

Lieutenant Governor—Continued

**RECOMMENDATIONS**

|  |          |
|--|----------|
| Amount budgeted .....                      | \$48,018 |
| Legislative Auditor's recommendation ..... | 48,018   |
| <hr/>                                      |          |
| Reduction .....                            | None     |

**ANALYSIS**

The amount of \$48,018 requested for support of the office of the Lieutenant Governor for the 1954-55 Fiscal Year represents an increase of \$6,011, or 14.5 percent, over the amount of \$42,007 estimated for expenditure in the current fiscal year. It should be noted, however, that the amount of \$38,770 approved for support during the current year has been augmented by an allocation from the Emergency Fund in the amount of \$3,045 and an allocation from the Salary Increase Fund in the amount of \$192.

The allocation from the Emergency Fund was for the purpose of providing additional stenographic assistance to the office. This augmentation will provide, during the current year, additional temporary help and an additional secretary for six months at a cost of \$2,616.

This additional help was requested on the basis of additional work load which developed under the former Lieutenant Governor and the additional secretarial position has been requested for the budget year on the assumption that activities in this office will continue at a high level. The additional position will provide permanent secretarial help in both the Los Angeles and Sacramento offices of the Lieutenant Governor. We have consistently urged that additional responsibilities in State Government be placed in this office and we are disposed, therefore, to recommend approval of the increase proposed by this budget, subject to a work load review at the end of the budget year to determine if activities in this office justify keeping both the Los Angeles office and the Sacramento office open on a full-time basis.

The amount of \$2,400 is provided to replace the Lieutenant Governor's automobile which is scheduled to reach 100,000 miles during the budget year.

We recommend approval as submitted.

**STATE EMPLOYEES' RETIREMENT SYSTEM**

ITEM 33 of the Budget Bill

Budget page 35  
Budget line No. 20

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

|   |           |
|---|-----------|
| Amount requested .....                                | \$285,474 |
| Estimated to be expended in 1953-54 Fiscal Year ..... | 260,142   |
| <hr/>   |           |
| Increase (9.7 percent) .....                          | \$25,332  |

**Summary of Increase**

|                                     | Total increase | INCREASE DUE TO                 |              | Budget page | Line No. |
|-------------------------------------|----------------|---------------------------------|--------------|-------------|----------|
|                                     |                | Work load or salary adjustments | New services |             |          |
| Salaries and wages .....            | \$10,683       | \$10,683                        | ---          | 38          | 62       |
| Operating expense .....             | 22,992         | 22,992                          | ---          | 38          | 63       |
| Equipment .....                     | 1,577          | 1,577                           | ---          | 38          | 64       |
| Less increased reimbursements ..... | 14,600         | 14,600                          | ---          | 38          | 68       |
| <hr/>                               |                | <hr/>                           |              | <hr/>       |          |
| Total increase .....                | \$25,332       | \$25,332                        | ---          | 38          | 70       |

**Interstate Cooperation**

— 14 —

**State Employees' Retirement System—Continued****RECOMMENDATIONS**

|  |           |
|--|-----------|
| Amount budgeted .....                      | \$285,474 |
| Legislative Auditor's recommendation ..... | 285,474   |
| Reduction .....                            | None      |

**ANALYSIS**

The category of salaries and wages shows a decrease of \$10,683. Although there is an over-all decrease in salaries and wages, some increases appear in this budget. Two clerical positions are requested due to an increase in work load. The positions appear to be justified because there is an increase work load of 4,500 members and 1,684 retired members. Other salary and wage increases are due to salary adjustments and the full-year cost of the actuary position established 1953-54 by Personnel Board action in lieu of the consulting actuary position. In establishing an actuary in lieu of a consulting actuary, the salary was increased to bring it in line with other employment. These increases in salaries and wages are offset by decreases in temporary help for Special Services and a change in the method of handling U. S. Defense Savings Bonds whereby the salaries and wages item for that activity is eliminated and the cost placed under operating expenses.

The large increase in operating expenses is attributable to two major factors: (1) the actuarial valuation of the State Employees' Retirement System and the Judges' and Legislators' Retirement Systems and (2) the change in the method of handling Defense Savings Bonds. The actuarial evaluation of the Employees' Retirement System which ordinarily is done by temporary help will be done by an actuarial firm.

The increase in operating expenses in the processing of the Defense Bonds is a result of a contractual agreement to have this work performed by the State Controller's Disbursement Division. It was the recommendation of the Legislative Auditor that processing of Defense Bonds is not a proper function of the Retirement System. It was our feeling that since the Controller's office handles all pay rolls and deductions that deductions for Defense Bonds should be handled by that office also. It is contemplated that some savings should result by processing deductions for Defense Bonds with the centralized pay roll operation which is prepared by punch card equipment.

**COMMISSION ON INTERSTATE COOPERATION**

ITEM 34 of the Budget Bill

Budget page 39  
Budget line No. 7**For Support of Commission on Interstate Cooperation From the General Fund**

|   |          |
|---|----------|
| Amount requested .....                                | \$27,105 |
| Estimated to be expended in 1953-54 Fiscal Year ..... | 27,105   |
| Increase .....  | None     |

**RECOMMENDATIONS**

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

Commission on Interstate Cooperation—Continued  
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 principal item of expenditure is \$25,000 for a contract with the Council of State Governments. This is the same amount that has been paid each year since 1948-49. Another amount of \$300 is budgeted for a contract with the Department of Agriculture for general administrative services. The balance of \$1,805 is requested to cover other administrative costs and the travel expenses of the five members appointed by the Governor and the Executive Secretary.

We recommend approval of the item as submitted.

PERSONNEL BOARD

ITEM 35 of the Budget Bill

Budget page 40  
Budget line No. 7

For Support of the Personnel Board From the General Fund

|   |             |
|---|-------------|
| Amount requested .....                                | \$1,643,012 |
| Estimated to be expended in 1953-54 Fiscal Year ..... | 1,611,198   |
| Increase (2.0 percent) .....                          | \$31,814    |

Summary of Increase

|                                | Total increase | INCREASE DUE TO                 |              | Budget page | Line No. |
|--------------------------------|----------------|---------------------------------|--------------|-------------|----------|
|                                |                | Work load or salary adjustments | New services |             |          |
| Salaries and wages .....       | \$58,988       | \$52,124                        | \$6,864      | 49          | 9        |
| Operating expense .....        | —30,885        | —30,885                         | ---          | 49          | 10       |
| Equipment .....                | 7,299          | 7,299                           | ---          | 49          | 11       |
| Less:                          |                |                                 |              |             |          |
| Increased reimbursements ..... | —3,588         | —3,588                          | ---          | 49          | 16       |
| Total increase .....           | \$31,814       | \$24,950                        | \$6,864      | 49          | 18       |

RECOMMENDATIONS

|  |             |
|--|-------------|
| Amount budgeted .....                      | \$1,643,012 |
| Legislative Auditor's recommendation ..... | 1,643,012   |
| Reduction .....                            | None        |

ANALYSIS

The amount of \$1,643,012 is requested for support of the Personnel Board during the 1954-55 Fiscal Year. This represents an increase of \$31,814, or 2.0 percent, over estimated expenditures for the current year. The amount of \$1,561,303 appropriated by the Budget Act of 1953 has been augmented by an allocation of \$59,194 from the Salary Increase Fund.

Personnel Board—Continued

The budget of the Personnel Board provides for continuation of the existing level of service. One position of hearing reporter has been eliminated from the budget. Two new positions are proposed for co-operative personnel services, an activity that is wholly reimbursable. Due to anticipated improvement in employment stability, the budget anticipates a reduction of \$6,408 in salary savings, which, combined with merit salary adjustments, results in a net increase in salaries and wages of \$58,988.

The increases and decreases in the proposed 1954-55 budget over estimated expenditures for 1952-53, shown by function, are as follows:

| Function                               | Increase or decrease | Percent    |
|--|----------------------|------------|
| Board                                  | —\$3,750             | —4.0       |
| Administration                         | —15,458              | —12.9      |
| Classification                         | 7,974                | 3.3        |
| Examination and recruiting             | 11,913               | 2.0        |
| Compensation                           | 3,079                | 3.9        |
| Office services                        | 17,474               | 4.1        |
| Training, safety, and medical services | 3,985                | 5.4        |
| Cooperative personnel services*        | 10,185               | 10.2       |
| Less increased reimbursement           | —\$3,588             | ---        |
| <b>Net increase</b>                    | <b>\$31,814</b>      | <b>2.0</b> |

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

It is planned that the State Personnel Board will move its Sacramento offices about January 1, 1955 from the presently leased locations to the new state office building now under construction.

We recommend that the amount requested be approved.

SECRETARY OF STATE

ITEM 36 of the Budget Bill

Budget page 50  
Budget line No. 8

For Support of the Secretary of State From the General Fund

|   |                 |
|---|-----------------|
| Amount requested                                | \$220,744       |
| Estimated to be expended in 1953-54 Fiscal Year | 210,671         |
| <b>Increase (4.8 percent)</b>                   | <b>\$10,073</b> |

Summary of Increase

|                       | Total increase  | INCREASE DUE TO                 |              | Budget page | Line No.  |
|-----------------------|-----------------|---------------------------------|--------------|-------------|-----------|
|                       |                 | Work load or salary adjustments | New services |             |           |
| Salaries and wages    | \$10,086        | \$10,086                        | ---          | 53          | 8         |
| Operating expense     | —3,036          | —3,036                          | ---          | 53          | 9         |
| Equipment             | 3,023           | 3,023                           | ---          | 53          | 10        |
| <b>Total increase</b> | <b>\$10,073</b> | <b>\$10,073</b>                 | <b>---</b>   | <b>53</b>   | <b>12</b> |

RECOMMENDATIONS

|                                      |             |
|--------------------------------------|-------------|
| Amount budgeted                      | \$220,744   |
| Legislative Auditor's recommendation | 220,744     |
| <b>Reduction</b>                     | <b>None</b> |

Secretary of State—Continued

ANALYSIS

An increase of \$10,073 or 4.8 percent over expenditures for 1952-53 is requested by the Secretary of State. The largest amount of this request appears in the following items in administration of the Office of the Secretary of State.

|  |         |
|--|---------|
| Salary increase for Secretary of State-----        | \$1,000 |
| Additional temporary help for election clerks----- | 2,820   |
| Salary adjustments-----                            | 1,608   |
| Increased salary savings-----                      | 1,081   |
| Operating expenses-----                            | 3,098   |
| Equipment-----                                     | 2,023   |

The increase in operating expenses is due to the provision for printing of election material and additional inactive corporation indexing. The increase in equipment provides for additional files for the Central Records Depository and law books for the library. These requests appear to be justified.

The over-all increase in the amount requested for operation of the Central Records Depository amounts to \$605. However, there is an increase in salaries and wages which is offset by a decrease in operating expenses. This shift between objects of expenditure is provided to place the service of the archivist-historian on a civil service status rather than on a noncivil service contractual basis. The shift reflects no change in work load.

Approval of the amounts requested is recommended.

Secretary of State  
PRINTING ELECTION PAMPHLETS

ITEM 37 of the Budget Bill

Budget page 50  
Budget line No. 22

For Printing Election Pamphlets From the General Fund

|  |           |
|--|-----------|
| Amount requested-----                                | \$180,000 |
| Estimated to be expended in 1953-54 Fiscal Year----- | None      |
| Increase-----  | \$180,000 |

RECOMMENDATIONS

|   |           |
|---|-----------|
| Amount budgeted-----                      | \$180,000 |
| Legislative Auditor's recommendation----- | 180,000   |
| Reduction-----                            | None      |

ANALYSIS

This amount is to provide for printing and distribution of election pamphlets at the election to be held during the 1954-55 Fiscal Year. During the current fiscal year no elections were held for which elections pamphlets were required to be issued. The amount requested represents a decrease of \$13,381 from the amount of \$193,381 expended for this purpose during the 1952-53 Fiscal Year.

Approval of the amount requested is recommended.

**Secretary of State  
COLLECTION AGENCIES DIVISION**

ITEM 38 of the Budget Bill

Budget page 50  
Budget line No. 49

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

**Agency Fund**

|   |                |
|---|----------------|
| Amount requested .....                                | \$38,641       |
| Estimated to be expended in 1953-54 Fiscal Year ..... | 40,308         |
| <b>Decrease (4.1 percent) .....</b>                   | <b>\$1,667</b> |

**Summary of Increase**

|                             | Total<br>increase | INCREASE DUE TO                    |                 | Budget<br>page | Line<br>No. |
|-----------------------------|-------------------|------------------------------------|-----------------|----------------|-------------|
|                             |                   | Work load or<br>salary adjustments | New<br>services |                |             |
| Salaries and wages .....    | \$254             | \$254                              | ---             | 53             | 79          |
| Operating expense .....     | -641              | -991                               | 350             | 54             | 19          |
| Equipment .....             | -1,280            | -1,280                             | ---             | 54             | 26          |
| <b>Total increase .....</b> | <b>-\$1,667</b>   | <b>-\$2,017</b>                    | <b>350</b>      | <b>54</b>      | <b>28</b>   |

**RECOMMENDATIONS**

|   |               |
|---|---------------|
| Amount budgeted .....                             | \$38,641      |
| <b>Legislative Auditor's recommendation .....</b> | <b>38,291</b> |
| <b>Reduction .....</b>                            | <b>\$350</b>  |

**ANALYSIS**

**Recommended Reduction**

*Out-of-state travel* ..... **\$350**

The amount requested for the support of the Collection Agency Division has decreased \$1,667 or 4.1 percent. This decrease is due to reductions in amounts requested for operating expenses and equipment.

An amount of \$350 is requested for out-of-state travel. It is contemplated that the chief of the division will attend the convention of the American Collectors Association to be held in June, 1955. We fail to see the necessity or justification for this item of expenditure. It is our opinion that only where it is particularly to the state's interest, should out-of-state travel be approved. Since we believe that the size and significance of the agency's function does not justify the inclusion of this item, we recommend that it be deleted.

We repeat our recommendation of previous years that the proper place for this function is in the Department of Professional and Vocational Standards. We recommend that the Legislature refer this matter to the appropriate Legislative committee for consideration of the transfer of this function.

**DEPARTMENT OF AGRICULTURE**

ITEM 39 of the Budget Bill

Budget page 56  
Budget line No. 69

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

|   |                  |
|---|------------------|
| Amount requested .....                                | \$5,649,580      |
| Estimated to be expended in 1953-54 Fiscal Year ..... | 5,527,985        |
| <b>Increase (2.2 percent) .....</b>                   | <b>\$121,595</b> |