 1952-53 Fiscal Year .....	202,753
Decrease (1.3 percent) .....	<u>\$2,643</u>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	—2,578	—2,578	---	48	23
Operating expense .....	1,694	1,694	---	48	24
Equipment .....	—1,759	—1,759	---	48	25
Total increase .....	<u>—\$2,643</u>	<u>—\$2,643</u>	---		

**RECOMMENDATIONS**

Amount budgeted .....	\$200,110
Legislative Auditor's recommendation .....	200,110
Reduction .....	None

**ANALYSIS**

The decrease of \$2,578 in salaries and wages is due primarily to a reduction of \$2,597 in temporary help used for the employment of election clerks. All work relating to the 1952 elections will be completed in the current fiscal year.

The increase of \$1,694 is due mainly to the inclusion of \$4,500 for printing costs of the Roster of Public Officials. This amount is offset in part by several insignificant decreases in other items of operating expenses.

The major item which explains the decrease of \$1,759 for equipment is contained in the request for additional equipment for the central records depository. In the current fiscal year the amount of \$1,479 was estimated to be expended for additional equipment but only \$200 is requested for the 1953-54 Fiscal Year.

We recommend approval of the amount requested.

**Secretary of State  
COLLECTION AGENCIES DIVISION**

ITEM 39 of the Budget Bill

Budget page 49  
Budget line No. 48

*For Support of the Collection Agencies Division From the General Fund*

Amount requested .....	\$37,976
Estimated to be expended in 1952-53 Fiscal Year .....	35,967
Increase (5.6 percent) .....	<u>\$2,009</u>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$109	\$109	---	49	23
Operating expense .....	962	962	---	49	39
Equipment .....	938	938	---	49	46
Total increase .....	<u>\$2,009</u>	<u>\$2,009</u>	---		