

LOCAL ASSISTANCE

**Department of Education
CHILD CARE CENTERS**

ITEM 396 of the Budget Bill

Budget page 1137
Budget line No. 9

For Support of Child Care Centers From the General Fund

Amount requested	\$5,404,115
Estimated to be expended in 1952-53 Fiscal Year	5,404,115
Increase	None

RECOMMENDATIONS

Amount budgeted	\$5,404,115
Legislative Auditor's recommendation	4,759,115
Reduction	\$645,000

ANALYSIS

The budget request for support of Child Care Centers is \$5,404,115 which is the same amount estimated to be expended in the 1952-53 Fiscal Year. However, the budget does not reflect a savings of \$645,000 in the 1952-53 appropriation which will reduce the actual expenditures to \$4,759,115 for the 1952-53 Fiscal Year. Actually, the budget provides an increase of \$645,000 or 13.6 percent over the estimated expenditure for the current year. This increase will not be needed in the 1953-54 Fiscal Year based upon the requirements of the existing law.

We therefore recommend a reduction of \$645,000 in the requested appropriation.

TEACHERS' RETIREMENT SYSTEM

ITEM 397 of the Budget Bill

Budget page 1141
Budget line No. 10

For Transfer to Teachers' Permanent Fund for Operation of the State Teachers' Retirement System From the General Fund

Amount requested	\$6,890,800
Estimated to be expended in 1952-53 Fiscal Year	5,825,700
Increase (18.3 percent)	\$1,065,100

RECOMMENDATIONS

Amount budgeted	\$6,890,800
Legislative Auditor's recommendation	6,890,800
Reduction	None

ANALYSIS

The amount requested from the General Fund is \$6,890,800 for payment of teachers' retirement. This amount covers that part of anticipated payment allowances not provided for by member contributions made for services since 1944 or by current contributions of school districts and other employing agencies. We recommend approval of the amount requested.

TEACHERS' RETIREMENT SYSTEM

ITEM 398 of the Budget Bill

Budget page 1141
Budget line No. 11**For Transfer to the Retirement Annuity Fund for Operation of the State
Teachers' Retirement System From the General Fund**

Amount requested	\$15,276,000
Estimated to be expended in 1952-53 Fiscal Year	12,696,300
Increase (20.3 percent)	\$2,579,700

RECOMMENDATIONS

Amount budgeted	\$15,276,000
Legislative Auditor's recommendation	15,276,000
Reduction	None

ANALYSIS

The amount requested from the General Fund is \$15,276,000 for payment of teachers' retirement allowances. This amount covers that part of the estimated allowances to be paid during 1953-54 which is not funded by members' contributions for services performed since 1944, or by current contributions of school districts and other employing agencies. The amount requested also includes subventions to local retirement systems in accordance with Section 14565 of the Teachers' Retirement Act.

We recommend approval of the amount requested.

FREE TEXTBOOKS

ITEM 399 of the Budget Bill

Budget page 1142
Budget line No. 8**For Support of Publishing, Purchasing and Shipping Free Textbooks
From the General Fund**

Amount requested	\$3,366,832
Estimated to be expended in 1952-53 Fiscal Year	2,243,061
Increase (50.0 percent)	\$1,123,771

RECOMMENDATIONS

Amount budgeted	\$3,366,832
Legislative Auditor's recommendation	3,366,832
Reduction	None

ANALYSIS

The amount requested for publishing, purchasing, and shipping of free textbooks is \$3,366,832. This is \$1,123,771 or 50 percent more than the estimated expenditure for the 1952-53 Fiscal Year. Section 1151 of the Education Code requires the State Board of Education to adopt and provide one or more basic textbooks for each student in prescribed courses for grades one through eight.

The increase in expenditures is due primarily to the adoption of basic and supplementary readers for the grades one through five at a cost of \$1,528,300.

We recommend approval as submitted.

**Department of Public Health
AID TO LOCAL HEALTH DEPARTMENTS**

ITEM 400 of the Budget Bill

Budget page 1143
Budget line No. 58

For Assistance to Cities, Counties, Local Health Agencies and Local Health Districts, for Health Departments, From the General Fund

Amount requested	\$3,201,552
Estimated to be expended in 1952-53 Fiscal Year	2,871,907
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Increase (11.5 percent)	\$329,645

RECOMMENDATIONS

Amount budgeted	\$3,201,552
Legislative Auditor's recommendation	3,201,552
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Reduction	None

ANALYSIS

We recommend approval of this item in the amount of \$3,201,552 as requested. These funds are allocated to qualifying local health departments which meet minimum standards established by the State Board of Public Health. These funds are distributed in accordance with the formula set forth in Section 1141 of the Health and Safety Code. The law provides for a basic allotment, to administrative bodies serving one or more counties, of \$16,000, or 60 cents per capita per county, whichever is the lesser. If a county is divided into two or more local health department jurisdictions, the basic allotment is divided in proportion to population served, except that no funds are made available to independent health departments serving cities of less than 50,000 population. The law further provides that after deducting amounts allowed for basic allotments the balance of the appropriation shall be allotted on a per capita basis to the administrative body of each local health department in the proportion that the population of the local health jurisdiction bears to the population of the State as a whole.

The amount requested is based on a population estimate of 11,870,000 and would provide a per capita distribution of \$0.20735 in addition to the basic allotments. This continues the same level of state assistance on a per capita basis as presently in effect and the increased amount requested is directly related to the estimated increase in population.

In addition to the amount appropriated by this item, an estimated \$756,606 in federal funds will be available for distribution to local health departments.

TUBERCULOSIS SANATORIA

ITEM 401 of the Budget Bill

Budget page 1144
Budget line No. 32

For Subsidies to Cities, Counties, and Cities and Counties for Maintenance of the Tuberculosis Sanatoria, Department of Public Health, From the General Fund

Amount requested	\$5,266,348
Estimated to be expended in 1952-53 Fiscal Year	5,187,681
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Increase (1.5 percent)	\$78,667

RECOMMENDATIONS

Amount budgeted	\$5,266,348
Legislative Auditor's recommendation	5,266,348

Reduction	None
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ANALYSIS

We recommend approval of this item in the amount of \$5,266,348 as requested for state grants-in-aid for the care and treatment of tuberculosis patients. The amount of the tuberculosis subsidy to cities, counties, and cities and counties is based on schedules found in Sections 3301.5 and 3301.6 of the Health and Safety Code.

CRIPPLED CHILDREN SERVICES

ITEM 402 of the Budget Bill

Budget page 1144
Budget line No. 59**For Assistance to Counties for Crippled Children Services From the
General Fund**

Amount requested	\$3,000,000
Estimated to be expended in 1952-53 Fiscal Year	3,000,000

Increase	None
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RECOMMENDATIONS

Amount budgeted	\$3,000,000
Legislative Auditor's recommendation	3,000,000

Reduction	None
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ANALYSIS

The amount of \$3,000,000 is requested for assistance to counties in the care and treatment of handicapped children during the 1953-54 Fiscal Year. The cost of expert diagnosis which is borne entirely by the State is not a part of this item but in the support item for the Bureau of Crippled Children Services.

Estimated expenditures for crippled children services during the budget year are \$6,077,205; of this amount \$4,474,868, or 73.6 percent, is scheduled from state funds and \$1,602,337, or 26.4 percent, will be supported by county contributions. The proposed state expenditure consists of this subvention item for treatment and care, a subvention item of \$439,653 to provide for the employment of therapists for cerebral palsy classes and \$1,035,215 for state administration, including the cost of expert diagnosis.

The legal basis for the entire program is found in the Crippled Children's Act (Division I, Part I, Chapter 2, Article 2, Health and Safety Code), which was enacted in 1927. The State Department of Public Health is directed by this act to establish and administer a program for handicapped children. It further directs the department to seek out handicapped children and provide expert diagnosis. During the first 10 years children with orthopedic, eye and plastic defects and those with multiple congenital anomalies were covered. Since that initial period, the scope of the program has been broadened to include many categories of crippling conditions not originally considered. In 1940 rheumatic

fever and rheumatic heart disease programs were operated in demonstration areas and were financed from federal funds. In 1949 the Legislature appropriated money for a state-wide rheumatic fever program. In 1943 a program for treatment of conditions leading to the loss of hearing was added, and in 1946 a program for children with cerebral palsy was established by legislative action.

The Crippled Children's Act makes it mandatory upon the county to appropriate not less than one-tenth mill on each dollar of assessed property valuation for the purpose of financing the program. The State, through its subvention program each year, augments county funds appropriated for the support of this program. The rapidly increasing cost of this program in recent years is the result of a combination of factors, namely: (1) additional counties organizing programs for crippled children and expansion of existing programs (all but one county now has an organized program); (2) expanding scope of the program to include additional categories as medically eligible; (3) increased cost of treatment and care, and (4) normal state growth and the disproportionate increase in school age children. The result has been both an increase in total program cost and an increased percent of total cost financed from state funds.

The current year is the first year in which the appropriation for treatment and care for the basic program, rheumatic fever and cerebral palsy programs have been combined. Administrative formulas served as limitations in the distribution of basic and rheumatic fever moneys. It was determined that the current year would be transitional and the application of existing formulas would not be required. However, certain arbitrary limitations were agreed to be applied by the department.

The same amount is requested for the budget year as the current year appropriation and it is requested that provisions for distribution be extended another year. The agency is making this request on the basis that the Assembly Interim Committee on Public Health which has been studying the program has not issued its report, and the department feels a clear expression of legislative policy is necessary before proceeding further in its program development, including a new formula for equitable distribution of state assistance.

We have consistently supported the crippled children's program. We believe it a program from which the State should receive real benefits. We believe, however, the county should accept a greater responsibility in the program, both in its management and in increased financial participation. We recommend, therefore, that money appropriated by this item be distributed with total subventions to each county limited as follows:

That to any county appropriating and expending an amount equivalent to one-tenth mill on the assessed valuation of taxable property in the county, the State will provide funds for additional treatment and care up to the equivalent of 30 cents per capita. If the county appropriates and expends two-tenths mill, the State will finance additional treatment and care up to the equivalent of 75 cents per capita. To assure programs in counties having low assessed valuations, there is guaranteed a minimum available for state participation of \$10,000 in counties appropriating one-tenth mill and \$20,000 to counties appropriating two-tenths mill.

We would further recommend that consideration be given to the following points:

(1) That the present 5 percent of county crippled children money permitted for administrative costs in dependent counties be eliminated and 10 percent of total program costs be allowed independent counties for administrative costs. This would encourage counties to accept administration of the program.

(2) That the present reimbursement program be reviewed to determine if reimbursement could be made in part to the counties to help pay for the cost of social servicing.

(3) That no state assistance be granted to any county unless the State Department of Public Health is satisfied that there is adequate provision for social servicing on which to determine economic eligibility and an equitable reimbursement program.

We recommend approval of the amount requested subject to the above recommendations. The distribution formula should be adjusted to conform with general legislative policy and the results of the interim study, the report on which has not yet been published.

CEREBRAL PALSIED CHILDREN

ITEM 403 of the Budget Bill

Budget page 1146
Budget line No. 9

For Assistance to Local Agencies and Costs to the State for the Employment of Technical Personnel for Treatment of Minors With Cerebral Palsy Attending Special Schools or Classes, Department of Public Health, From the General Fund

Amount requested	\$439,653
Estimated to be expended in 1952-53 Fiscal Year	375,000
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Increase (17.2 percent)	\$64,653

RECOMMENDATIONS

Amount budgeted	\$439,653
Legislative Auditor's recommendation	439,653
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Reduction	None

ANALYSIS

The amount requested will provide for the continued employment of therapists employed from subvended funds appropriated by this item during the current year. It also covers employment of therapists by the State Department of Public Health for assignment to classes for cerebral palsied children where local agencies are unable or not ready to employ such personnel directly. The policy of the department is to transfer personnel provided by this item to local agency payrolls as rapidly as possible.

The amount requested will provide 101 therapists. This is the same number as requested during the current year. The increase is the result of normal salary adjustments, plus an estimate that all positions will be filled during the budget year.

We recommend approval as submitted.

MOSQUITO AND GNAT CONTROL

ITEM 404 of the Budget Bill

Budget page 1146
Budget line No. 35

For Subsidies to Local Districts and Other Public Agencies for the Control of Mosquitoes and Gnats, Department of Public Health, From the General Fund

Amount requested	\$400,000
Estimated to be expended in 1952-53 Fiscal Year	400,000
Increase	None

RECOMMENDATIONS

Amount budgeted	\$400,000
Legislative Auditor's recommendation	400,000
Reduction	None

ANALYSIS

Authority for this program is found in Chapter 5.5 of Division 3 of the Health and Safety Code. This chapter on mosquito control was added by Chapter 704, Statutes of 1947, and amended by Chapter 695, Statutes of 1949, to include the control of gnats. Section 2426 provides that the department may enter into cooperative agreements with any local district or public agency engaged in the control of mosquitoes or gnats or both, under conditions to be prescribed by the State Board of Public Health. Such agreements may provide for financial assistance by the State but the state total contribution shall not exceed 50 percent of the entire cost of the proposed activity.

During the current year \$250,000 of the \$400,000 total amount appropriated was distributed on the basis of a formula. It is estimated the balance will be allocated for technical and administrative costs in the amount of \$96,500 and for special projects in the amount of \$53,500. We believe the formula for allocation of this money should be reviewed and consideration given to establishing a new formula which will provide an equitable allocation of the entire amount.

The amount requested is the same as originally appropriated by the Legislature and the same amount has been appropriated each year since.

We recommend approval as submitted.

HOSPITAL CONSTRUCTION

ITEM 405 of the Budget Bill

Budget page 1147
Budget line No. 9

For Assistance to Local Agencies for Hospital Construction From the General Fund

Amount requested	\$1,540,000
Estimated to be expended in 1952-53 Fiscal Year	1,624,254
Decrease (5.2 percent)	\$84,254

RECOMMENDATIONS

Amount budgeted	\$1,540,000
Legislative Auditor's recommendation	1,540,000
Reduction	None

ANALYSIS

The funds appropriated by this item would provide for continued participation in the federal hospital construction program (Public Laws 725) on a matching basis. Authority for this program is found in Sections 430-435.7 of the Health and Safety Code. The code provides that the amount of state assistance which shall be provided to any public agency for hospital construction shall be a sum equal to the assistance received by the public agency for that hospital under the federal act, but in no event shall the amount of the state assistance exceed one-third of the cost of construction of the hospital.

It is estimated that federal funds in the total amount of \$4,179,131 will be available during the budget year. It is also estimated that General Fund allocations necessary to match available federal funds will amount to \$650,000 more than the proposed appropriation, but that contracts in this amount will not be formalized until the 1954-55 Fiscal Year.

Proposition 20, which was approved at the November 4, 1952 general election, amended Article IV, Section 22 of the State Constitution to permit the Legislature to make state funds available to nonprofit corporations whenever federal money is available for such construction. Such hospitals presently qualify for federal funds but state funds are available only to public agencies.

The amount requested is based on continuation of the present program in which state assistance is given only in the case of public hospitals or health centers.

We recommend approval as submitted.

**Department of Public Works
FLOOD CONTROL**

ITEM 406 of the Budget Bill

Budget page 1148
Budget line No. 63

For Allocation to the State Water Resources Board for Reallocation to the Los Angeles County Flood Control District for the Los Angeles River Watershed Project From the Flood Control Fund of 1946

Amount requested	\$311,000
Estimated to be expended in 1952-53 Fiscal Year	35,400
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Increase (778.5 percent)	\$275,600

RECOMMENDATIONS

Amount budgeted	\$311,000
Legislative Auditor's recommendation	311,000
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Reduction	None

ANALYSIS

This project was authorized by the State Water Resources Act of 1945. Section 52 of the act gave specific authorization to the project at an estimated cost to the State of \$1,882,000.

Approximately \$963,000 has been expended on the project since 1948-49. The request for \$311,000 for the 1953-54 Fiscal Year would provide for a continuation of this work.

We recommend approval of the amount requested.

FLOOD CONTROL

ITEM 407 of the Budget Bill

Budget page 1148
Budget line No. 59

For Allocation to the State Water Resources Board for Reallocation to the Los Angeles County Flood Control District for the Los Angeles and San Gabriel Rivers and Ballona Creek Project From the Flood Control Fund of 1946

Amount requested	\$4,776,700
Estimated to be expended in 1952-53 Fiscal Year	None
Increase	\$4,776,700

RECOMMENDATIONS

Amount budgeted	\$4,776,700
Legislative Auditor's recommendation	4,776,700
Reduction	None

ANALYSIS

The Los Angeles and San Gabriel Rivers and Ballona Creek Project was authorized by the State Water Resources Act of 1945. Section 29 of the act provided that "the general comprehensive plan for flood control in the basins of the Los Angeles and San Gabriel Rivers and Ballona Creek are adopted and authorized as set forth in House Document Numbered 838, Seventy-sixth Congress, third session, and approved in the act of Congress, approved August 18, 1941, at an estimated cost to the State of twenty-two million five hundred thousand dollars (\$22,500,000)."

The cost of construction of this project is being borne by the U. S. Corps of Engineers. State participation is limited to the purchase of lands, rights of way, and easements. The State has expended approximately \$5,000,000 on this project since 1946-47.

We recommend approval of the amount requested.

FLOOD CONTROL

ITEM 408 of the Budget Bill

Budget page 1149
Budget line No. 69

For Support of Storm and Flood Damage Repair From the General Fund

Amount requested	\$1,000,000
Estimated to be expended in 1952-53 Fiscal Year	833,500
Increase (20.0 percent)	\$166,500

RECOMMENDATIONS

Amount budgeted	\$1,000,000
Legislative Auditor's recommendation	None
Reduction	\$1,000,000

ANALYSIS

The sum of \$2,000,000 was appropriated in the Budget Act of 1952 for this purpose, of which it is estimated that \$833,500 will be expended during the 1952-53 Fiscal Year on a matching basis with local governments or districts, pursuant to the provisions of Chapter 13, Statutes of 1951.

It should be noted that the requirement that the funds be expended on a matching basis in accordance with Chapter 13, Statutes of 1951, has been removed from this item as it appears in the 1953 Budget Bill.

We recommend that the amount requested be disapproved, saving \$1,000,000, on the basis that it is not in the interest of sound fiscal policy to appropriate large sums from the General Fund to cover contingencies.

In a report entitled "State Expenditures for Flood Control and Flood and Storm Damage Repair," dated November 19, 1952, we presented to the Budget Committee a review of this subject and made certain recommendations pertaining thereto.

Conclusions reached in that report were as follows:

There is a serious question, in terms of state-local relationships and the balancing of home rule against state subsidies, as to whether the State should, as a continuing policy, provide funds for flood and storm damage repair to facilities of local governmental units.

Should the Legislature adopt such a policy it is our recommendation that the following should be basic considerations:

1. Funds should not be appropriated in advance, contingent upon the possibility of future flood and storm damage, but should be appropriated after the fact and upon the basis of an annual report from the Division of Water Resources showing all requests for such assistance and the division's recommendations.

2. The local unit's *lack of ability* to pay should control, rather than its ability to match state funds. Each request for such assistance should be accompanied by a certified statement from the county auditor showing the financial status of the unit and expressing an opinion as to its financial ability to make its own repairs in whole or in part.

3. Any certification of ability or lack of ability to pay should indicate plainly whether or not the local unit is using to the full extent any taxing power, the revenues from which may be applied to such damage repair. Where such taxing power is not being utilized fully, the certificate should contain an estimate of the revenues that can be obtained by levying the remaining portion of the tax rate.

4. After determination of the extent of participation by the State, in comparison with other state-aided programs, state funds should be allocated only in the amount necessary to meet the deficiency of local funds. Available local funds should be utilized first, the State providing any additional amounts necessary to repair the structure to its pre-flood condition or to restore it to a condition which, in the opinion of the Division of Water Resources, is adequate and in the best interests of economy.

5. The requirement of Chapter 13, Statutes of 1951, that any proposed work be a "matter of general public and state interest and concern" should be determined on a more restrictive basis than that the local unit has in the past made expenditures upon it.

Social Welfare

LOCAL INSPECTION OF HOMES AND AGENCIES, CARE FOR AGED AND CHILDREN

ITEM 409 of the Budget Bill

Budget page 1157
Budget line No. 9

For Reimbursement of Expenses by Counties and Cities in Maintaining Approved Services for the Licensing and Inspection of Agencies for Child Care and Agencies for the Care of the Aged From the General Fund

Amount requested	\$739,600
Estimated to be expended in 1952-53 Fiscal Year	693,500
Increase (6.6 percent)	\$46,100

ANALYSIS

We recommend approval of this item as submitted.

REIMBURSEMENT TO COUNTIES FOR ADMINISTRATION AND CARE OF ADOPTIONS

ITEM 410 of the Budget Bill

Budget page 1157
Budget line No. 46

For Reimbursement to Counties for Administration and Care of Adoptions From the General Fund

Amount requested	\$1,434,945
Estimated to be expended in 1952-53 Fiscal Year	1,064,322
Increase (34.8 percent)	\$370,623

ANALYSIS

The increase of \$370,623 in this item primarily is due to an increase in the number of adoptions which will be handled by licensed county agencies. It is estimated that the number of licensed public adoption agencies will increase from 14 in 1952-53 to 19 in 1953-54. The item contains amounts for reimbursement of county administrative costs and for cost of care of children, not exceeding \$200 per child, from the time of relinquishment until the time of placement for adoption.

We recommend approval of the item as submitted.

TRANSPORTATION OF NEEDY CHILDREN

ITEM 411 of the Budget Bill

Budget page 1158
Budget line No. 40

For Reimbursement to Counties for the Cost of Transporting Needy Children to Homes Without the State Pursuant to Section 1580 of the Welfare and Institutions Code From the General Fund

Amount requested	\$5,000
Estimated to be expended in 1952-53 Fiscal Year	5,000

ANALYSIS

We recommend approval of this item as submitted.

**Subventions for Other Purposes
SALARIES OF SUPERIOR COURT JUDGES**

ITEM 412 of the Budget Bill Budget page 1159
Budget line No. 48

*For State's Share of Salaries of Judges of Superior Courts From the
General Fund*

Amount requested	\$1,597,500
Estimated to be expended in 1952-53 Fiscal Year	1,552,500
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Increase (2.9 percent)	\$45,000

RECOMMENDATIONS

Amount budgeted	\$1,597,500
Legislative Auditor's recommendation	1,552,500
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Reduction	\$45,000

ANALYSIS

Under the provisions of Section 79 of the Code of Civil Procedure, the State contributes \$7,500 per year toward the salary of each judge of the superior courts. The amount budgeted to provide this sum for each of the 207 judges authorized by existing law is \$45,000 in excess of that needed. This is due to an error in the budget process. However, we understand that the Department of Finance will submit an amendment to this item in the Budget Bill.

DEPARTMENT OF COUNTY VETERANS SERVICE OFFICERS

ITEM 413 of the Budget Bill Budget page 1160
Budget line No. 20

*For Contributions to Counties Toward the Compensation and Expenses of
County Service Officers From the General Fund*

Amount requested	\$350,000
Estimated to be expended in 1952-53 Fiscal Year	350,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$350,000
Legislative Auditor's recommendation	350,000
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Reduction	None

ANALYSIS

This item provides for the State's share of the cost of the county service officer program to which the State contributes on the basis of 95 percent of the salary or \$75 per month, whichever is lesser, of the county service officer, 80 percent of the salary of the first assistant, 50 percent of the salary of all other employees and 90 percent or \$50 per month, whichever is lesser, of all operating expenses. This results in an approximate division of 45 percent state share and 55 percent county share. Fifty-four counties are involved and the level of service is equivalent to that offered in the current fiscal year. We recommend approval of this item as requested, but point out that we believe a full study of possible duplication between the services provided at state expense through county service officers and veterans' organizations should be made to the Legislature at the earliest possible date.

COUNTY AGRICULTURAL COMMISSIONERS

ITEM 414 of the Budget Bill

Budget page 1160
Budget line No. 43

For Salaries of County Agricultural Commissioners or Compensation for Service Performed for County Agricultural Departments, Department of Agriculture, From the General Fund

Amount requested	\$131,976
Estimated to be expended in 1952-53 Fiscal Year	122,977
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Increase (7.3 percent)	\$8,999

ANALYSIS

Section 63.5 of the Agricultural Code provides for payment by the State of two-thirds of the salaries of Agricultural Commissioners, not to exceed \$3,000. On this basis approval of the item as submitted is in order. However, we believe that in view of the relief granted to the local taxpayers by passage of Proposition 2, a reconsideration of the reasons for the State paying two-thirds of the salaries of these county officers is appropriate.

WORKMEN'S COMPENSATION FOR CIVIL DEFENSE WORKERS

ITEM 415 of the Budget Bill

Budget page 1160
Budget line No. 70

For Furnishing of Workmen's Compensation to Civil Defense Workers, Office of Civil Defense, From the General Fund

Amount requested	\$25,000
Estimated to be expended in 1952-53 Fiscal Year	25,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$25,000
Legislative Auditor's recommendation	25,000
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Reduction	None

ANALYSIS

We recommend approval as submitted.

**Youth Authority
JUVENILE HOMES AND CAMPS**

ITEM 416 of the Budget Bill

Budget page 1161
Budget line No. 9

For Reimbursement to Counties for Maintenance of Juvenile Homes and Camps, Youth Authority, From the General Fund

Amount requested	\$793,100
Estimated to be expended in 1952-53 Fiscal Year	745,100
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Increase (6.4 percent)	\$48,000

RECOMMENDATIONS

Amount budgeted	\$793,100
Legislative Auditor's recommendation	793,100
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Reduction	None

ANALYSIS

The above funds represent the State's share of maintaining juvenile homes and camps established by counties pursuant to provisions of the Welfare and Institutions Code.

A total of 842 wards are scheduled to be cared for under this program. We recommend approval of the item.

BOARD OF STATE HARBOR COMMISSIONERS, SAN FRANCISCO

ITEM 417 of the Budget Bill

Budget page 1170
Budget line No. 37

For Support of Board of State Harbor Commissioners, San Francisco, From the San Francisco Harbor Improvement Fund

Amount requested	\$4,044,739
Estimated to be expended in 1952-53 Fiscal Year.....	4,027,616
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Increase (0.4 percent)	\$17,123

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$33,284	\$33,284	---	1175	22
Operating expense	83,340	83,340	---	1175	23
Equipment	67,179	67,179	---	1175	24
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Total increase	\$17,123	\$17,123	---		

RECOMMENDATIONS

Amount budgeted	\$4,044,739
Legislative Auditor's recommendation.....	4,044,739
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Reduction	None

ANALYSIS

Expenditures for support of the board are budgeted at \$4,044,739. This represents a net increase of \$17,123 over estimated expenditures in the current year. The major increase in the support budget is occasioned by proposed replacement and purchase of additional items of heavy equipment.

All activities of the board are met from the various fees, rentals, tonnage tax, and other charges which accrue to the Harbor Improvement Fund. The estimated accumulated surplus in the fund is shown at \$2,037,696 as of June 30, 1953, and at \$1,758,961 as of June 30, 1954.

In respect to the surplus in the fund, it is noted that expenditures exceed revenues, and unless greater revenues than are now accruing to the fund are realized, the fund will gradually be depleted. In this connection it is noted that the Harbor Board is planning a program of expansion of the harbor facilities, and plans for the immediate future contemplate a \$6,000,000 revenue bond issue. Included in the program of expansion is the remodeling of the Ferry Building to house the World Trade Center which was created by Chapter 1508, Statutes of 1947. This will provide office space and display space for exporters, manufacturers, merchants, representatives of foreign governments, trade promotion organizations, and other allied concerns and activities. The Harbor Board