

**RECOMMENDATIONS**

Amount budgeted .....	\$95,550
Legislative Auditor's recommendation .....	95,550
<hr/>	
Reduction .....	None

**ANALYSIS**

In order to prevent duplication, necessary field and laboratory work is performed for the boards by other state agencies best qualified to render the required technical service. Such service consists of studies of the pollution effects of sewerage and industrial wastes, prescribing discharge requirements, determining effect of drainage wells on ground waters, and special investigations as required.

Approval of the budget request is recommended.

**Public Utilities Commission  
GENERAL FUND ACTIVITIES**

ITEM 246 of the Budget Bill

Budget page 802  
Budget line No. 7

*For Support of Public Utilities Commission From the General Fund*

Amount requested .....	\$1,798,189
Estimated to be expended in 1952-53 Fiscal Year .....	1,653,861
<hr/>	
Increase (8.7 percent) .....	\$144,328

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages .....	\$154,439	\$127,139	\$27,300	808	10
Operating expense .....	6,815	6,815	---	808	11
Equipment .....	1,097	1,097	---	808	12
Less:					
Reimbursements .....	—18,023	—18,023	---	808	15
<hr/>					
Total increase .....	\$144,328	\$117,028	\$27,300		

**RECOMMENDATIONS**

Amount budgeted .....	\$1,798,189
Legislative Auditor's recommendation .....	1,784,173
<hr/>	
Reduction .....	\$14,016

**ANALYSIS**

About 54 percent of the activities of the Public Utilities Commission are financed from the General Fund (Item 246 of the Budget Bill), the remainder from the Transportation Rate Fund (Item 247 of the Budget Bill). Activities supported by the latter fund have to do with regulation of rail, truck and water carriers engaged in transportation of property.

About 80 percent of total expenditures for the agency, including salaries and wages, are paid out of the General Fund in the first instance and detailed on a line item basis in that section of the budget, the General Fund being reimbursed by the Transportation Rate Fund for its pro rata share under a plan of financial settlement.

Total expenditures and personnel requested for General Fund activities are shown in the budget under the following headings:

	<i>Personnel requested</i>	<i>Total budget requested</i>	<i>Budget page</i>	<i>Line No.</i>
Administration .....	72	\$444,286	802	80
Control and regulation .....	309	1,912,764	804	25
Hearings and formal investigations .....	33	255,210	806	24
Reporting .....	19	131,712	807	74
Totals .....	433	\$2,743,972	808	14
Reimbursements				
Services to Transportation Rate Fund ...		—860,783	808	16
Reporting services to litigants .....		—85,000	808	17
Net total, General Fund expenditures ...		\$1,798,189		

Of the 29 proposed new positions for General Fund activities for 1953-54 shown in the summary on Budget page 808, line 6, five are permanent and 24 are for one year only, to expire June 30, 1954.

A summary of our recommended reductions is as follows:

	<i>Amount</i>	<i>Budget page</i>	<i>Line No.</i>
Utilities Division			
1 Senior utilities engineer .....	\$7,008	805	55
Transportation Division, rate section			
1 Senior transportation engineer .....	7,008	805	66
Total .....	\$14,016		

These positions are both requested on a permanent basis for the purpose of rendering consulting service and general advice to cities, counties, districts and other consumer groups on such rate and technical regulatory problems as they may request.

This is an entirely new program which we do not believe is justified at the present time in view of serious backlogs in other activities of the agency.

All of the other three additional permanent positions requested are in the Division of Administration, being an administrative assistant I, for increased work load brought about by the centralization of personnel and budgetary functions, and two clerical, one for the new administrative assistant position and the other for increased work load in the stockroom.

#### GENERAL SUMMARY

Table 1 shows for 1953-54 positions now authorized and proposed new positions for all General Fund activities, by operating units. The total of columns 1 and 2 equals the 404 positions shown in the summary on budget page 808, line 6, while the total of columns 3 and 4 equals the total of 29 shown on line 6 of the same page.

Table 1—Positions Now Authorized and Proposed New Positions, 1953-54, by Operating Units

Operating unit	Now authorized		Proposed new		Total (1) to (4)
	Permanent (1)	Temporary positions extended to 6/30/54 (2)	Permanent (3)	Temporary to 6/30/54 only (4)	
Administration .....	68	—	3	1	72
Control and Regulation:					
Utilities Division .....	115	14	1	18	148
Utility Finance and Ac- counts Division .....	30	—	—	—	30
Transportation Division— general staff .....	6	—	—	—	6
Transportation Division— engineering .....	61	9	1	—	71
Transportation Division— rate section .....	49	2	—	3	54
Hearings and Formal Investi- gations:					
Legal Division .....	12	—	—	2	14
Examiners Division .....	15	4	—	—	19
Reporting .....	19	—	—	—	19
Totals .....	375	29	5	24	433

The positions shown in column 2 in Table 1 have all been previously authorized for one-year periods only and are being extended on the same basis in this budget. For 18 of the positions, the 14 in the Utilities Division and the four in the Examiners Division, this represents the second such renewal since these were first authorized to June 30, 1952 only.

The detail of these 29 temporary positions by operating unit and class, as well as the total salaries involved and the budget references, are shown in Table 2.

Table 2—Temporary Positions Extended to 6/30/54

Unit and classification	No. of Positions	1953-54 Salary	Budget page	Line No.
Utilities Division:				
Senior utilities engineer .....	2	\$15,744	804	34
Associate utilities engineer .....	2	12,445	804	37
Assistant utilities engineer .....	5	25,005	804	40
Senior stenographer-clerk .....	1	3,555	804	48
Supervising calculating machine operator .....	1	3,825	804	51
Calculating machine operator .....	1	2,952	804	54
Intermediate stenographer-clerk .....	2	6,152	804	60
Transportation Division—Engineering Section:				
Associate transportation engineer .....	4	24,520	805	12
Assistant transportation engineer .....	3	14,921	805	15
Truck operations supervisor .....	2	11,544	805	23
Transportation Division—Rate Section:				
Assistant transportation rate expert .....	2	9,960	805	44
Hearings and Formal Investigations— Examiners Division:				
Legal examiner .....	3	25,458	806	60
Intermediate stenographer-clerk .....	1	3,372	806	66
Totals .....	29	\$159,453		

Of the positions in the Utilities Division shown in Table 2, one intermediate stenographer-clerk was included in the 1951-52 budget as a one-year position to expire June 30, 1952. The remaining 13 positions (9 engineers and 4 clerical) were established out of the Emergency Fund in December, 1951, to expire June 30, 1952, to assist in eliminating the current backlog in work orders, and were extended to June 30, 1953, for a like reason. The justification for extending these positions through to June 30, 1954, as well as the justification for establishing 18 additional temporary one-year positions in the Utilities Division (the 13 engineer and 5 clerical positions shown on Budget page 805, lines 57 to 63, inclusive), is "to prevent the present backlog in rate decisions from increasing, to restore the previous level of staff participation in rate cases, to permit checking in regard to compliance with commission decisions and to undertake safety work which has been neglected due to the current high level of applications for rate increases."

The three examiners and one clerical position in the Examiners Division were first established on a one-year basis to expire June 30, 1952, because of increased work load and backlog and were extended to June 30, 1953, because of continuing high work load and again to June 30, 1954, for a like reason.

All temporary positions in the Transportation Division were added in the 1952-53 Budget to expire June 30, 1953, the seven transportation engineers for increased work load which has created a backlog in cost research projects and surveys, the two truck operations supervisors to initiate a new safety service involving the inspection of truck carrier operations, and the two transportation rate experts to conduct rate studies in connection with Mountain-Pacific and transcontinental cases.

The justification for extending these temporary positions for another year, to June 30, 1954, is the same as the original justification, since most will not have been filled for a sufficient length of time during 1952-53 to have any appreciable effect on reducing backlogs or handling increased work load.

The 24 additional temporary employees requested for 1953-54, to June 30, 1954, are shown by operating units in column 4 of Table 1.

The position for administration is to establish a central library of technical books which are now scattered throughout the agency. The 18 positions for the Utilities Division have been previously discussed, while the three in the rate section of the Transportation Division are to augment the staff currently assigned to interstate rate proceedings before the Interstate Commerce Commission. The two in the Legal Division are senior counsels to expand a program first inaugurated in 1951-52 by the addition of three permanent senior counsel positions to assist the technical staff in preparing and presenting testimony and evidence in important cases being heard by the commission.

Of the 433 positions requested for 1953-54 as shown in column 5 of Table 1, 53 or 12.2 percent are on a temporary basis to June 30, 1954, only. Of the 53 positions, 13 are clerical and 40 technical, mostly of a rather high level.

There are obvious disadvantages to budgeting technical positions on a year-to-year basis. They are more difficult to fill than permanent positions. It takes time to train employees in such positions and by the time

the position is filled and the employee trained, the year is apt to be up and a compelling argument can be made for continuing the position for another year.

Although progress has been made in this regard, the development of more adequate work-load measurements would be helpful in permitting the budgeting of permanent positions in the first instance, perhaps for a lesser number.

Starting July 1, 1952, a new system of time reporting by activity codes was adopted in the Utilities Division, which, if coordinated with data as to cases received and processed during a period and on hand at the end of a period, should over a period of time develop average processing times for various kinds of work-load units which should be most helpful in estimating future budget requirements. We recommend extension of the system to all activities of the commission.

**Public Utilities Commission  
TRANSPORTATION RATE FUND**

ITEM 247 of the Budget Bill

Budget page 810  
Budget line No. 29

**For Support of Public Utilities Commission From the Transportation Rate Fund**

Amount requested .....	\$1,551,333
Estimated to be expended in 1952-53 Fiscal Year .....	1,501,950
<hr/>	
Increase (3.3 percent) .....	\$49,383

**Summary of Increase**

	INCREASE DUE TO			Budget page	Line No.
	Total increase	Work load or salary adjustments	New services		
Salaries and wages .....	\$19,058	\$5,546	\$13,512	810	25
Operating expense .....	19,564	19,564	---	810	26
Equipment .....	10,761	10,761	---	810	27
<hr/>					
Total increase .....	\$49,383	\$35,871	\$13,512		

**RECOMMENDATIONS**

Amount budgeted .....	\$1,551,333
Legislative Auditor's recommendation .....	1,546,353
<hr/>	
Reduction .....	\$4,980

**ANALYSIS**

The increase of \$49,383 is predicated on an assumed increase of \$10,800 or 36.2 percent in salary savings, an assumption we do not believe warranted. Assuming no increase in salary savings, the total increase in the amount requested would be \$60,183 or 4.0 percent.

Of the total expenditures budgeted for 1953-54, \$860,783 or 55.5 percent represents reimbursements to the General Fund for services performed by operating units shown in that section of the budget. Only those activities which relate solely to the Transportation Rate Fund are budgeted in Item 247.

1 Informal application reviewer----- \$4,980

We recommend deletion of the new position of informal application reviewer in the permits and fees section, Budget page 809, line 37. This position is for extending the authorized program of informal conferences with license applicants to include radial highway common carriers and highway contract carriers, and is to be assigned to Los Angeles. A request for a similar position was made a year ago and denied by the Legislature.

We recommend approval of the intermediate stenographer-clerk, Budget page 809, line 38, and the intermediate typist-clerk, Budget page 809, line 39, as being justified on a work load basis.

The three additional intermediate stenographer-clerk positions in the field section, Budget page 809, line 41, are requested for the field offices in Redding, Bakersfield and San Bernardino, where there are at present no clerical positions, in order that the offices may be kept open during business hours and to relieve field men of clerical work. At the present time, these offices are closed during most of the business hours due to the fact that technical personnel are out on investigations, and there have been complaints from the transportation industry on this point.

It should be noted that several other state agencies have offices in these three cities and a pooling of state field services could probably eliminate not only the need for these three clerks but perhaps several additional in the other agencies as well.

We are not prepared to recommend against these three positions, however, until more comprehensive studies have been made of the whole problem of state field services, but point to this situation as an additional indication of the continuing need for such studies.

Revenue for the Transportation Rate Fund is derived from a fee of one-quarter of 1 percent of the gross operating revenue earned by carriers for the transportation of property and from other fees. Revenues were slightly less than expenditures for this activity for 1951-52 but are expected to exceed expenditures for 1952-53 and 1953-54 by a narrow margin.

**Department of Public Works**  
**DEPARTMENTAL ADMINISTRATION**

ITEM 248 of the Budget Bill

Budget page 812

Budget line No. 9

*For Support of Departmental Administration From the General Fund*

Amount requested -----	\$156,706
Estimated to be expended in 1952-53 Fiscal Year -----	127,705
Increase (22.7 percent) -----	\$29,001

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$33,679	\$33,679	---	814	9
Operating expense -----	2,996	2,996	---	814	10
Equipment -----	-573	-573	---	814	11
Less:					
Increased reimbursements -----	-7,101	-7,101	---	814	14
Total increase -----	\$29,001	\$29,001	---		