

Services by Other Agencies—Continued

RECOMMENDATIONS

Amount budgeted	\$78,475
Legislative Auditor's recommendation	78,475
Reduction	None

ANALYSIS

In attempting to prevent pollution of the waters of the State, certain reports on water quality are required by the state and regional boards. Rather than establish a technical staff as an integral part of the boards to perform the necessary field and laboratory work, it was considered more economical to utilize the staffs of other state agencies. Such services include studies of the pollution effects of sewage and industrial wastes, providing the technical information necessary for prescribing discharge requirements, determining the effect of drainage wells on ground waters, and special investigations as required. Contractual services are provided by the Department of Fish and Game, the Department of Public Health, the Division of Water Resources, and the Office of Civil Defense. The amount requested for this purpose has decreased considerably during the past few years as the need for special investigations has diminished.

We recommend approval of the amount requested.

**PUBLIC UTILITIES COMMISSION
GENERAL FUND ACTIVITIES**

ITEM 242 of the Budget Bill

Budget page 823
Budget line No. 7*For Support of Public Utilities Commission From the General Fund*

Amount requested	\$2,009,267
Estimated to be expended in 1953-54 Fiscal Year	2,020,229
Decrease (0.5 percent)	\$10,962

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$32,996	\$32,996	---	828	63
Operating expense	—23,762	—23,762	---	828	64
Equipment	—14,696	—14,696	---	828	65
Less					
Increased reimbursements	—5,500	—5,500	---	828	68
Total increase	—\$10,962	—\$10,962	---	828	72

RECOMMENDATIONS

Amount budgeted	\$2,009,267
Legislative Auditor's recommendation	2,009,267
Reduction	None

ANALYSIS

No new positions are included for the budget year.

Total positions authorized by the Budget Act of 1953 were 431 as against 426.5 for 1954-55, a decrease of four and one-half positions.

The increase in salaries shown in the foregoing of approximately \$33,000 represents the difference between merit salary increases of

General Fund Activities—Continued

about \$50,000 and the salaries of the four and one-half positions deleted of about \$27,500, or \$22,500, plus a decrease in salary savings of \$10,500.

The positions deleted include two legal examiners under hearings and formal investigation which were authorized by the Budget Act of 1953 to extend to June 30, 1954, only; a junior librarian under administration which was originally established for the year 1953-54 only but has been extended through one-half the budget year with a termination date of December 31, 1954; a hearing reporter position in the reporting unit which had been vacant from October 1, 1952, to July 1, 1953, and was abolished pursuant to Section 16 of the Budget Act of 1953; and a clerical position.

The decreases in operating expenses were as follows, by operating units:

Administration		
Rent, building space, due to moving a hearing room from leased space to a state-owned building	\$3,000	
Refinishing office furniture	500	
Other minor items, net	170	
Total		\$3,670
Control and Regulation		
Consultant fees	\$10,000	
Out-of-state travel	3,750	
Printing	3,317	
Travel, in-state	3,090	
Office (increase)	—1,607	
Subscriptions to publications	42	
Total		18,592
Hearings and Formal Investigation		
Out-of-state travel		1,500
Reporting unit		---
Total decrease		\$23,762

The net increase in reimbursements represents increased services to the Transportation Rate Fund of \$23,500 less a decrease of \$18,000 for sale of transcripts of proceedings to litigants due to the termination of two major rate cases in the budget year.

Salary savings as budgeted for 1953-54 at the time the Budget Act of 1953 was passed were estimated at \$124,600, whereas current estimates for that year as shown in the 1954-55 budget are \$88,000. The difference, or \$36,600, represents a possible deficit for the current year if present employment conditions continue for the remainder of this fiscal year.

The budget as adopted for 1953-54 included 53 positions for a duration of one year with termination dates of June 30, 1954. Of these, two are to be deleted at that date, one on December 31, 1954, and the remainder are to continue as permanent positions. It appears that conversion of these positions to a permanent basis is justified by the continuing work load and that it will also assist the agency in its recruiting program. Any of the permanent positions can, of course, be deleted in the future should the work load fail to justify their continuance.

General Fund Activities—Continued

The 1953 Legislature increased the amount originally requested for travel for the General Fund activities of this agency by \$24,800 in order to eliminate the use of passes on public carriers. This use has been discontinued with respect to all employees traveling on official business not related to the regulation of common carriers although it cannot be discontinued in the latter case without a change in existing law, as commented upon more fully in our analysis of the next budget item, number 243.

Following is a summary of the travel expenses of the agency financed from the General Fund for the last three fiscal years, as shown in the current budget.

	<i>Actual</i> 1952-53	<i>Estimated</i> 1953-54	<i>Proposed</i> 1954-55
Administration			
In-state -----	\$6,699	\$8,500	\$8,500
Out-of-state -----	4,084	3,250	3,000
Control and Regulation			
In-state -----	49,753	70,440	67,350
Out-of-state -----	1,833	5,550	1,800
Hearings and Formal Investigation			
In-state -----	4,506	11,000	11,000
Out-of-state -----	1,293	2,500	1,000
Reporting			
In-state -----	3,838	6,500	6,500
Totals			
In-state -----	\$64,796	\$96,440	\$93,350
Out-of-state -----	7,210	11,300	5,800
Grand total -----	\$72,006	\$107,740	\$99,150

The difference between the estimated travel of \$107,740 for 1953-54 and the actual for 1952-53 of \$72,006 as shown in the foregoing, or \$35,734, is one indication of the increased cost to the State of the partial discontinuance of the use of the passes. A better indication, perhaps, is the difference between the above estimate for 1953-54 of \$107,740 and the amount budgeted for that year, which was \$74,640 before the augmentation. This difference is \$33,100.

The use of passes on common carriers by Public Utilities Commission personnel was the subject of a special report to the Joint Legislative Budget Committee by the Legislative Auditor dated October 30, 1953.

The Public Utilities Commission is one of the few state agencies which does not maintain its headquarters in Sacramento. It has always maintained its headquarters in San Francisco with a substantial part of its staff permanently assigned to the Los Angeles area.

Its activities are highly complex and technical in nature and require the services of high salaried personnel with specialized technical backgrounds to a degree not characteristic of most state agencies.

Without in any way attempting to be critical of any of its operations, we believe a closer study of its activities and budgetary problems than has ever been possible in the past would have beneficial results both for the agency and the taxpayers of the State.

We recommend approval of the budget as submitted.

**Public Utilities Commission
TRANSPORTATION RATE FUND**

ITEM 243 of the Budget Bill

Budget page 823
Budget line No. 21

For Support of Public Utilities Commission From the Transportation Rate Fund

Amount requested	\$1,604,048
Estimated to be expended in 1953-54 Fiscal Year	1,578,205
Increase (1.6 percent)	\$25,843

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$11,330	\$11,330	---	831	8
Operating expense	22,944	22,944	---	831	9
Equipment	—10,431	—10,431	---	831	10
Plus:					
Decreased reimbursements	2,000	2,000	---	831	14
Total increase	\$25,843	\$25,843	---	831	16

RECOMMENDATIONS

Amount budgeted	\$1,604,048
Legislative Auditor's recommendation	1,604,048
Reduction	None

ANALYSIS

Further details of the increase of \$25,843 are given in the following:

Salaries and wages:			
Merit salary increases		\$17,297	
Less increase in salary savings		—5,967	\$11,330
Operating expense:			
Services rendered by General Fund			
Administration		244	
Control and regulation		24,000	
Hearings and formal investigations (decrease)		—2,000	
Reporting unit		1,500	
Total		\$23,744	
Office expense (decrease)		—300	
Alterations		—500	22,944
Equipment			—10,431
Total			\$23,843
Add decrease in reimbursements from sale of transcripts of proceeding to litigants			2,000
			\$25,843

Salary savings as originally budgeted for 1953-54 were \$40,600. The revised estimate for that year, included in the current budget, is \$16,033, a decrease of \$24,567 which represents a potential deficit should present employment conditions continue for the remainder of this fiscal year.

The 1953 Legislature increased the amount budgeted for travel for this section by \$25,250. The increase was intended to provide funds to pay for transportation of commission personnel while traveling on common carriers on official business, for which travel the carriers had for-

Transportation Rate Fund—Continued

merly furnished passes. The Attorney General, however, in Opinion No. 53-151 issued August 28, 1953, ruled that public funds could not be used to pay the fare of commission personnel on common carriers when they are engaged in official duties relating to the regulation of common carriers, since to do so would violate the provisions of Section 533 of the Public Utilities Code. This section, in effect, requires the carriers to furnish free transportation to commission personnel under these circumstances.

Accordingly, travel has been budgeted at the old level for Transportation Rate Fund employees and must continue to be so budgeted until the law is amended.

We recommend approval of the budget as submitted.

DEPARTMENT OF PUBLIC WORKS

ITEM 244 of the Budget Bill

Budget page 832
Budget line No. 10*For Support of Departmental Administration From the General Fund*

Amount requested	\$84,628
Estimated to be expended in 1953-54 Fiscal Year	147,274
Decrease (42.53 percent)	\$62,646

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$14,599	\$14,599	---	834	8
Operating expense	4,200	4,200	---	834	9
Equipment	-747	-747	---	834	10
Increased reimbursements	-80,698	-80,698	---	834	13
Total increase	-\$62,646	-\$62,646	---	834	22

RECOMMENDATIONS

Amount budgeted	\$84,628
Legislative Auditor's recommendation	84,628
Reduction	None

ANALYSIS

The Department of Public Works is proposing that for the 1954-55 Fiscal Year its over-all administrative function be continued at substantially the same level as is authorized for the current fiscal year. The cost of the activity is anticipated to increase by \$18,052, or approximately 6 percent over the \$303,513 estimated to be expended during the current fiscal year. This increase is primarily attributable to normal merit salary adjustments.

However, the method of financing this activity has been changed to a new basis for the first time. Heretofore, pro-rata reimbursement charges were made against only the special fund activities of the Department of Public Works such as the Division of Highways, the Water Project Authority, the Water Resources Board, and the School Plan Checking activity of the Division of Architecture. This meant that the services performed on behalf of the design activities of the Division of Architecture and the activities of the Division of Water Resources were