

San Francisco Bay Study on Salinity Control Barriers—Continued

creating a supply of fresh water for irrigation, domestic uses, and related purposes. The act appropriated to the Water Project Authority the sum of \$250,000 payable one-half from the Flood Control Fund of 1946 and one-half from the unexpended and unencumbered balance of the appropriation made by Item 428.5 of the Budget Act of 1952. It provided further that, in addition to the above appropriation, another \$250,000 payable in the same manner be allocated for expenditure by the Water Project Authority in carrying out the investigation, but that the money so allocated was to be expended only after the Legislature appropriated it for this purpose.

Of the amount appropriated for 1953-54, it is estimated that \$200,000 will be expended for services of the Division of Water Resources and the remaining \$50,000 for consultants. The Water Project Authority proposes to utilize the \$250,000 requested for 1954-55 in the same manner.

It is planned that the final report will be submitted to the Legislature not later than March 30, 1955.

We recommend that the investigation be continued during 1954-55 and that the amount requested by approved.

DEPARTMENT OF SOCIAL WELFARE

ITEM 263 of the Budget Bill

Budget page 882
Budget line No. 43

For Support of Department of Social Welfare From the General Fund

Amounts requested	\$2,065,761
Estimated to be expended in 1953-54 Fiscal Year	2,023,262
Increase (2.1 percent)	\$42,499

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$84,536	\$84,536	---	894	9
Operating expense	—19,395	—21,725	\$2,330	894	10
Equipment	—1,436	—1,436	---	894	11
Total increase	\$63,705	\$61,375	\$2,330	894	13
Increase in Federal Aid funds	—\$21,206	—\$20,489	—\$717		
Total increase in State funds	\$42,499	\$40,886	\$1,613		

RECOMMENDATIONS

Amount budgeted	\$2,065,761
Legislative Auditor's recommendation	2,046,878
Reduction	\$18,883

Recommended Reductions

Agency	Number of positions	Salaries and wages	Operating expenses	Equipment	Total
Area operations	5	\$28,067	---	---	\$28,067
Total support	5	\$28,067	---	---	\$28,067
Less: Federal reimbursement					9,184
Minimum reduction in state appropriation					\$18,883

Department of Social Welfare—Continued

ANALYSIS

The basis upon which we have recommended the above reduction follows under the discussion of the appropriate unit in the department.

It should be noted that the reductions are in terms of positions with no indication of corresponding reductions in operating and equipment expense. Generally the social welfare budget is so organized that the majority of operating and equipment costs are consolidated within the Bureau of Office Services and cannot be segregated to the extent that they apply throughout the units of the department except by a detailed analysis of statistical information maintained by the Department of Finance. Operating and equipment costs attributable to the positions which may be eliminated by the Legislature can be reduced administratively by the Department of Finance.

Department of Social Welfare
EXECUTIVE

For Support of Executive From the General Fund

Amount requested	\$72,625
Estimated to be expended in 1953-54 Fiscal Year	71,108
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Increase (2.1) percent	\$1,517

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$2,922	\$2,922	---	888	58
Operating expense	-1,405	-1,405	---	888	66
Equipment	---	---	---		
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Total increase	\$1,517	\$1,517	---	888	68

RECOMMENDATIONS

Amount budgeted	\$72,625
Legislative Auditor's recommendation	72,625
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Reduction	None

ANALYSIS

The increase of \$1,517 over estimated expenditures in 1953-54 reflects normal salary adjustments and a small decrease in operating expenses.

We recommend approval of the amount requested.

Department of Social Welfare
ADMINISTRATIVE ADVISOR

For Support of Office of the Administrative Advisor From the General Fund

Amount requested	\$48,243
Estimated to be expended in 1953-54 Fiscal Year	47,328
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Increase (1.9 percent)	\$915

Administrative Advisor—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$1,366	\$1,336	---	884	21
Operating expense -----	451	451	---	884	28
Equipment -----	---	---	---	---	---
Total increase -----	\$915	\$915	---	884	30

RECOMMENDATIONS

Amount budgeted -----	\$48,243
Legislative Auditor's recommendation-----	48,243

Reduction ----- None

ANALYSIS

Normal salary adjustments and a small decrease in operating expenses account for a net increase of \$915 over this unit's estimated expenditures in 1953-54.

We recommend approval of the budget as requested.

Department of Social Welfare

DIVISION OF SOCIAL SECURITY—DIVISIONAL ADMINISTRATION

For Support of Division of Social Security, Divisional Administration,
From the General Fund

Amount requested -----	\$44,392
Estimated to be expended in 1953-54 Fiscal Year-----	42,503
Increase (4.4 percent)-----	\$1,889

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$1,339	\$1,339	---	884	66
Operating expense -----	550	550	---	885	11
Equipment -----	---	---	---	---	---
Total increase -----	\$1,889	\$1,889	---	885	13

RECOMMENDATIONS

Amount budgeted -----	\$44,392
Legislative Auditor's recommendation-----	44,392

Reduction ----- None

ANALYSIS

In 1953, the Department of Social Welfare was granted a new position of casework consultant, for one year only, based upon the following:

a. The division had an employment consultant whose activities were directed toward promotional aspects of providing jobs for aid recipients,

b. The Bureau of Vocational Rehabilitation of the Department of Education was carrying on a pilot study directed toward rehabilitating disabled parents of aid to needy children cases,

Division of Social Security—Divisional Administration—Continued

c. Staff was not available to review all policies and procedures to assure that they were directed toward the self-support concept and to develop materials for the use of state and county staffs in indoctrinating aid recipients in the benefits and desirability of self-support,

d. A pilot study was completed by the department in 1952 using a casework consultant from the University of California working with a selected group of Contra Costa County recipients. This consultant demonstrated to the department's satisfaction that families in which dependency has existed for many years can be rehabilitated.

The department requested this new position on a permanent basis to review pertinent rules and regulations and to develop materials for use in staff development, including (a) an outline to be used in discussing the aid applicant's resources and possibilities for self-support, (b) example cases to provide interviewing techniques which will stress the importance of self-support as opposed merely to determining technical eligibility, (c) materials and techniques for use in absent father cases, and (d) policies and techniques involving possibilities of support from other children in the family group.

The Legislature approved the position for one year only and requested that a complete report of results should be submitted to the Legislature at the end of that year.

The position of casework consultant has not been filled due to failure of the Department of Social Welfare and the Personnel Board to agree on specifications for the new position, and it appears that the position is unlikely to be filled prior to May, 1954.

In view of the results obtained by the Aid to Needy Children pilot program conducted jointly by the Bureau of Vocational Rehabilitation, Department of Education, and the Department of Social Welfare, it is our opinion that if selected disabled recipients can be made self-supporting, there would appear to be greater possibilities for channeling a number of able bodied recipients into gainful employment.

Therefore, it appears that this position offers the possibility of assisting in the rehabilitation of a substantial number of disabled recipients with a resultant savings in state funds. On this basis, we again recommend that the position of casework consultant be approved for one year only and that a report of accomplishment of this position be submitted to the Legislature prior to the convening of the 1955 Legislative Session.

We recommend approval of the budget as submitted.

Department of Social Welfare
BUREAU OF FIELD REVIEW

For Support of Bureau of Field Review From the General Fund

Amount requested	\$15,126
Estimated to be expended in 1953-54 Fiscal Year	14,280
Increase (5.9 percent)	\$846

Bureau of Field Review—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$846	\$846	---	885	31
Operating expense -----	---	---	---	---	---
Equipment -----	---	---	---	---	---
Total increase -----	\$846	\$846	---	885	33

RECOMMENDATIONS

Amount budgeted -----	\$15,126
Legislative Auditor's recommendation -----	15,126
Reduction -----	None

ANALYSIS

The increase of \$846 over the estimated expenditures in 1953-54 results from normal salary adjustments.

We recommend approval of the amount requested.

**Department of Social Welfare
BUREAU OF AID TO NEEDY CHILDREN**

For Support of Bureau of Aid to Needy Children From the General Fund

Amount requested -----	\$53,428
Estimated to be expended in 1953-54 Fiscal Year -----	50,668
Increase (5.4 percent) -----	\$2,760

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages -----	\$2,100	\$2,100	---	885	58
Operating expense -----	660	---	\$660	885	61
Equipment -----	---	---	---	---	---
Total increase -----	\$2,760	\$2,100	\$660	885	63

RECOMMENDATIONS

Amount budgeted -----	\$53,428
Legislative Auditor's recommendation -----	53,428
Reduction -----	None

ANALYSIS

The increase in this bureau's budget request results from normal salary adjustments amounting to \$2,100 and an increase of \$660 for operating expenses. This bureau is requesting continuance for 1954-55 of an existing temporary position of Supervising Social Welfare Agent I costing \$5,988. The budget request of this bureau also includes \$7,500 in operating expenses to be used on a contractual basis for review of medical evidence used in determining eligibility for aid to needy children cases. This is an increase of \$660 over the estimated expenditure for this function in 1953-54.

Medical Reviewer

In 1953, the position of medical reviewer costing \$5,496, and travel expense of \$1,344 was approved by the Legislature for the purpose of

Bureau of Aid to Needy Children—Continued

reviewing the medical aspects of cases on aid due to "disability." We are informed that approximately 6,000 cases are on aid to needy children due to disability and that on the average these cases receive larger assistance grants than do other aid to needy children cases. Reports by the Bureau of Vocational Rehabilitation, Department of Education, resulting from a study to determine what might be done toward making disabled parents in aid to needy children cases self-supporting indicated a real need for an examination of the medical aspects of aid to needy children cases involving a disabled parent.

We are informed by the department that basic field work has been completed by the medical reviewer who is now writing a report of his findings including recommendations for remedial action. The department proposes to utilize funds provided for the medical review position for 1954-55 to put into effect, on a contractual basis, the recommendations resulting from this year's study. Based upon preliminary recommendations resulting from the medical reviews, the department contends that, in addition to providing sounder social work, the recommendations should result in an eventual decrease in the proportion of cases on aid due to "disability."

In view of the possible savings that may result from the proposed position of medical reviewer, we recommend approval of the request as submitted and that a complete report of accomplishment be presented to the Legislature prior to the convening of the 1955 Legislative Session.

In addition, we recommend that the Legislature consider the problem of inadequate medical records of social welfare recipients, with a view of seeking a wholesale improvement of medical examinations in the case of those who qualify for assistance due to so-called medical disabilities. The very magnitude of the problem indicates that the cooperation and assistance of the California Medical Association will be required to accomplish the job that preliminary findings indicate is necessary.

Supervising Social Welfare Agent I

This bureau requests that the position of Supervising Social Welfare Agent I costing \$5,703, authorized for the current fiscal year, be continued through June 30, 1955.

Certain significant trends that were noted last year concerning the department's original request for this position have continued. These trends are:

- a. The number of children in foster homes has increased from 9,339 in July, 1952, to 9,558 in July, 1953.
- b. The number of family aid to needy children cases has decreased from 53,856 in July, 1952, to 51,839 in July, 1953.
- c. The average grant for children in placement is considerably higher than for children in family groups (\$61.03 and \$48.79 respectively as of October, 1953).

Information pertinent to the question concerning the increasing number of children in foster homes has been gathered by the Department of Social Welfare. The department states that it is now analyzing the data, reviewing all rules and regulations to determine if they are applicable to the foster home program and that necessary changes in

Bureau of Aid to Needy Children—Continued

the policies concerning foster home care will be recommended whenever the need for such a change occurs.

We are informed by the department that this position will be used in 1954-55 to accomplish the following:

1. In addition to working with county welfare departments this individual will work with juvenile courts, probation officers, and private child placement agencies to reorient their thinking so that children placed by them in foster homes will be investigated as thoroughly as those placed in family cases.

2. Compilation of a handbook for workers who handle foster home cases. At the present time, there are no state-wide instructions in this area except for reference in the general Aid to Needy Children manual.

3. Development of training material so that as many cases as possible may be put in the category of federally reimbursable cases rather than having these cases paid for entirely with state and local funds. Not only is a placement with a relative socially more desirable, it is economically more desirable as it results in federal reimbursement as well as decreased total cost per case.

As there is an apparent need for the development of a better understanding of the relationships between the foster home program and the family aid to needy children cases and because a transfer of children from foster home care to family aid to needy children cases generally is socially and economically more desirable, we recommend approval of this position for one year with a complete report of accomplishment to be submitted to the Legislature prior to convening of the 1955 Legislative Session.

**Department of Social Welfare
BUREAU OF AID TO NEEDY AGED**

For Support of Bureau of Aid to Needy Aged From the General Fund

Amount requested	\$42,508
Estimated to be expended in 1953-54 Fiscal Year	42,145
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Increase (0.9 percent)	\$363

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$363	\$363	---	885	84
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
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Total increase	\$363	\$363	---	886	9

RECOMMENDATIONS

Amount budgeted	\$42,508
Legislative Auditor's recommendation	42,508
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Reduction	None

ANALYSIS

The increase of \$363 in this bureau's budget reflects normal salary adjustments. Included in this budget request is an operating expense

Bureau of Aid to Needy Aged—Continued

item of \$2,500 which represents the department's share of expenses for an interdepartmental committee on problems of the aging.

We recommend approval of the budget request as submitted.

Department of Social Welfare
DIVISION FOR THE BLIND

For Support of Division for the Blind From the General Fund

Amount requested	\$161,022
Estimated to be expended in 1953-54 Fiscal Year	155,174
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Increase (3.8 percent)	\$5,848

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,871	\$1,871	---	886	37
Operating expense	3,977	3,977	---	886	55
Equipment	---	---	---	---	---
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Total increase	\$5,848	\$5,848	---	886	57

RECOMMENDATIONS

Amount budgeted	\$161,022
Legislative Auditor's recommendation	161,022
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Reduction	None

ANALYSIS

Of the total increase of \$5,848 for this division, \$3,977 in caused by increased costs of surgery and treatments in the prevention of blindness program, and \$1,871 is due to normal salary adjustments.

We recommend approval of the budget as submitted.

Department of Social Welfare
DIVISION OF CHILD WELFARE—DIVISIONAL ADMINISTRATION

*For Support of Division of Child Welfare—Divisional Administration
From the General Fund*

Amount requested	\$21,554
Estimated to be expended in 1953-54 Fiscal Year	20,716
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Increase (0.4 percent)	\$838

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$228	\$228	---	886	73
Operating expense	610	610	---	886	79
Equipment	---	---	---	---	---
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Total increase	\$838	\$838	---	886	81

RECOMMENDATIONS

Amount budgeted	\$21,554
Legislative Auditor's recommendation	21,554
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Reduction	None

Division of Child Welfare—Divisional Administration—Continued

ANALYSIS

The budget request for this division is \$838 more than the estimated expenditures for 1953-54. This increase reflects a small increase in travel expenses of the division and normal salary adjustments.

We recommend approval of the budget request as submitted.

Department of Social Welfare
BUREAU OF CHILD WELFARE SERVICES—FEDERAL

For Support of Bureau of Child Welfare Services, Federal, From the General Fund

Amount requested	\$30,914
Estimated to be expended in 1953-54 Fiscal Year	30,069
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Increase (2.8 percent)	\$845

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$845	\$845	---	887	20
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
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Total increase	\$845	\$845	---	887	35

RECOMMENDATIONS

Amount budgeted	\$30,914
Legislative Auditor's recommendation	30,914
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Reduction	None

ANALYSIS

An annual federal appropriation is made to the department in accordance with Section 521 (a), Title V of the Federal Social Security Act which reads in part as follows:

“The amount so allotted shall be expended for payment of part of the cost of district, county or other local child welfare services in areas predominantly rural, and for developing state services for the encouragement and assistance of adequate methods of community child welfare organization in areas predominantly rural and other areas of special need.”

With the exception of one clerical position of \$3,540, this unit is financed entirely by federal funds. We recommend approval of the budget as submitted.

Department of Social Welfare
BUREAU OF ADOPTIONS

For Support of Bureau of Adoptions From the General Fund

Amount requested	\$40,355
Estimated to be expended in 1953-54 Fiscal Year	39,513
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Increase (2.1 percent)	\$842

Bureau of Adoptions—Continued

	Summary of Increase			Budget page	Line No.
	Total increase	INCREASE DUE TO			
		Work load or salary adjustments	New services		
Salaries and wages -----	\$842	\$842	---	887	54
Operating expense -----	---	---	---	---	---
Equipment -----	---	---	---	---	---
Total increase -----	\$842	\$842	---	887	56

RECOMMENDATIONS

Amount budgeted -----	\$40,355
Legislative Auditor's recommendation -----	40,355
Reduction -----	None

ANALYSIS

This bureau requests a budget increase of \$842 over its estimated expenditures for 1953-54. The increase reflects normal salary adjustments.

We recommend approval of the budget amount requested.

Department of Social Welfare
BUREAU OF BOARDING HOMES AND INSTITUTIONS

For Support of Bureau of Boarding Homes and Institutions From the General Fund

Amount requested -----	\$25,248
Estimated to be expended in 1953-54 Fiscal Year -----	29,687
Decrease (15.0 percent) -----	\$4,439

	Summary of Increase			Budget page	Line No.
	Total increase	INCREASE DUE TO			
		Work load or salary adjustments	New services		
Salaries and wages -----	-\$3,874	-\$3,874	---	887	78
Operating expense -----	-565	-565	---	887	81
Equipment -----	---	---	---	---	---
Total increase -----	-\$4,439	-\$4,439	---	887	83

RECOMMENDATIONS

Amount budgeted -----	\$25,248
Legislative Auditor's recommendation -----	25,248
Reduction -----	None

ANALYSIS

The 1954-55 budget request for this bureau reflects a decrease of \$4,439 over estimated expenditures for 1953-54. This decrease results from reduced operating expenses, deletion of one position of Supervising Social Welfare Agent I, and normal salary adjustments for the remaining employees of this bureau.

We recommend approval of the amount requested.

Department of Social Welfare

DIVISION OF ADMINISTRATIVE SERVICES—DIVISIONAL ADMINISTRATION

For Support of Division of Administrative Services, Divisional Administration,
From the General Fund

Amount requested	\$46,353
Estimated to be expended in 1953-54 Fiscal Year	40,527
Increase (14.4 percent)	\$5,826

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$5,366	\$5,366	---	889	58
Operating expense	460	460	---	889	64
Equipment	---	---	---	---	---
Total increase	\$5,826	\$5,826	---	889	66

RECOMMENDATIONS

Amount budgeted	\$46,353
Legislative Auditor's recommendation	46,353
Reduction	None

ANALYSIS

The increase of \$5,826 in the budget request of this unit for 1954-55 results from normal salary adjustments, a small increase in travel expense, and from a vacancy in the position of chief of the manual unit during a portion of 1953-54.

We recommend approval of the budget as submitted.

Department of Social Welfare

BUREAU OF FINANCIAL ADMINISTRATION

For Support of Bureau of Financial Administration From the General Fund

Amount requested	\$256,141
Estimated to be expended in 1953-54 Fiscal Year	252,652
Increase (1.4 percent)	\$3,489

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$3,489	\$3,489	---	890	39
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
Total increase	\$3,489	\$3,489	---	890	41

RECOMMENDATIONS

Amount budgeted	\$256,141
Legislative Auditor's recommendation	256,141
Reduction	None

ANALYSIS

This bureau has developed a simplified method of cost accounting and proposes the reduction of one intermediate account clerk. However,

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Bureau of Financial Administration—Continued

normal salary adjustments result in a requested net budget increase of \$3,489 over estimated 1953-54 expenditures.

We recommend approval of the amount requested.

**Division of Social Welfare
BUREAU OF PERSONNEL**

For Support of Bureau of Personnel From the General Fund

Amount requested	\$123,462
Estimated to be expended in 1953-54 Fiscal Year	123,655
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Decrease (0.2 percent)	\$193

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	—\$193	—\$193	---	890	68
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
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Total increase	—\$193	—\$193	---	890	73

RECOMMENDATIONS

Amount budgeted	\$123,462
Legislative Auditor's recommendation	123,462
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Reduction	None

ANALYSIS

The budget request of this bureau reflects the same level of service as now exists. The scheduled decrease of \$193 under estimated 1953-54 expenditures results from the elimination of temporary clerical help which more than offsets normal salary adjustments.

We recommend approval of the amount requested.

**Department of Social Welfare
BUREAU OF MANAGEMENT ANALYSIS**

For Support of Bureau of Management Analysis From the General Fund

Amount requested	\$25,664
Estimated to be expended in 1953-54 Fiscal Year	24,360
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Increase (5.4 percent)	\$1,304

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$1,304	\$1,304	---	891	19
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
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Total increase	\$1,304	\$1,304	---	891	24

RECOMMENDATIONS

Amount budgeted	\$25,664
Legislative Auditor's recommendation	25,664
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Reduction	None

Bureau of Management Analysis—Continued

ANALYSIS

The increase of \$1,304 over estimated expenditures in 1953-54 reflects normal salary adjustments.

We recommend approval of the budget as submitted.

**Department of Social Welfare
BUREAU OF TRAINING**

For Support of Bureau of Training From the General Fund

Amount requested	\$17,710
Estimated to be expended in 1953-54 Fiscal Year	16,367
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Increase (8.2 percent)	\$1,343

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$843	\$843	---	891	41
Operating expense	500	500	---	891	44
Equipment	---	---	---		
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Total increase	\$1,343	\$1,343	---	891	46

RECOMMENDATIONS

Amount budgeted	\$17,710
Legislative Auditor's recommendation	17,710
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Reduction	None

ANALYSIS

The increase of \$1,343 in this bureau's budget request results from normal salary adjustments and from a small increase in operating expenses. Operating expense funds will be used for contractual services in connection with training institutes to be conducted for departmental and county personnel.

We recommend approval of the amount requested.

**Department of Social Welfare
BUREAU OF RESEARCH AND STATISTICS**

For Support of Bureau of Research and Statistics From the General Fund

Amount requested	\$125,938
Estimated to be expended in 1953-54 Fiscal Year	121,123
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Increase (4.0 percent)	\$4,815

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$3,065	\$3,065	---	891	79
Operating expense	1,700	---	\$1,700	892	12
Equipment	50	50	---	892	18
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Total increase	\$4,815	\$3,115	\$1,700	892	20

Bureau of Research and Statistics—Continued

RECOMMENDATIONS

Amount budgeted	\$125,938
Legislative Auditor's recommendation	125,938
Reduction	None

ANALYSIS

The increase of \$4,815 over 1953-54 estimated expenditures provides for normal salary adjustments, a slight increase in equipment expense to be used for library purchases and increased operating expenses. Additional operating expense totalling \$1,700 will be used to provide tabulating services to the Bureau of Management Analysis.

We recommend approval of the budget as submitted.

**Department of Social Welfare
BUREAU OF OFFICE SERVICES**

For Support of Bureau of Office Services From the General Fund

Amount requested	\$680,075
Estimated to be expended in 1953-54 Fiscal Year	696,659
Decrease (2.4 percent)	\$16,584

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$10,333	\$10,333	---	892	63
Operating expense	—25,431	—25,431	---	893	16
Equipment	—1,486	—1,486	---	893	24
Total increase	—\$16,584	—\$16,584	---	893	26

RECOMMENDATIONS

Amount budgeted	\$680,075
Legislative Auditor's recommendation	680,075
Reduction	None

The Social Welfare budget is so organized that the majority of the entire operating expense is contained in the Bureau of Office Services. Therefore, this bureau's budget reflects operational and equipment costs attributable to activities throughout the department.

This bureau's budget request reflects a net decrease of \$16,584 over estimated expenditures for 1953-54. The net decrease results from (1) requested increase of \$10,333 attributable to normal salary adjustments, (2) a reduction in equipment requests of \$1,486 and (3) decreased operating expenses of \$25,431. The reduced operating expenses result primarily from a smaller building maintenance request and from decreased rental costs. Reduced costs for building maintenance are attributable primarily to completion in 1953-54 of minor renovation of the new area office in San Francisco. The decrease in rent reflects the moving of the Los Angeles area office to cheaper quarters and renegotiation of the lease for the Sacramento area office building.

We recommend approval of this bureau's budget request as submitted.

**Department of Social Welfare
AREA OPERATIONS**

For Support of Area Operations From the General Fund

Amount requested	\$1,239,806
Estimated to be expended in 1953-54 Fiscal Year	1,188,325
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Increase (4.3 percent)	\$51,481

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$51,481	\$51,481	---	893	73
Operating expense	---	---	---	---	---
Equipment	---	---	---	---	---
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Total increase	\$51,481	\$51,481	---	893	81

RECOMMENDATIONS

Amount budgeted	\$1,239,806
Legislative Auditor's recommendation	1,211,739
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Reduction	\$28,067

ANALYSIS

Six new positions (three supervising social welfare agents I, \$16,488; and three social welfare agents, \$12,276) are requested to meet work load increases occasioned by an increase in the number of institutions subject to inspection by the State Department of Social Welfare. These positions are requested on the basis of established work load ratios and we recommend their approval.

Institutional Audits

In addition to providing for licensing of institutions, Sections 2350 to 2360 of the Welfare and Institutions Code provide for the supervision of life-care contracts. These provisions require that institutions furnishing life-care services must have a certificate of authority from the State Department of Social Welfare, as well as the regular institutional license. The Welfare and Institutions Code establishes certain requirements for financial reserves to be maintained by the institutions in order to qualify for a certificate of authority.

Section 2354.1 of the code provides that: "In lieu of making a detailed financial investigation, the State Department of Social Welfare *may accept* an annual audit of the records of the organization or person made by a certified public accountant, which shall include a certification, if such is the case, that the organization or person is maintaining reserves in accordance with the requirements of Section 2351 of this code."

Part II of the 1952 report of the Senate Interim Committee on Social Welfare stated in part that "a review of audit reports on institutions indicates that over 60 percent of the institutions have annual audits completed by certified public accountants." The department, however, continues to perform complete audits of each life-care institution. This is a duplication of effort.

The department informs us that their institutional auditors make use of the certified public accountant reports with a resultant decrease

Area Operations—Continued

in the time required to perform the departmental audit for those institutions that have had a certified public accountant audit performed. This would indicate that certified public accountant audits performed for the institutions are of considerable value to the departmental auditors when they perform a second fiscal audit for the same institution.

Nearly all life-care institutions are located in the vicinity of Los Angeles or in the Bay area. The department has one full-time person in the Los Angeles area office and one in the San Francisco area office performing audits of life-care institutions. In addition, we are informed that one person in the Bureau of Financial Administration in the Sacramento headquarters spends approximately one-half of his time in reviewing the audit reports of the two institutional auditors located in the area offices.

In our opinion, the performance of an acceptable annual fiscal audit is inherent in the cost of doing business. We believe that the rules and regulations of the State Department of Social Welfare should be revised to require each life-care institution to have an annual audit performed by a certified public accountant that meets the requirements of the statutes and of the department. The Sacramento headquarters could continue to review the completed certified public accountant audits in the same manner as it now reviews audit reports of the institutional auditors.

On this basis, we recommend that the positions of auditor II costing \$6,060 and accountant auditor I costing \$4,702 that are performing institutional audits be deleted from the budget at a saving of \$10,762.

Constructive Accounting

The Department of Social Welfare has six fiscal field representatives, two in each area office, whose function is to provide constructive accounting suggestions and procedural guidance to the counties in the fiscal administration of the assistance programs. These field representatives are functionally responsible to the Bureau of Financial Administration at Sacramento where the fiscal field reports are reviewed.

When the post audit function of the county assistance programs was transferred to the State Controller in 1952, the State Department of Social Welfare insisted that it would require the services of six persons to assist the counties in establishing and maintaining adequate accounting systems and in procedural simplification. The Legislature approved these six positions on the basis that they would be used exclusively for constructive accounting work in the counties.

The fiscal field representatives have not confined themselves to assisting the counties in developing improved procedures or in the establishment of better accounting systems. A sample of recent fiscal field reports submitted by the fiscal field representatives indicates that the field representatives are performing a fiscal review of county activities that differs very little from the post audit that is performed by the State Controller's Office.

The six fiscal field representatives are classified as semisenior accountants. Assuming that the fiscal field representatives' efforts have been properly oriented, and based on the fiscal field reports that we have seen, it is our opinion that in a large proportion of cases, the

Area Operations—Continued

fiscal representatives have not been performing what could be construed as constructive accounting.

On this basis, we recommend that the six positions of semisenior accountant costing \$35,485 be abolished, and that three positions of senior accountant be established at a cost of \$18,180. By applying themselves exclusively to constructive accounting suggestions and to the offering of procedural guidance to the counties, these three positions should improve the level of accounting services that was originally contemplated. This recommendation, if accepted, would result in a net saving of \$17,305.

RECREATION COMMISSION

ITEM 264 of the Budget Bill

Budget page 895
Budget page No. 7

For Support of Recreation Commission From the General Fund

Amount requested	\$88,103
Estimated to be expended in 1953-54 Fiscal Year.....	89,209
Decrease (1.2 percent).....	\$1,106

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages.....	\$1,267	\$1,267	---	895	46
Operating expense	175	175	---	895	66
Equipment	-2,548	-2,548	---	895	73
Total increase	-\$1,106	-\$1,106	---	895	75

RECOMMENDATIONS

Amount budgeted	\$88,103
Legislative Auditor's recommendation.....	74,410
Reduction	\$13,693

ANALYSIS

The budget request of \$88,103 is \$1,106 or 1.2 percent less than the estimated expenditures for the current year.

For a number of years this office has pointed out that the Recreation Commission is performing a service which is primarily a responsibility of local government; that numerous state agencies are concerned with other aspects of recreation; and that the support of a separate agency for this purpose is almost unique in the United States. A detailed report on the work of this agency was prepared in 1953. Based on these facts we have previously recommended elimination of the agency. The Legislature has not concurred in this recommendation.

In essence our position concerning the Recreation Commission has been motivated primarily from two main considerations:

1. The establishment of separate boards and commissions can rarely be justified except on a temporary basis to meet a special problem.
2. In this activity the State has been performing a new service to local governments which we have not thought was as essential as other state requirements.