

Department of Justice—Continued

The \$3,500 decrease for the current budget is attributable to a decrease in equipment requests offset by normal salary increases.

Approval of the amount budgeted is recommended.

DEPARTMENT OF MENTAL HYGIENE

Budget page 525
Budget line No. 23

FOR SUPPORT OF THE DEPARTMENT OF MENTAL HYGIENE
FROM THE GENERAL FUND

Amount requested	\$74,253,450
Estimated to be expended in 1955-56 Fiscal Year	67,215,838
Increase (10.5 percent)	\$7,037,612

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$5,403,486	\$4,508,698	\$894,788	525 9
Operating expense	1,637,000	1,478,612	158,388	525 10
Equipment	13,757	13,757	--	525 11
Less: increased reimbursements ..	-16,631	-16,631	--	525 20
Total increase	\$7,037,612	\$5,984,436	\$1,053,176	525 23

RECOMMENDATIONS

Amount budgeted	\$74,253,450
Legislative Auditor's recommendation	72,858,662
Reduction	\$1,394,788

STATE HOSPITAL SUMMARY

We have summarized the analysis of the budget requests of the state hospitals for the mentally ill and mentally deficient below. We have treated the 14 state hospitals as a group since similar standards have been used for staffing, operating, and equipping these hospitals.

Proposed New Positions

A total of 1,020.3 new positions are requested for the 14 state hospitals for the 1956-57 Fiscal Year. We find that 200 or 20 percent of these new positions are requested to provide an increase in levels of service previously authorized by the Legislature. The balance of 820.3 positions, or 80 percent, are based on anticipated work load changes.

These proposed new positions have been tabulated by position classification in Table 3 which shows the breakdown between positions requested on a work load basis and those requested to increase previously authorized levels of service, and indicates costs for each of these.

State Hospital Summary—Continued

Table 3. Proposed New Positions by Classification

	Total	Increased Work level of load service	Estimated cost of new positions	Cost of work load positions	Cost of increased level of service positions
Nursing					
Senior psychiatric nurse	42	42	—	\$142,189	\$142,189
Psychiatric nurse	117	117	—	370,864	370,864
Supervising psychiatric technician	10	10	—	41,940	41,940
Psychiatric technician	3	—	3	8,964	—
Psychiatric technician trainee	547	428	119	1,249,120	942,100
Subtotal	719	597	122	\$1,813,077	\$1,497,093
Medical and Laboratory					
Assistant medical administrator	1	—	1	\$13,200	—
Clinical psychologist II	6	—	6	36,360	—
Senior dentist	1	1	—	8,520	8,520
Dental assistant	11	—	11	32,868	—
Physician and surgeon II	29	1	28	299,976	10,344
Clinical laboratory technician	17	—	17	67,932	—
Neuropathology technician	3	—	3	12,582	—
X-ray technician	1.6	1.6	—	5,808	5,808
Surgical nurse	3	3	—	11,988	11,988
Chiropodist	1.7	1.7	—	9,813	9,813
Pharmacist	1	1	—	5,232	5,232
Laboratory helper	1	1	—	2,706	2,706
Subtotal	76.3	10.3	66	\$506,985	\$54,411
Other Treatment Personnel					
Physical therapist II	1	—	1	\$4,512	—
Recreational therapist	4	—	4	16,776	—
Occupational therapist	2	—	2	7,992	—
Industrial therapist	4	1	3	16,776	4,194
Supervising psychiatric social worker	1	1	—	5,496	5,496
Senior psychiatric social worker	4	4	—	19,920	19,920
Subtotal	16	6	10	\$71,472	\$29,610
Teaching Personnel					
Elementary teacher	5	5	—	\$22,020	\$22,020
Student professional assistant	1	1	—	2,844	2,844
Subtotal	6	6	—	\$24,864	\$24,864
Administrative personnel					
Service and supply supervisor	1	—	1	\$6,360	—
Telephone operator	2	2	—	5,976	5,976
Subtotal	3	2	1	\$9,336	\$5,976

State Hospital Summary—Continued

Table 3. Proposed New Positions by Classification—Continued

	Total	Increased Work load	level of service	Estimated cost of new positions	Cost of work load positions	Cost of increased level of service positions
Clerical Personnel						
Intermediate account clerk -----	2	2	--	\$5,976	\$5,976	--
Intermediate typist-clerk	6	6	--	18,678	18,678	--
Subtotal -----	8	8	--	\$24,654	\$24,654	--
Food Service Personnel						
Institution food administrator I -----	1	1	--	\$4,512	\$4,512	--
Cook -----	2	2	--	7,260	7,260	--
Baker I -----	1	1	--	3,630	3,630	--
Food service supervisor I	1	--	1	2,988	--	2,988
Food service assistant --	61	61	--	165,066	165,066	--
Subtotal -----	66	65	1	\$183,456	\$180,468	\$2,988
Housekeeping Personnel						
Janitor foreman II -----	1	1	--	\$3,810	\$3,810	--
Janitor -----	19	19	--	56,772	56,772	--
Assistant seamstress ---	1	1	--	2,844	2,844	--
Subtotal -----	21	21	--	\$63,426	\$63,426	--
Laundry Personnel						
Laundryman -----	1	1	--	\$3,138	\$3,138	--
Laundress -----	3	3	--	8,964	8,964	--
Laundry helper -----	5	5	--	13,530	13,530	--
Subtotal -----	9	9	--	\$25,632	\$25,632	--
Maintenance and Operating Personnel						
Maintenance personnel--	15	15	--	\$62,556	\$62,556	--
Institution firemen ---	--	--	--	4,800	4,800	--
Groundsman and flower gardener -----	5	5	--	15,690	15,690	--
Automotive equipment operator -----	3	3	--	10,890	10,890	--
Subtotal -----	23	23	--	\$93,936	\$93,936	--
Farming Personnel						
Assistant institution dairyman -----	1	1	--	\$3,810	\$3,810	--
Hog ranch operator ---	1	1	--	3,810	3,810	--
Vegetable gardener ----	1	1	--	3,810	3,810	--
Subtotal -----	3	3	--	\$11,430	\$11,430	--
Fairview State Hospital --	70	70	--	\$147,691	\$147,691	--
Subtotal -----	70	70	--	\$147,691	\$147,691	--
Grand total -----	1,020.3	820.3	200	\$2,978,959	\$2,159,191	\$819,768

State Hospital Summary—Continued

In Table 4 we have summarized the proposed new positions by hospital, also showing breakdown between positions requested on the basis of work load and positions requested to raise the level of service and costs of each.

Table 4. Proposed New Positions by Mental Hospital

Hospital	Proposed		Work load		New service	
	No.	Cost	No.	Cost	No.	Cost
Agnews -----	14	\$37,752	--	--	14	\$37,752
Atascadero -----	32.1	124,131	19.1	\$56,505	13	67,626
Camarillo -----	105	304,542	54	146,544	51	157,998
DeWitt -----	5.4	24,781	1.4	6,289	4	18,492
Fairview -----	70	147,691	70	147,691	--	--
Mendocino -----	14.5	61,172	12.5	40,484	2	20,688
Metropolitan -----	201.5	656,895	194.5	601,071	7	55,824
Modesto -----	6.1	36,633	1.1	4,767	5	31,866
Napa -----	166	521,340	151	417,576	15	103,764
Pacific -----	259.1	596,307	248.1	536,139	11	60,168
Patton -----	14	42,036	11	31,056	3	10,980
Porterville -----	68.6	201,147	41.6	122,835	27	78,312
Sonoma -----	15	48,156	6	18,216	9	29,940
Stockton -----	49	176,376	10	30,018	39	146,358
All hospitals -----	1,020.3	\$2,978,959	820.3	\$2,159,191	200	\$819,768

Per Capita Costs for State Mental Hospitals

The total support budget for the state hospitals is scheduled to increase \$7,149,111, or 10.6 percent. Population at the institutions is anticipated to average 48,188 patients, an increase of 2,191, or 4.8 percent. This results in the average per capita cost going from \$1,514 to \$1,588, an increase of \$74, or 4.9 percent. The breakdown of per capita costs by hospitals is shown in Table 5 below.

Table 5. Per Capita Cost

Hospital	Actual	Estimated	Proposed	Change from 1955-56	
	1954-55	1955-56	1956-57	Amount	Percentage
Agnews -----	\$1,200	\$1,420	\$1,532	\$112	7.9
Atascadero -----	1,971	1,698	1,851	153	9.0
Camarillo -----	1,091	1,234	1,323	89	7.2
DeWitt -----	1,277	1,366	1,397	31	2.3
Mendocino -----	1,386	1,418	1,448	30	2.1
Metropolitan -----	1,553	1,665	1,866	201	12.1
Modesto -----	1,295	1,407	1,394	-13	-0.9
Napa -----	1,191	1,336	1,453	117	8.8
Pacific -----	1,597	1,667	1,762	95	5.7
Patton -----	1,289	1,452	1,568	116	8.0
Porterville -----	1,688	1,754	1,738	-16	-0.9
Sonoma -----	1,807	1,806	1,829	23	12.7
Stockton -----	1,378	1,457	1,487	30	2.1
All hospitals -----	\$1,440	\$1,514	\$1,588	74	4.9

Statistical Evaluation

Considerable progress has been made in gathering and analyzing information for the purpose of evaluating results of the mental hygiene program. After persistent recommendations by this office that a single over-all figure be developed to measure the efficiency of the program, the department's Bureau of Statistical Research developed a statistical index of release rates. The index has been reviewed by the statistical

State Hospital Summary—Continued

laboratory of the University of California and is recognized as a valid method of measuring changes in rates.

The index needs to be supplemented with additional information, but we believe that it is a step forward and that the Bureau of Statistical Research is to be commended for the work that it has done in developing it.

In our opinion this measurement is only a beginning. Measurements of numerous aspects of the program should be developed for internal management and program evaluation purposes. These should be measures which are understandable and useful to departmental administrators, control agencies, the Legislature, and concerned citizens groups.

The first of a series of meetings, to consider how to improve statistical evaluation of the mental hygiene program, was held in August, 1955, by representatives of the Statistical Research Bureau, the Department of Finance and this office. Consideration was given to statistical work now being done which might be eliminated, to the validity and understandability of information now being developed, to additional types of statistical information which should be gathered and analyzed, and to the manpower which would be required to do this work.

We recommend that the meetings to develop a comprehensive evaluation program and to determine the manpower necessary to carry it out, be continued with broadened participation and full cooperation from the agencies concerned.

Program Evaluation Related to Proposed New Positions

An evaluation of the program proposed for 1956-57 can be made in part by reviewing the agencies' record of net therapeutic releases from hospitals per 100 patients available for release converted into an index number which shows the improvement since 1947. This is shown in Table 1 following.

Table 1. Index of Release Rates

Year ending June 30	Net therapeutic releases per 100 patients available for release		Index based on standardized rate
	Actual rate	Standardized rate	
1947-----	14.9	16.6	100
1948-----	15.8	16.7	101
1949-----	18.7	18.4	111
1950-----	19.6	18.4	111
1951-----	20.0	19.0	115
1952-----	21.3	19.9	120
1953-----	21.9	19.6	118
1954-----	22.9	20.3	122
1955-----	23.2	20.8	125

The index shows that release rates have continued to increase and are now 25 percent above the 1947 level. In addition, the death rate has declined slightly. The release rates have apparently been significantly improved during the period.

To the extent that accelerated rates of release can, in and of themselves, be a valid criterion, it may be inferred that the effectiveness of the program has advanced. Without attempting to minimize or detract from the acceleration that has taken place in release rates, we nevertheless must view with extreme conservatism any attempt to construe from

State Hospital Summary—Continued

this fact alone that significant progress has been made in the treatment program.

The release rate index affords a means of indicating the trends in releases. The index does not, however, make it possible to properly evaluate the influence of a number of pertinent factors, which must be explained in order to obtain a sensitive measure of the therapeutic efficiency of the program. Release rates would at least have to be coupled with an analysis of rates of readmissions on the same groups before reaching any tentative conclusions as to any effective change in the treatment program.

It is our recommendation, in order to obtain a more valid criterion of therapeutic efficiency, that the standardized index be supplemented by developing additional data.

A thorough study of readmissions from each type of leave should be undertaken. The study should show the average length of time between release and readmission for the first and any subsequent recommitments. More complete data should be developed for each type of mental illness and other pertinent characteristics. It would be useful to categorize the data for each hospital for the purpose of evaluation somewhat along the following lines both for readmissions and other aspects as listed below:

1. Comparison of average length of time out of the hospital for first and subsequent readmissions.
2. Comparison of average length of time in the hospital between first admission and first release, and between each subsequent readmission and release.
3. Compile an index based on 1 and 2 above to measure any apparent trends and also the effects on length of hospitalization from changes in administrative policies, new drugs, improved staff facilities and other factors which may or may not be related to the degree of patient improvement at the time of discharge.
4. For all discharges in a given fiscal year by various pertinent categories, accumulate the time in hospital since date of first admission and divide by the number of months between date of first admission and latest discharge.
5. The present index of release rates should be compiled for each hospital using the same categorical breakdown as far as possible as in the over-all index.
6. For patients transferred, apparently the historical record of the patient is lost for purposes of evaluation because of the lack of the date of original commitment in the IBM cards. It is felt that this data is necessary in order to analyze release data based on length of prior commitment.

The above suggestions supplemented by other techniques, if followed and used in connection with the present index of releases and other available data, should considerably improve the degree of accuracy and effectiveness in measuring the efficiency of the department's therapeutic program and in providing needed data for other analysis such as forecasting trends in patient population.

State Hospital Summary—Continued

Comparison With Level of Service Trend

The level of service to patients has increased markedly during the period 1947 to 1955—the same period as covered in the index of release rates.

Table No. 2 indicates the steady trend toward providing better care, treatment and facilities for patients in California mental institutions.

Table 2. Comparative Measure of Improved Services, Department of Mental Hygiene

Year ending June 30	Level of service Total program*	Index*	Level of service Care and welfare	Index
1946-47	236	100	156	100
1947-48	314	133	238	153
1948-49	353	150	272	174
1949-50	374	158	288	185
1950-51	392	166	301	193
1951-52	406	172	309	198
1952-53	418	177	314	201
1953-54	437	185	326	209
1954-55	476	202	356	228

* Level of service for total therapeutic program is based on total filled positions minus positions in following categories: community services, patients' accounts, private licensing, farming operations, outpatient clinics, Langley Porter Clinic, and neuropsychiatric clinic.

The over-all level of service index is computed by dividing the total annual hours worked (by those employees in functions whose activities are related in varying degrees to the care and welfare of patients) by the average resident population for each year. The 1946-47 Fiscal Year is the base year equaling 100 on the index.

The level of service index for the specific function of care and welfare is computed in the same manner as above except that the annual hours of only those employees whose full time specific duties come under this function are included. This category includes some two-thirds or more of the total personnel employed by the department during the nine-year period.

The over-all level of service has about doubled during the period with gains made each year. For the specific care and welfare function the level of service had doubled by 1953 and further increased to 228 by 1955.

These increases in level of service and also in release rates are plotted on Chart I, shown on following page.

Recommendation as to Positions Requested on Work Load Basis

We recommend approval of the 820.3 new positions requested by the Department of Mental Hygiene to continue service at the state hospitals at presently authorized levels.

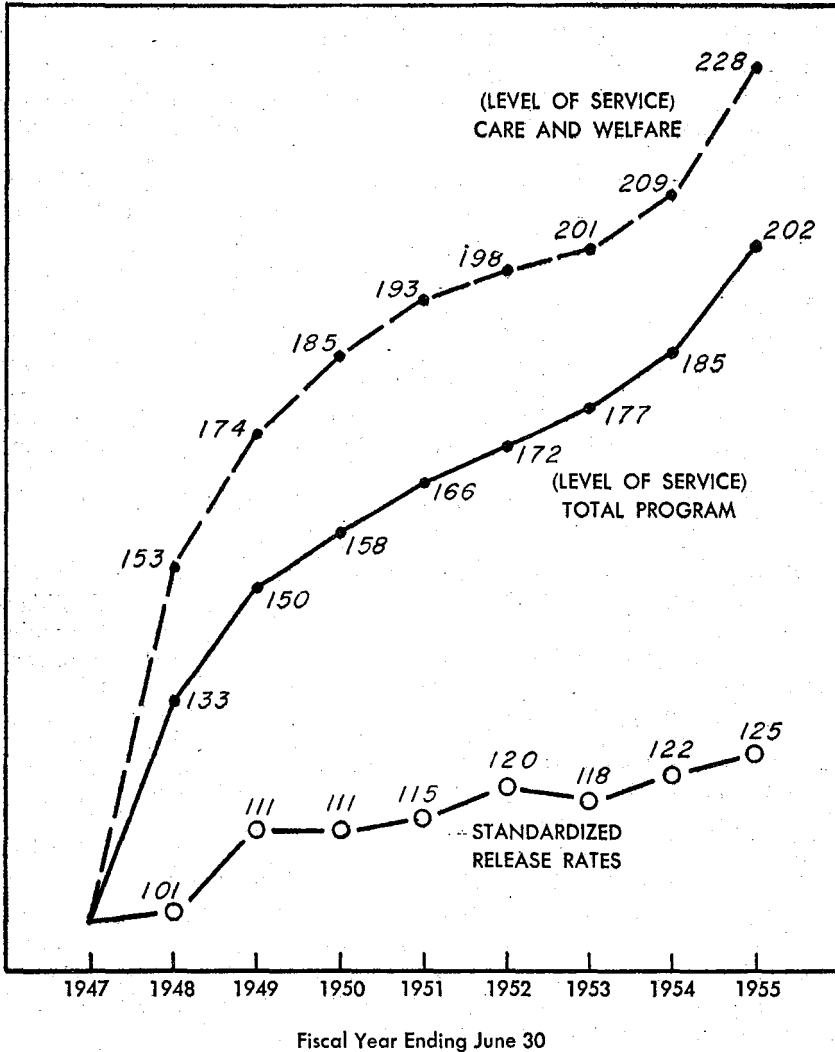
The changes in work load, on which this request is based, are due to the following factors:

1. Activation of new facilities including:
 - (a) The new Fairview State Hospital at Costa Mesa for mentally deficient patients, prior to receiving patients in September, 1957.
 - (b) A new receiving and treatment center at Metropolitan State Hospital.

State Hospital Summary—Continued

CHART I

INDEX OF LEVEL OF SERVICE AND INDEX OF STANDARDIZED
RELEASE RATES, 1947-1955



(c) A 486-bed tubercular unit at Napa.

(d) A 302-bed annex to the hospital unit at Pacific.

- Hospital ward reclassifications resulting from changes in types of patients and prescribed treatments.

We have reviewed the justifications for these positions and concur with the determination of the Department of Finance that they repre-

State Hospital Summary—Continued

sent a continuation of levels of service which have been previously authorized by the Legislature.

We would like to point out that if positions requested to increase the level of service are deferred and positions requested to continue previously authorized levels of service are approved, some improvement will still be made. This is due to two factors:

1. New ward buildings of the receiving and intensive treatment type, which require heavier staffing will be activated during the year. The new facilities will receive and relieve overcrowding of older ward buildings, but will require a net increase in staffing.
2. Changes in composition of patient population are anticipated which will require reclassification of some wards to the more intensive type which require heavier staffing.

Recommendation as to Positions Requested to Increase Level of Service

We recommend that the request of the Department of Mental Hygiene for 200 new positions to increase levels of service in the state hospitals above those previously authorized by the Legislature be deferred until the next regular session of the Legislature.

This recommendation is made in accord with the previously stated policy that new services should be considered only at regular sessions of the Legislature.

The following are comments on particular items in the proposed increase in level of service at the state hospitals.

11 Dental assistants (Budget page 529, line 21).....\$32,868

Dental staffing is now at 85 percent of the departmental goal. This is the highest percentage of goal attained by any of the classes for which the department has established goals. Dental positions are not a part of the treatment team and this service cannot be considered an integral part of the therapy program. In terms of the department's own goals, it appears that if an increase in level of service is to be granted, the need is greater for any of the classifications on the treatment team, all of which are staffed at a lower percentage of the departmental goal, than for the dental service.

Three dental assistants are currently provided for each four dentists. The request would provide one dental assistant to each dentist.

1 Assistant medical administrator (Budget page 529, line 8) \$11,400

1 Service and supply supervisor (Budget page 530, line 39) -- \$6,360

The above positions are new classifications not previously used in the state hospitals. The positions are requested to insert a new level of supervisory service at Camarillo State Hospital.

At the time the 1955-56 Governor's Budget was being prepared, the Department of Mental Hygiene proposed increases to strengthen supervision at the larger state hospitals. The Budget Division recommended instead that a study of the state hospitals, to determine appropriate organization and supervisory staffing, be made by the Management Analysis unit of the Department of Finance. This study has not yet been released. The added supervision represented by the above positions is in specific areas to be covered by the study. It seems appropriate

State Hospital Summary—Continued

that these positions should not be approved until this study has been rendered.

We further recommend that the Department of Mental Hygiene prepare future requests for new services on the basis of the additional work which it expects to accomplish with the proposed increases.

It is our opinion that in the interim before the next regular session of the Legislature, the Department of Mental Hygiene should re-examine the basis on which it prepares requests for increased services. We believe that program additions should be developed by: (1) determining what needs to be done that is not now being done, (2) determining what personnel and other resources are needed to do these things—following which an attempt should be made to estimate the consequent improvement in results.

Obtaining improved ratios of the various classes of clinical personnel to patients is the current basis for requests for increased treatment program. In 1947 the department proposed as a goal a series of ratios which it felt would provide "a good standard of care" in the state hospitals. Requests for increases have since been based on obtaining percentage increases towards these departmental goals.

Our observation regarding these goals is that they were probably the best "educated guess" that could be made at the time as to a staffing pattern which might provide a good standard of care. The department did not attempt, however, to determine specifically what this good care consisted of—what things would be done that were not then being done.

In passing, it appears that the department may have some doubt of its own regarding its goals. We note a considerable disparity in the percentage of goal which the various clinical classes have attained—and yet, year after year, the department requests the largest increases in some of the classes which have attained the highest percentage of goal while at the same time requesting smaller increases, or no increases at all for some of the classes which have lagged the most.

The use of ratios of clinical personnel to patients as a standard has certain advantages and disadvantages. They are relatively simple to develop and present. They can be easily compared to the standards of American Psychiatric Association, which were also developed in terms of ratios of clinical personnel to patient population and admissions.

On the other hand, unproven ratios such as these fall far short of being good budgetary standards. They become merely an excuse for lack of good program planning. They fail completely to give administrators and control and policy bodies the picture they need in order to make intelligent decisions on new programs.

During the Senate subcommittee hearings on the 1955-56 Budget request of the Department of Mental Hygiene, considerable criticism of ratios as a standard was voiced by members of the subcommittee. It was pointed out that they were quite meaningless to the Legislature and that, as a result, the Legislature had approved a great deal purely "on faith."

During this discussion, the Director of Mental Hygiene stated that attempts were being made by the department's Program Committee to develop staffing needs on a more concrete basis. This project has since been discussed with top officials of the department.

State Hospital Summary—Continued

There is no question but that the development of program on the basis of work to be done is much more difficult for a psychiatric treatment program than for most operations. However, we believe that this can be done in specific terms and our discussions with the department indicated that its Program Committee has had some success in doing this. We have not yet had an opportunity to review the work of the committee but have been assured that we will be given a chance to do so as soon as possible.

Our discussion of this work with department officials indicated that real progress was being made and we feel that the department is to be commended for it. We believe that future requests for new program should be prepared on this sort of realistic basis.

Comparative Savings, Salaries and Operating Expense

Table 5 below shows estimated and actual wage and salary savings for the Department of Mental Hygiene during the Fiscal Years 1950-51 to 1956-57.

Table 5. Savings on Salaries and Wages, 1950-51 Fiscal Year to 1956-57 Fiscal Year

<i>Fiscal year</i>	<i>Proposed salary savings</i>	<i>Accrued additional salary savings</i>	<i>Total salary savings</i>	<i>(Proposed) unfilled positions</i>	<i>Total unfilled positions †</i>
1956-57 ----	\$3,380,649	\$575,000*	\$3,955,649	724.9	847.9
1955-56 ----	3,218,526	550,000*	3,768,526	878.3	1,027.3
1954-55 ----	2,955,433	645,781	3,601,214	803.4	980.4
1953-54 ----	3,475,896	600,241	4,076,137	873.3	1,021.3
1952-53 ----	3,690,307	390,991	4,081,298	891.9	989.9
1951-52 ----	1,896,079	2,273,771	4,169,850	592.9	1,244.9
1950-51 ----	729,903	1,784,824	2,514,727	254.1	874.1
	<u>\$19,346,793</u>	<u>\$6,820,608</u>	<u>\$26,167,401</u>		

* Estimated on basis that accrued additional salary savings will equal about 17 percent of proposed salary savings for that year.

† (Proposed) Unfilled positions plus the percentage accrued additional salary savings is of proposed salary savings each year applied to (proposed) unfilled positions.

Table 5 shows that over a period of seven years the Department of Mental Hygiene has had extraordinarily high salary savings. The comparison of these salary savings to the corresponding number of positions shown suggests the need for critically examining the basis upon which this budget, as in the case of preceding budgets, requests very large increases in new positions when the department has such a very substantial gap in its ability to keep presently authorized positions filled. In a class of position such as psychiatric technician where the department is dealing with a labor force of thousands of persons, it does not appear to be logical, with such vacancies, to create additional new positions for the stated purpose of increasing the manpower available in the treatment program. It is recognized that since salary savings are deducted from the appropriation which would otherwise be required to provide for full-year expenditures of all authorized positions, that no saving in appropriations will be effected by eliminating any of the proposed new positions. At the same time, this situation seriously challenges the realism of a budget request based primarily on ratios of positions to hospital patients. It also raises serious questions as to the ef-

State Hospital Summary—Continued

fectiveness of the recruitment and personnel policies of the agency since large sums have been appropriated to train employees on the job, and it now appears that much of this value is lost to the State by the extremely high rate of turnover of new employees.

The magnitude of this problem can be noted from Table 5 where it shows that the actual and estimated salary savings total \$26,167,401 for the seven-year period, which is the equivalent of 6,986 man-years of unutilized personnel. Moreover, the annual amount of salary savings starting with 1954-55 is increasing. With every request for budget augmentation the number of position-years which remains unfilled is significantly large, and has averaged about 1,000 positions each year during the seven years reflected in Table 5. While the creation of these new positions to conform to predetermined departmental goals based on ratios of technical personnel to hospital population or admissions may appear to be a valid program approach, it does not actually provide corresponding manpower supplements to the program.

Moreover, if there should be a significant improvement in the ability of the mental hospitals to recruit or to retain personnel, it would require a very substantial augmentation in appropriation from some source which would be completely out of line with the increase in level of service which is suggested by the appropriation increase proposed in this budget.

We believe that this serious management problem should be given immediate attention, and we also believe that the creation of new positions for increased levels of service should be deferred until the extremely large salary savings are brought more nearly into line.

A secondary problem is that of apparently overbudgeting operating expenses. The actual savings in operating expenses for the 1950-51 to 1954-55 Fiscal Years are shown in Table 6 below.

Table 6. Budget Savings on Operating Expenses, 1950-51 Fiscal Year to 1954-55 Fiscal Year

<i>Fiscal year</i>	<i>Total operating expenses</i>	<i>Savings in operating expenses</i>	<i>Percent savings</i>
1954-55	\$14,894,114	\$1,116,654	7.4
1953-54	13,751,337	893,896	6.5
1952-53	13,379,036	897,193	6.7
1951-52	13,631,051	241,410	1.7
1950-51	12,047,607	60,294	0.5
Total		\$3,209,447	

The foregoing Table 6 reflects substantial savings in operating expenses for each of the five fiscal periods reported.

The general trend has been toward increased savings in this category of expenditure. This is indicative of some degree of over-budgeting, and accordingly an increased conservatism of evaluating and estimating requirements would be productive of a decrease in necessary initial appropriations for operating expenses for this agency.

Since the last actual figures involve in excess of one million dollars, the item justifies a careful re-evaluation of the bases used to compute budgetary requirements.

State Hospital Summary—Continued

It is recognized that the amount of the total savings in operating expenses each year may result in this agency generally either from an unanticipated decline in price structures or a failure of the agency to achieve patient population forecasts or a combination of both factors in varying degrees.

To the extent that these factors are more realistically interpreted, reduced appropriations should ensue.

It is to be noted that budgetary forecasts in 1950-51 and 1951-52 were relatively accurate when compared with the years 1952-53 through 1954-55 inclusive. During the first two years the forecasts were within 0.5 and 1.7 percent of agency expenditures. However, in the latter three years, requested appropriations have resulted in variations of 6.5 to 7.4 percent above estimated requirements.

If the general trend exemplified in Table 6 is projected into the 1956-57 budgeted requirements of \$17,084,530 for operating expenses, the agency has been over-budgeted at least 6 percent on this item in the amount of \$1,025,072.

We find further support for this factor in examining the 1955-56 Budget wherein operating expenses were budgeted at \$15,815,490. This figure has already been revised downward to \$15,447,530, a reduction of \$367,960 or 2.3 percent.

Accordingly, we recommend a reduction of \$500,000 in operating expenses as budgeted for 1956-57. This will still leave the agency a "cushion" in excess of \$500,000, or over 3 percent, based on prior budgeting experience.

This salary savings problem may be summed up by pointing out that the Legislature is being asked to augment a current program now in effect for 1955-56 which according to the budget submitted reflects the following:

1. A total of 1,049 additional psychiatric technician positions were allowed in the 1955-56 Budget.

2. The presently scheduled revised estimate of salary savings totals \$3,768,526.

3. This represents 1,027 unfilled positions.

4. This is 69 percent of the total new positions the agency requested last year.

5. Salary savings for the new budget year 1956-57 is estimated at \$3,955,649, an increase of \$187,123, or 5 percent.

6. Filling of newly authorized positions from the available labor pool largely takes the place of employing these persons to fill presently authorized positions which are unfilled. To the extent possible, consistent with the minimum lag required to physically process a new employee, the salary savings should be reduced and the number of proposed new positions held down.

7. The agency apparently pursues a policy of filling newly authorized portions on a priority basis. Further, the agency apparently pursues the policy of filling existing vacancies on the basis of the longest permissible interval prior to automatically calling for a review by the Department of Finance for the continued authorization of such positions.

State Hospital Summary—Continued

We therefore recommend that this practice be reviewed by the Department of Finance and the need for continuing as authorized, positions having a prolonged vacancy factor, be realistically interpreted. To the extent that this is done, future agency requests may be properly evaluated for requested increases in levels of service.

8. To the extent that operating expenses are over-budgeted based on prior experience, the budget request should be reduced.

Operating Expenses

Total operating expenses (Budget page 525, line 10)-----\$17,084,530

Operating expenses are scheduled at \$17,084,530 for 1956-57. This is an increase of \$1,637,000 or 6 percent over the amount of \$15,447,530 estimated to be expended in the 1955-56 Fiscal Year. The major portion of this is accounted for by the transfer to the support budget of maintenance projects totaling \$775,910 which were shown in previous budgets under capital outlay, by anticipated increases in population, and by price changes.

We recommend reduction of this amount by \$500,000 as discussed in the preceding section.

We recommend that the reduction be allocated to the individual hospitals by the Department of Finance. This proposed reduction does not show in our analysis of the individual hospital analyses.

Special Drugs

A portion of the increase in operating expenses is due to the request for \$206,688 for purchase of the new "tranquilizing" drugs with the goal of determining their "relative effectiveness." This portion of the request for operating expenses clearly represents new service in that it is a request for increase in the allocations which were made to the state hospitals for purchase of these drugs in the current fiscal year.

Because of the promise which the new drugs offer of expediting treatment, and the potential savings to the State which may result, we recommend approval of the amount requested, but with the condition noted in the recommendation below.

At the hearings of the Senate and Assembly subcommittees on the 1955-56 Budget request of the Department of Mental Hygiene, the department presented a letter requesting that the proposed budget be augmented to provide \$48,300 for purchase of the new drugs, reserpine and chlorpromazine.

This office had no opportunity to review this request in detail prior to the hearings. We concurred in the request as we were aware that evidence was accumulating that these drugs were valuable in the treatment of mental illness. However, we suggested to the committee that since the potentialities of the drugs were still relatively unknown, the Department of Mental Hygiene should carefully study and report on the results of the use of these drugs. The members of the committee and the Director of Mental Hygiene agreed that this should be done.

Following are our observations regarding study of the "new drugs" by the Department of Mental Hygiene:

State Hospital Summary—Continued

The amount requested was divided among the 13 state hospitals on the basis of \$1 per patient per year, with the result that the hospitals received amounts varying from \$1,100 to \$7,300 each. The hospitals were informed by the central office *after* the beginning of the fiscal year that a report regarding results of use of the new drugs should be submitted. No further direction was provided. The state hospitals were not informed that this should be treated as a research project, no planning was done or coordination provided, and no provision was made for standards, controls, or uniform reporting. As a result "study" at most of the hospitals was limited to recording and reporting a few subjective observations.

The above facts were observed during visits to several state hospitals by a representative of this office and were brought to the attention of the Director of Mental Hygiene in October, 1955. The director immediately appointed a "Committee on Tranquilizing Drug Report." Some of the very appropriate conclusions contained in the report of the committee, issued November 17, 1955, are quoted below:

"No funds were appropriated for additional personnel to collect, evaluate, and report the data obtained. (Note: No such personnel were requested by the Department of Mental Hygiene.)"

"No uniform plan has been fully developed for patient selection, drug administration, collection of data and detailed reporting."

"The hospitals involved are at various stages in carrying out the program—some being close to having expended the total amount allocated to them, some having expended only a small fraction of their funds. (Note: At least one hospital had expended its allowance by December, 1955, and all the allowances were encumbered by January, 1956.)"

*"The hospitals did not initially conceive of this project as being of a research nature, and it cannot be thought of as such now except to a limited degree * * *"*

*"No method of establishing experimental controls can be developed at this time other than comparison of the patient's present behavior to that prior to his medication * * *"*

"The funds allocated at present do not allow enough medication for adequate learning experience by the physicians for evaluation of the drug and for the reporting of any standardized results."

This office concurs completely with the findings and conclusions of this committee.

A wide disparity of opinion regarding the usefulness of these drugs continues to exist among mental health specialists. We believe that any agent which gives as much evidence as this has, of usefulness in treating mental illness—sufficient evidence that the Department of Mental Hygiene has requested over \$200,000 for purchase of it during the coming year—is deserving of adequate study in order to determine as nearly as possible its proper place as a tool in dealing with California's No. 1 health problem.

State Hospital Summary—Continued

It is our opinion that the failure of the Department of Mental Hygiene to adequately prepare for and carry out research on the so-called tranquilizing drugs is a good example of the need for competent research direction in the department.

We believe that the amount of \$206,688 requested for the Fiscal Year 1956-57 "to determine relative effectiveness" of the tranquilizing drugs will again be largely wasted for this purpose unless provision is made to adequately direct and carry out research for this program.

We recommend that the amount of \$206,688 requested for the purchase of special drugs be approved only under the following specific conditions:

1. *That a sufficient portion of this amount be reserved for the purpose of obtaining the qualified personnel necessary to plan, direct and report research to determine the usefulness and measure the benefits of these drugs.*
2. *That the remaining amount to be used for purchase of the drugs be allocated according to the needs of this pilot project instead of being divided proportionately among the state hospitals as scheduled by the department.*

It has been indicated to us that the pharmaceutical companies would be willing to donate a substantial amount of drugs for a controlled pilot project under competent direction. With these donations it appears that the amount requested should be sufficient to provide the staff and drugs necessary to carry out an adequate pilot project. We have consulted specialists experienced in psychiatric research on this point. They have agreed that the amount should be sufficient to carry on an adequate study during the year, but have emphasized that at least a two-year study, with subsequent follow-up, would be required to produce meaningful results.

There have been indications that a large percentage of patients who are now committed to state hospitals might be treated at home by private physicians or in outpatient clinics through use of the new drugs. Considering the cost of capital outlay (estimated in excess of \$12,000 per bed per patient) and the cost of maintenance (now averaging \$1,588 per patient per year) we think it is particularly important that this possibility be explored.

Equipment

Total request for equipment (Budget page 525, line 11)-----\$944,468

Equipment expenditures for the Department of Mental Hygiene are scheduled at \$944,468 for 1956-57. This is an increase of \$13,757 or 1.5 percent over the amount of \$930,711 estimated to be expended in the 1955-56 Fiscal Year.

Budget requests for equipment, as originally submitted by the respective institutions, totaled \$2,152,000. Joint conferences were held by representatives of Department of Mental Hygiene central office, the Department of Finance and this office, and a careful review of equipment requests was made.

State Hospital Summary—Continued

As a result of these conferences the total amount of \$2,152,000 requested was reduced to \$944,468, a reduction of \$1,207,532, or 56 percent.

As a result of the review and reductions mentioned above, we believe that equipment requests are generally in line as now requested.

We recommend approval of the amount of \$944,468 requested for equipment.

GENERAL COMMENTS**Need for Evaluation of Operations and Research**

The care and treatment of mental patients in state facilities is one of the most costly of state programs. The total support cost for the program for the current fiscal year is estimated at approximately \$67,000,000. This amount represented approximately 24 percent of the total General Fund cost of state operations. An additional \$18,362,000 was authorized for capital outlay purposes.

It is a prime obligation of administrators of any program to conduct a continuing and intensive analysis to determine that the program is producing the results desired, that organization and procedures are economical and efficient, and to conduct research to improve upon existing methods and to discover new and better techniques. In a program of such enormous cost and significance to the welfare and economy of the state as is that of the Department of Mental Hygiene, this obligation is exceptionally great.

In a small and simple program these functions can be carried out by administrative and operating personnel. Large operations, however, require the employment of various types of full-time specialists to adequately carry out these functions: specialists in gathering and analyzing statistical information, specialists in the analysis of administrative operations, and specialists capable of carrying out medical and allied research to meet the needs of the program.

In our opinion, the Department of Mental Hygiene is not properly staffed to carry out these very necessary functions of self-evaluation and research, and we believe that careful consideration should be given to establishing positions within the agency to develop management and research evaluation.

Minor research projects have been carried on at state hospitals and at the Langley Porter Clinic as adjuncts of treatment and training activities or on employees' own time. While voluntary research projects are to be commended and encouraged, these are more likely to fit the interests of the employees contributing time to them than to the needs of the department.

We believe that applied research should be given central stimulus and direction and should be coordinated with the program of statistical evaluation in the department.

Management Improvements Effected in 1955

The state hospitals have listed a number of management improvements, organization changes and other steps taken during the 1955 calendar year to improve their programs.

General Comments—Continued

The general areas in which improvements have been made are: re-assignment and more efficient allocation of employees, improved procedures for communication and distribution of supplies and equipment, in furthering student affiliate nursing programs, developing programs within the rehabilitation sections to encourage patient volunteer services to the hospital, and giving patients a gradual reorientation with the outside world, before being released through a day labor program.

Some of these specific improvements are listed below:

Agnews. "Revised schedule of assimilation of psychiatric technician trainees into the nursing service—to eliminate much of the costly training of unadaptable and unsatisfactory trainees, revised the former method of giving training at the beginning of appointment. The new trainee is now given two weeks orientation after appointment, placed on wards for a period of incubation and trial. If these two periods are satisfactorily passed, the employee is transferred for classroom training."

Atascadero. "We have established a control distribution service in nursing, which we feel has been one of our biggest aids in the economical use of personnel and in proper work classification in its area of function."

Metropolitan. "Work of a legal and medical-legal nature, which concerns patients has been centralized. Estimated time saving of one physician-hour and one communications-hour daily resulted. Correspondence reply time has been shortened approximately three days."

Metropolitan. "Although the ratio of clinical psychologists to physicians and social workers is too low to allow the establishment of clinical teams on all wards, psychologists are now functioning as team members on selected wards throughout the hospital. This allows intensive treatment programs on selected wards, improved communications between team members, which has resulted in an increased release rate."

Pacific. "The establishment and development of a section on volunteer services within the department of rehabilitation."

Patton. "Emphasis was placed on better forms and publications control and resulted in the immediate consolidation or abolishment of more than 30 forms, a saving in time, money and materials."

Patton. "A program of referring specially selected patients for placement on day-labor jobs in the community was initiated through the two industrial therapists. This enables patients to accumulate funds that they can use when leaving the hospital, conserves the leave and discharge fund, as well as giving the patient a 'trial' life outside the hospital.

"A special project conducted by a psychiatric social worker resulted in the placing of 16 patients outside the hospital. These patients were very difficult to place. Thirteen of them are still out and making adequate adjustments. Savings to the hospital has amounted to several thousand dollars."

General Comments—Continued

Chico Mental Hygiene Clinic. "Developed an extensive group therapy program which at least doubles the number of possible patient-hours made available to the public by the clinic."

Langley Porter Clinic. "A new system of dittoing and dispatching daily ward reports has been devised. This is saving innumerable man hours of all people involved, as well as apprising the various interested personnel of the daily status of the patients and current ward situation."

A number of the operations mentioned in the reports indicate a definite need for a management analysis of the department's operations. While many of the comments would indicate that definite but minor improvements have been made in operations, it is felt that there is much yet to be done in this field.

We are not aware of any centralized continuing coordination to insure that improved techniques, such as outlined above in reports from the individual hospitals, are explored, verified, and adapted to all facilities where applicable.

Recruitment of Physicians

We recommend that a study be made by the Personnel Board to determine the reasons for the continual difficulty in filling physician positions and to develop possible solutions including those measures which can be taken by the State Personnel Board, those requiring departmental action, and those dependent upon legislation, if any.

Following the appropriation of funds for physician positions by the Legislature, each year, considerable sums of money have been spent in the recruitment of physicians by the State Personnel Board and the departments with medical programs. During the last two years, for example, the Personnel Board and the Department of Mental Hygiene have contacted over 30,000 physicians by direct mail.

In spite of these intensive recruiting efforts, the departments with medical programs continue to have considerable difficulty in filling vacant positions. In the Department of Mental Hygiene, where the need is great, the program has been greatly handicapped as a result.

We believe that the written examination for physicians constitutes one of the barriers to recruiting and filling these positions.

Standards of medical training throughout the country are sufficiently uniform and subject to evaluation so that it should be possible to use different selection methods than those used for most of the civil service classifications. The California State Board of Medical Examiners has a rigid screening and testing procedure to insure that all physicians licensed in California have been thoroughly trained and are competent to practice medicine. Likewise, boards in the various medical specialties, such as surgery, internal medicine and psychiatry, have rigid selection and testing procedures which are universally accepted.

The Personnel Board does not have the resources available to duplicate the screening and testing done by these professional medical boards nor does there appear to be any logical reason for such duplication of effort. Section 18930 of the Government Code authorizes the Personnel Board to dispense with the written examination. The Personnel Board can legally comply with its requirements for conducting competitive

General Comments—Continued

examinations without subjecting physicians to the barrier of an additional written examination in material for which they have been already adequately tested. This is particularly important in view of the current acute physician shortages where every possible barrier which prevents the employment of physicians should be eliminated. This also is a way by which the Personnel Board and the state departments concerned can save a significant amount of money.

Written examinations tend to deter those who may have specialized in a particular field of medicine. Written examinations, by necessity, are academic in approach and tend to eliminate applicants who have been away from medical school for a number of years. This is borne out by a study recently completed by the Personnel Board.

Physicians are in great demand and have a choice of employment. Under the circumstances, they are reluctant to take a written test requiring considerable preparation and time when they have already been judged competent to practice medicine by another state agency. Duplication by two different state agencies is questionable. The Personnel Board, by taking advantage of the findings of the Board of Medical Examiners should be able to improve its procedures and reduce the over-all cost to the State without sacrificing any of the advantages of the competitive selection system.

Reimbursement for Care and Treatment of Patients

We recommend that the Legislature adopt a resolution indicating that it is the intent and desire of the Legislature that the counties be charged \$40 per month for mentally deficient patients and that the Department of Mental Hygiene shall establish this rate as it is authorized to do under Sections 7009 and 7010 of the Welfare and Institutions Code.

The sections of the code cited above are quoted below:

Section 7009: "The county from which each person is committed to or for placement in a home for the mentally deficient shall pay the State the cost of the care of such person, for the time the person committed remains an inmate of the home or on parole or an leave of absence to a licensed boarding home for the care of such persons, at the monthly rate therefor fixed as provided in Section 7010."

Section 7010: "The cost of such care shall be determined by the Department of Institutions from time to time, subject to the approval of the Department of Finance, but in no case shall it exceed the rate of forty dollars (\$40) per month."

The law has required that the county of commitment shall reimburse the State for care and treatment of mental defectives since the time care of these patients by the State began in California. The Department of Institutions (Mental Hygiene) last revised the charge to the counties in 1927. At that time the per capita cost of care of mentally deficient patients was \$20.35 a month and the charge to the counties was established at \$20 per month per patient. In spite of the fact that the cost of care of mentally deficient patients has increased about sevenfold since 1927, there has been no change in the rate charged to the counties since that year.

General Comments—Continued

Increasing the charge for care and treatment of mentally deficient patients from \$20 to \$40 per month would result in increasing reimbursements to the State from approximately \$2,658,000 to \$5,316,000 annually.

For all other types of commitments of mental patients, for which the counties are required to reimburse the State, the established rate is at least \$40 a month. Following is a tabulation of the types of commitments for which the counties are required by law to reimburse the State, and the rates set for each:

W. and I. Code	Type of commitment	Rate
5258	Mentally deficient.....	\$20 per month
740.5	Juvenile court observation.....	40 per month
5355	Narcotic addicts	40 per month
7007	Mentally deficient observation placements by court	40 per month
7058	Psychopathic delinquent observation.....	40 per month
7107-8	State inebriate colonies (not in operation).....	40 per month
5050	Mentally ill, observation.....	3.70 per day

For those patients for whose care the counties reimburse the State, the counties, in turn, are entitled to collect all or a portion of the charge from the responsible relative or estates of the patients, according to ability to pay. Some counties make a real effort to collect. Others make only a nominal effort, and some of the smaller counties make no effort to collect.

In many cases responsible relatives have expressed a desire to pay according to their abilities, a greater portion or all of the cost of care of patients for whom they are responsible, but there is no way for them to do this (i.e., testimony of witnesses before the Assembly Interim Committee on Social Welfare at Pacific State Hospital on November 15, 1955).

In this connection, two resolutions of the San Diego County Grand Jury should be noted. On December 19, 1955, the grand jury resolved:

“That legislation should be enacted to permit parents or responsible relatives of patients to pay according to their financial ability so to do;”

“That a lien law should be enacted to enable the county and the State to collect payments from parents or responsible relatives to meet their obligations through the county.”

Reimbursement for care and treatment of *inebriate and mentally ill* patients is made in accordance with the ability of the patient's estate or relatives to pay, under the provisions of Section 6651-55 of the Welfare and Institutions Code. The maximum rate is based upon actual per capita cost of care and treatment of the patient (which is slightly lower than for mentally deficient patients). This maximum rate has recently been raised to \$122 per month. It should be noted that the actual cost of care of mentally deficient patients is higher than for mentally ill patients.

Legislation pertaining to charges that may be levied for services appears to be obsolete, inconsistent, and inequitable and therefore in need of revision. There does not seem to be any equity or logic in the present system of charging the counties several different fixed rates

General Comments—Continued

for care of patients according to type of commitment (which amounts constitute only a small proportion of the steadily increasing total cost).

During the current fiscal year over \$70,000,000 will be spent by the State for the care and treatment of mental patients. It is anticipated that the State will be reimbursed for less than \$7,000,000 of this total amount. It is our opinion that the State has been gradually assuming an undue share of the rising costs of this burden.

We recommend that a study be made, by an appropriate legislative committee, of the entire problem of the responsibility of state and local government for the cost of care and treatment of the various types of mental patients for whose care the counties are required to reimburse the State. This study should be designed to develop recommended legislation for consideration at the next regular session.

**Department of Mental Hygiene
DEPARTMENTAL ADMINISTRATION**

ITEM 147 of the Budget Bill

Budget page 533
Budget line No. 30

**FOR SUPPORT OF THE DEPARTMENTAL ADMINISTRATION FROM
THE GENERAL FUND**

Amount requested	\$2,479,140
Estimated to be expended in 1955-56 Fiscal Year.....	2,293,688
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Increase (8.1 percent).....	\$185,452

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$131,872	\$109,526	\$22,346	539 23
Operating expense	42,522	42,522	--	539 24
Equipment	11,058	11,058	--	539 25
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Total increase	\$185,452	\$163,106	\$22,346	539 27

RECOMMENDATIONS

Amount budgeted	\$2,479,140
Legislative Auditor's recommendation	2,456,794
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Reduction	\$22,346

Departmental Administration of the Department of Mental Hygiene is responsible for providing central policy and coordination for all departmental activities, including the clinical program with functional supervision provided for the medical, nursing, rehabilitation therapy and social work services and for business management, personnel, legal, food administration, maintenance and livestock operations. Activities centralized in the departmental headquarters include statistical research, deportation and transfer of patients, private institution inspection, and administration of guardianship estates. Two additional centralized activities are a part of Departmental Administration and are discussed separately below under "Bureau of Patients" and "Extramural Care."

Departmental Administration—Continued
ANALYSIS

The total amount requested for salaries for administration for 1956-57 is \$651,032, an increase of \$52,622 or 9 percent over Fiscal Year 1955-56. The increase includes 8.8 proposed new positions which represents an 8 percent increase in staff, as compared to a 5 percent increase in population of the state hospitals.

The proposed new positions are as follows:

1 Junior research technician (to June 30, 1957) (Budget page 536, line 22)	\$4,398
2 Intermediate typist-clerk (one to June 30, 1957) (Budget page 536, line 24)	\$5,976

The junior research technician and one intermediate typist-clerk are requested to provide adequate coverage for the analysis of statistical data on the mentally ill population. One additional intermediate typist-clerk is requested for the statistical reports unit to meet work load.

1 Chaplain (Budget page 536, line 26)	\$5,496
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One additional chaplain (Jewish) is requested on the basis of the work load.

1 Associate construction analyst (Budget page 536, line 28)	\$6,360
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This position is requested to assist in meeting the requirements of major and minor construction planning and programming.

1 Field representative (Budget page 536, line 30)	\$6,360
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The position is requested to meet increased work load in carrying out the department's function of inspecting and licensing private mental institutions. The number of private institutions has increased from 163 to over 300, with no increase in positions.

The private institution program is beneficial to the State both in providing needed bed capacity and in actually saving money by providing a placement facility for patients who would otherwise be routed to the state hospitals.

1 Assistant counsel (Budget page 536, line 32)	\$5,496
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0.8 Agent I (Budget page 536, line 33)	\$3,880
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1 Intermediate stenographer clerk (Budget page 536, line 34)	\$3,138
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The positions are requested to meet increased work load in the administration of guardianship estates.

Operating expenses for Departmental Administration are scheduled at \$195,102, an increase of \$26,635, or 15.8 percent over the amount \$168,467 estimated to be expended in the current fiscal year. This is due primarily to increase in rent to allow for the move into new quarters during 1956-57, plus moving expenses, and to increase in traveling required for the new positions.

Departmental Administration equipment expenditures are scheduled at \$20,589, an increase of \$7,336, or 55 percent over the amount of \$13,253 estimated to be expended in Fiscal Year 1955-56, due primarily to cost of equipment for new positions.

We recommend approval of the amount budgeted for Administration. We also recommend that definite consideration be given to the inclusion,

Departmental Administration—Continued

in the budget of this agency for 1957-58, of a position of Supervising Administrative Analyst.

Departmental Administration—Bureau of Patients Accounts

The Bureau of Patients Accounts is responsible for obtaining reimbursement for care and treatment of patients.

The total amount requested for salaries and wages for this activity for 1956-57 is \$368,839. This represents an increase of \$56,285, or 18 percent over the total of \$312,554 scheduled for expenditure in this category during 1955-56.

A total of 77 positions are presently authorized. The bureau is requesting an additional 12 proposed new positions. This represents an increase of 16 percent in staff as compared to a 3 percent increase in average mentally ill population of the state hospitals.

It is our opinion that a careful examination should now be made of the operations of the bureau before much additional expansion takes place. We believe that the bureau would benefit greatly from a sound study of its organization and procedures. For this reason we have recommended for approval only those positions which are clearly justified on the basis of existing work load.

1 Assistant Manager, Bureau of Patients Accounts

(Budget page 537, line 53) \$6,360

This position is requested to provide increased planning and supervisory service. Supervisors of the seven sections in the central office of the bureau, plus a field operations supervisor, presently report directly to the existing position of manager. In our opinion this does not represent too large a span of control. We believe that a careful management study of the bureau should be made, as noted above, before a new level of supervision is provided.

We recommend disapproval of the proposed position of assistant manager, reducing salaries and wages \$6,360.

4 Agent I *(Budget page 537, line 54) ----- \$19,920*

One agent I is requested to prepare and present denied cases before the various federal agencies. Senior clerk positions were established at the state hospitals in the 1953-54 Fiscal Year for the purpose of initiating claims. It would appear that the preparation of appeals could appropriately be handled, generally, by the same personnel, under procedures established by the central office. In our opinion the establishment of an additional agent I position for this purpose in the central office is not warranted on the basis of the justification submitted. We believe that further study is needed to determine whether a specialist is required to accomplish the purpose.

Furthermore, complete and detailed justification is lacking to support this position request. No data has been furnished by the agency to show, for example, the numbers and increases from year to year of the claims originally denied.

Likewise, information has not been developed to show the numbers and percentage of such original denials that were subsequently reversed and approved after a presentation or appeal before the various

Departmental Administration—Continued

federal agencies, preferably broken down by agency involved on such appeals.

Other pertinent data in support of the request would be the totals and amount and percentage of change therein of the recoveries represented by such claims, where reversal of an initial denial has been secured.

The foregoing is only representative, and not all inclusive, of the basic elements lacking from the general statements proffered by the agency in support of the position.

We recommend disapproval of one Agent I position, reducing salaries and wages by \$4,980.

One additional agent I is requested for each of the following units; the legal section, the review section and the analysis and adjustment unit. These three positions appear to be justified on a work load basis and should be many times compensated for by increased collection.

We recommend, however, study of the possibility of filling one of these three additional Agent I positions through downgrading the existing position of field operations supervisor.

In our opinion there is a question as to whether this latter position is needed. We recently verified the fact that this position has not been used for the purpose for which it was established—supervision of field operations—for several years. Field operations have been supervised by agents II in charge of regional offices in Los Angeles, San Francisco, and Sacramento. As noted below under our recommendation regarding the agent II in Sacramento, we believe that the present level of supervision provided has been adequate.

1 Bookkeeping machine operator I (Budget page 537, line 55)---\$3,138

The position is requested because of a 22 percent increase in cash payments and a 24 percent increase in charge establishments. The justification does not indicate whether the increase is in the amount of cash or the number of postings. If the former is the case, it does not follow that there is an increase in work load.

Giving the agency the benefit of the doubt, however, we note that it now has four bookkeeping machine operator positions. In checking these existing positions, we learned that one has been vacant since February 12, 1955. There is no evidence of a backlog of work. Filling this position, which has been vacant for 11 months, will provide a 33 percent increase in bookkeeping machine operator staffing with which to meet the possible 22 to 25 percent increase in work load.

We recommend disapproval of the proposed new position of bookkeeping machine operator, reducing salaries and wages \$3,138.

1 Intermediate stenographer-clerk (Budget page 537, line 56)---\$3,138

This position is requested to furnish clerical assistance to the proposed new position of assistant manager which we have recommended be disapproved.

We recommend disapproval of the position of intermediate stenographer-clerk, reducing salaries and wages \$3,138.

Departmental Administration—Continued

3 Intermediate typist-clerks (Budget page 537, line 57)-----\$9,414

Two of the positions are requested as complements to the two proposed new positions of agent I in the analysis and adjustment unit and the review unit. (The budget indicates that both are requested for the analysis and adjustment unit, but we understand that this is in error.)

The third position is requested to provide clerical assistance to the agent I position proposed to handle appeals to federal agencies which we have recommended be disapproved.

We recommend disapproval of one intermediate typist-clerk position, reducing salaries and wages \$3,138.

1 Intermediate file-clerk (Budget page 537, line 58)----- \$2,988

The position is requested on the basis of increased work load. We recommend approval.

1 Intermediate office appliance operator (Budget page 537, line 59) ----- \$2,988

The position is requested to handle increased work load in the mail room. We recommend approval as requested.

In addition to the proposed new positions discussed above, we recommend the following change in an existing position :

1 Agent II, patients accounts (Budget page 537, line 32)----- \$6,672

We recommend that the position of agent II in the Sacramento field unit of the Bureau of Patients Accounts be downgraded to agent I, further reducing salaries and wages by \$1,592.

Three agent II positions have been established to supervise field operations, one each located in Los Angeles, San Francisco and Sacramento. The agents II located in Los Angeles and San Francisco supervise six and three agents I, respectively. The agent II located in Sacramento supervises only one agent I position located in Oakland. Obviously, the supervisory level is not justified for the Sacramento position. In addition, the agent I in Oakland can be supervised much more efficiently and economically by the agent II located in San Francisco.

Operating expenses are scheduled at \$82,155 for 1956-57, an increase of \$12,188 or 17 percent over the amount of \$69,967 estimated to be expended in the 1955-56 Fiscal Year.

Equipment expenditures are scheduled at \$14,413, an increase of \$1,596 or 12 percent over the amount of \$12,817 estimated to be expended during the current fiscal year.

Departmental Administration—Extramural Care

Extramural care, the responsibility of the Bureau of Social Work, is provided for patients on leave from state hospitals. The staff is also responsible for carrying out the work placement and family care program and for maintaining regular contact with families of patients in state hospitals.

The total amount requested for salaries for this activity for 1956-57 is \$938,384, an increase of \$22,965, or 3 percent over the total of \$915,419 estimated to be expended in the current fiscal year. The increase

Departmental Administration—Continued

is due to merit salary increases and to change in estimated salary savings.

Operating expenses are scheduled at \$197,531, an increase of \$3,699 or 2 percent over the estimated amount of \$193,932 for the 1955-56 Fiscal Year. The increase is due to anticipated increase in cost of rent.

Equipment expenditures are scheduled at \$10,995. This is an increase of \$2,126 or 24 percent over the estimated expenditure of \$8,869 for the current fiscal year.

We recommend approval of the amounts budgeted.

**Department of Mental Hygiene
TRANSPORTATION OF PATIENTS**

ITEM 148 of the Budget Bill

Budget page 533
Budget line No. 43

FOR TRANSPORTATION OF PATIENTS COMMITTED TO MENTAL HOSPITAL FROM THE GENERAL FUND

Amount requested	\$85,776
Estimated to be expended in 1955-56 Fiscal Year	81,149
<hr/>	
Increase (5.7 percent)	\$4,627

RECOMMENDATIONS

Amount budgeted	\$85,776
Legislative Auditor's recommendation	85,776
<hr/>	
Reduction	None

The slight increase in the amount requested for transportation of patients is due to increased work load. The money appropriated for this item covers transportation costs, sheriff's fees, and traveling expenses incurred in connection with the delivering of patients from the counties to mental institutions.

These fees are standardized for the different activities under schedules prepared by the Board of Control. As a result of the increased work load, an increase of \$4,627 over the amount budgeted in the 1955-56 Fiscal Year is requested.

Approval of the amount budgeted is recommended.

**Department of Mental Hygiene
OUT-OF-STATE DEPORTATIONS AND INSTITUTION TRANSFERS**

ITEM 149 of the Budget Bill

Budget page 533
Budget line No. 48

FOR DEPORTATION AND INSTITUTION TRANSFER OF MENTAL PATIENTS FROM THE GENERAL FUND

Amount requested	\$105,275
Estimated to be expended in 1955-56 Fiscal Year	95,500
<hr/>	
Increase (10.2 percent)	\$9,775

RECOMMENDATIONS

Amount budgeted	\$105,275
Legislative Auditor's recommendation	105,275
<hr/>	
Reduction	None

Out-of-state Deportations and Institution Transfers—Continued

The department estimates that approximately 475 patients will be deported to their states of residence and that approximately 400 patients will be transferred between hospitals in the 1956-57 Fiscal Year.

The comparable figures estimated for the 1955-56 Fiscal Year were 475 out-of-state deportations and 870 transfers. The increased work load for the 1956-57 Fiscal Year is 5 and 230 respectively. An additional \$9,775 or 10 percent is requested to meet this added work load.

We recommend approval of the amount budgeted.

Department of Mental Hygiene

FAMILY CARE

ITEM 150 of the Budget Bill

Budget page 533
Budget line No. 56

FOR SUPPORT OF FAMILY CARE FROM THE GENERAL FUND

Amount requested	\$789,420
Estimated to be expended in 1955-56 Fiscal Year	685,927
<hr/>	
Increase (15.1 percent)	\$103,493

RECOMMENDATIONS

Amount budgeted	\$789,420
Legislative Auditor's recommendation	789,420
<hr/>	
Reduction	None

It has been demonstrated that increases in budget appropriations for the family care program have resulted in savings to the State. On this basis a considerable increase amounting to \$103,493 or 15 percent is requested for the 1956-57 Fiscal Year as compared to the previous year.

These savings are mainly justified by comparing the costs of maintaining patients in family care homes and in the hospitals. The department estimates that these expenses amount to about \$75 per month in the homes and about \$132 in the hospitals. Another, probably more important, factor to be considered is the reduced requirement for capital outlay to build new hospitals, which is incident with an increased family care program.

In view of the backlog of patients who would benefit from this service and the resulting economies, we recommend approval of the budgeted amount.

Department of Mental Hygiene

OUTPATIENT MENTAL HYGIENE CLINICS

ITEM 151 of the Budget Bill

Budget page 540
Budget line No. 38

FOR SUPPORT OF OUTPATIENT MENTAL HYGIENE CLINICS FROM THE GENERAL FUND

Amount requested	\$576,648
Estimated to be expended in 1955-56 Fiscal Year	501,734
<hr/>	
Increase (14.9 percent)	\$74,914

Outpatient Mental Hygiene Clinics—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$65,780	\$13,106	\$52,674	545 61
Operating expense -----	-1,069	-1,069	---	545 62
Equipment -----	9,523	9,523	---	545 63
Plus: revised federal aid funds---	680	680	---	540 24
Total increase -----	\$74,914	\$22,240	\$52,674	540 44

RECOMMENDATIONS

Amount budgeted -----	\$576,648
Legislative Auditor's recommendation-----	523,974
Reduction -----	\$52,674

ANALYSIS

The recommended reduction of \$52,674 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	Amount	<i>Budget</i>	
		Page	Line
1 Psychiatrist II, range C-----	\$10,344	541	66
1 Physician and surgeon II, range C-----	10,344	541	67
1 Clinical psychologist II-----	6,060	541	68
1 Supervising psychiatric social worker II-----	6,060	541	70
2 Senior psychiatric social worker-----	9,960	541	71
1 Senior stenographer-clerk-----	3,630	541	72
2 Intermediate stenographer-clerk-----	6,276	541	73
9 Positions, reducing salaries and wages by-----	\$52,674		

Of the \$65,780 increase requested for the 1956-57 Fiscal Year for salaries, \$52,674 is for nine new positions at the Los Angeles Clinic. These positions are requested to provide one additional psychiatric team at the clinic.

This additional psychiatric team is requested because of the pressing backlog of persons in need of treatment. However, since this work load is controllable the request must clearly be considered one for increased service.

It is our opinion that this is a matter for policy determination by the Legislature. The extent to which the State should be responsible for financing of community outpatient clinics is a matter which has been under question. During the last session of the Legislature a bill which would have provided an expanded program of community services, to be financed jointly by the State and the local communities, was defeated by the Legislature.

We recommend disapproval of the nine positions requested to increase service to the Los Angeles Clinic.

**Department of Mental Hygiene
LANGLEY PORTER CLINIC**

ITEM 152 of the Budget Bill

Budget page 546
Budget line No. 7

**FOR SUPPORT OF LANGLEY PORTER CLINIC FROM THE
GENERAL FUND**

Amount requested	\$1,110,188
Estimated to be expended in 1955-56 Fiscal Year	1,056,986
Increase (5.1 percent)	\$54,102

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$30,480	\$30,480	--	550 23
Operating expense	20,220	20,220	--	550 24
Equipment	3,402	3,402	--	550 25
Total increase	\$54,102	\$54,102	--	550 32

RECOMMENDATIONS

Amount budgeted	\$1,110,188
Legislative Auditor's recommendation	1,110,188
Reduction	None

The Langley Porter Clinic is a psychiatric teaching and research center. A hospital and clinic for the treatment of mental disorders is operated in connection with these activities. It is located at the University of California School of Medicine in San Francisco.

The increase in salaries and wages for 1956-57, as compared to 1955-56, is comprised of \$29,288 for increased cost of authorized positions and \$3,138 for one new position—intermediate stenographer-clerk. The new position is requested on a work load basis.

The increase shown in operating expenses is mainly the result of the transfer of \$17,400 from minor capital outlay to maintenance of structures. Also an increased amount is requested for additional medical supplies.

Of the \$26,231 requested for equipment, \$17,826 is for replacement and \$8,405 is for additional equipment. The major item under additional is for X-ray equipment.

This clinic provides medical training facilities and is authorized to conduct an intensive research program. In the furtherance of these objectives we recommend approval of the amount budgeted.

Department of Mental Hygiene

NEUROPSYCHIATRIC INSTITUTE AT UNIVERSITY OF CALIFORNIA, LOS ANGELES

ITEM 153 of the Budget Bill

Budget page 551
Budget line No. 6

**FOR SUPPORT OF NEUROPSYCHIATRIC INSTITUTE AT UNIVERSITY
OF CALIFORNIA, LOS ANGELES, FROM THE GENERAL FUND**

Amount requested	\$114,256
Estimated to be expended in 1955-56 Fiscal Year	67,620
Increase (69.0 percent)	\$46,636

Neuropsychiatric Institute at University of California, Los Angeles—Continued
Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$52,891	\$701	\$52,190	552 61
Operating expense -----	-1,750	-1,750	--	552 62
Equipment -----	-4,505	-4,505	--	552 63
Total increase -----	\$46,636	-\$5,554	\$52,190	552 65

RECOMMENDATIONS

Amount budgeted -----	\$114,256
Legislative Auditor's recommendation -----	114,256
Reduction -----	None

Construction is under way on the Neuropsychiatric Institute at Los Angeles, to be operated in conjunction with the U. C. L. A. medical school. The facilities are scheduled to be opened about October, 1958. In the meantime, the unit is functioning on a limited scale and is housed in temporary quarters provided by the university.

Ten additional positions are required to augment the current staff in carrying on limited teaching, research and training, and in connection therewith to operate an outpatient clinic. These positions are listed below:

1 Psychiatrist, director of outpatient department, Range C (Budget page 552, line 30) -----	\$12,600
2 Psychiatric resident, Range A (Budget page 552, line 31) -----	7,992
2 Psychiatric resident, Range B (Budget page 552, line 32) -----	11,544
1 Clinical psychologist III (Budget page 552, line 33) -----	6,672
4 Intermediate stenographer-clerk (Budget page 551, line 56) -----	12,552
Supervising psychiatric social worker II (replacing one senior psychiatric social worker) (Budget page 552, line 38) -----	830
	\$52,190

The increase is in line with the policy of providing the required training for medical students in psychiatry. In addition, an effective operating unit will be trained and ready to provide the necessary experience in expanding to the full program in a minimum of time when permanent facilities are available.

We recommend approval of the amount budgeted.

Department of Mental Hygiene
AGNEWS STATE HOSPITAL

ITEM 154 of the Budget Bill

Budget page 553
Budget line No. 7

FOR SUPPORT OF AGNEWS STATE HOSPITAL FROM THE GENERAL FUND

Amount requested -----	\$6,147,844
Estimated to be expended in 1955-56 Fiscal Year -----	5,803,692
Increase (5.9 percent) -----	\$344,152

Agnews State Hospital—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$235,144	\$197,392	\$37,752	559 46
Operating expense -----	102,081	86,558	15,523	559 47
Equipment -----	6,927	6,927	--	559 48
Total increase -----	\$344,152	\$290,877	\$53,275	559 59

RECOMMENDATIONS

Amount budgeted -----	\$6,147,844
Legislative Auditor's recommendation -----	6,110,092
Reduction -----	\$37,752

Agnews State Hospital, an institution for the mentally ill, is located near San Jose. An average population of 4,266 is anticipated for the 1956-57 Fiscal Year.

The recommended reduction of \$37,752 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget Page</i>	<i>Line</i>
1 Dental assistant -----	\$2,988	557	30
10 Psychiatric technician trainee -----	25,800	557	31
3 Psychiatric technician (group leader) -----	8,964	557	33
14 Positions, reducing salaries and wages by -----	\$37,752		

The above recommended deletions are in conformity with the discussion and analysis contained in the Hospital Summary.

**Department of Mental Hygiene
ATASCADERO STATE HOSPITAL**

ITEM 155 of the Budget Bill

Budget page 560
Budget line No. 7

**FOR SUPPORT OF ATASCADERO STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested -----	\$2,087,376
Estimated to be expended in 1955-56 Fiscal Year -----	1,901,692
Increase (9.8 percent) -----	\$185,684

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$239,719	\$172,093	\$67,626	565 33
Operating expense -----	—32,264	—37,614	5,350	565 34
Equipment -----	—21,476	—21,476	--	565 35
Less: increased reimbursements --	—295	—295	--	565 40
Total increase -----	\$185,684	\$112,708	\$72,976	565 42

RECOMMENDATIONS

Amount budgeted -----	\$2,087,376
Legislative Auditor's recommendation -----	2,019,750
Reduction -----	\$67,626

Atascadero State Hospital—Continued

Atascadero State Hospital is a maximum security institution for mentally ill persons committed as criminally insane, sex psychopaths, psychopathic delinquents and those few cases of mental illness which would otherwise require more protection to the community than can be accomplished in the ordinary hospital. The anticipated average population for the 1956-57 Fiscal Year is 1,200 patients.

The recommended reduction of \$67,626 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget page</i>	<i>line</i>
7 Psychiatric technician trainee.....	\$18,080	563	36
4 Physician and surgeon II (range B).....	41,376	563	39
1 Clinical laboratory technician.....	3,996	563	40
1 Recreation therapist.....	4,194	563	43
<hr/>			
13 Positions, reducing salaries and wages by.....	\$67,626		

It should be noted that even with the recommended deletions of the above 13 positions, the agency will still receive the benefit of a total of 19.1 new positions involving an increase of \$56,505 in salaries and wages.

This deletion conforms to the recommendations made in the Hospital Summary.

**Department of Mental Hygiene
CAMARILLO STATE HOSPITAL**

ITEM 156 of the Budget Bill

Budget page 566
Budget line No. 6

**FOR SUPPORT OF CAMARILLO STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$8,763,742
Estimated to be expended in 1955-56 Fiscal Year.....	8,073,447
<hr/>	
Increase (8.6 percent).....	\$690,295

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$580,998	\$423,000	\$157,998	573 9
Operating expense	153,643	123,252	25,391	573 10
Equipment	—29,578	—29,578	—	573 11
Less: increased reimbursements ..	—14,768	—14,768	—	573 19
<hr/>				
Total increase	\$690,295	\$506,906	\$183,389	573 22

RECOMMENDATIONS

Amount budgeted	\$8,763,742
Legislative Auditor's recommendation.....	8,605,744
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Reduction	\$157,998

Camarillo State Hospital near Camarillo, Ventura County, is an institution for the mentally ill. The anticipated average population for the 1956-57 Fiscal Year is 7,042.

The recommended reduction of \$157,998 consists of the following amounts in the category indicated:

Camarillo State Hospital—Continued

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>page</i>	<i>line</i>
1 Service and supply supervisor -----	\$6,360	567	53
1 Food service supervisor I -----	2,988	568	51
43 Psychiatric technician trainee -----	112,740	570	14
1 Assistant medical administrator -----	11,400	570	16
1 Physician and surgeon II, (range B) -----	10,344	570	18
2 Dental assistant -----	5,976	570	19
1 Clinical laboratory technician -----	3,996	570	20
1 Recreation therapist -----	4,194	570	23
<hr/>			
51 Positions, reducing salaries and wages by -----	\$157,998		

It should be noted that even with the recommended deletions of the above 51 positions, the agency will still receive the benefit of a total of 54 new positions involving an increase of \$146,544 in salaries and wages.

The deletions conform to the specific recommendations made in the Hospital Summary.

Department of Mental Hygiene

DE WITT STATE HOSPITAL

ITEM 157 of the Budget Bill

Budget page 574
Budget line No. 7

FOR SUPPORT OF DE WITT STATE HOSPITAL FROM THE GENERAL FUND

Amount requested -----	\$4,049,429
Estimated to be expended in 1955-56 Fiscal Year -----	3,908,007
<hr/>	
Increase (3.6 percent) -----	\$141,422

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$52,834	\$34,342	\$18,492	579 30
Operating expense -----	83,848	76,351	7,497	579 31
Equipment -----	4,740	4,740	--	579 32
<hr/>				
Total increase -----	\$141,422	\$115,433	\$25,989	579 40

RECOMMENDATIONS

Amount budgeted -----	\$4,049,429
Legislative Auditor's recommendation -----	4,030,937
<hr/>	
Reduction -----	\$18,492

DeWitt State Hospital, located near Auburn, Placer County, is an institution for mentally ill and mentally defective patients. Anticipated average population for the 1956-57 Fiscal Year is 3,069.

The recommended reduction of \$18,492 consists of the following amounts in the categories indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
2 Psychiatric technician trainee -----	\$5,160	577	69
1 Physician and surgeon II, range B -----	10,344	577	71
1 Dental assistant -----	2,988	577	74

4 Positions, reducing salaries and wages by ----- \$18,492

DeWitt State Hospital—Continued

It should be noted that even with the recommended deletions of the above four positions, the agency will still receive the benefit of a total of 1.4 new positions involving an increase of \$6,289 in salaries and wages.

This deletion is in conformance with the general analysis recommendations made in the Hospital Summary.

**Department of Mental Hygiene
MENDOCINO STATE HOSPITAL**

ITEM 158 of the Budget Bill

Budget page 580
Budget line No. 7

**FOR SUPPORT OF MENDOCINO STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$3,813,007
Estimated to be expended in 1955-56 Fiscal Year	3,377,191
Increase (12.9 percent)	\$435,816

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$287,187	\$266,499	\$20,688	587 9
Operating expense	128,495	120,017	8,478	587 10
Equipment	20,134	20,134	—	587 11
Total increase	\$435,816	\$406,650	\$29,166	587 22

RECOMMENDATIONS

Amount budgeted	\$3,813,007
Legislative Auditor's recommendation	3,792,319
Reduction	\$20,688

Mendocino State Hospital at Talmage, Mendocino County, is an institution for the mentally ill. An average population of 2,796 is anticipated for the 1956-57 Fiscal Year.

The recommended reduction of \$20,688 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
2 Physician and surgeon II, range B	\$20,688	584	42
2 Positions, reducing salaries and wages by	\$20,688		

It should be noted that even with the recommended deletions of the above two positions, the agency will still receive the benefit of a total of 12.5 new positions involving an increase of \$40,484 in salaries and wages.

The deletions noted conform to the recommendations contained in the Hospital Summary.

**Department of Mental Hygiene
METROPOLITAN STATE HOSPITAL**

ITEM 159 of the Budget Bill

Budget page 588
Budget line No. 7

**FOR SUPPORT OF METROPOLITAN STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$4,182,147
Estimated to be expended in 1955-56 Fiscal Year	3,411,774
Increase (22.6 percent)	\$770,373

Summary of Increase

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$655,491	\$599,667	\$55,824	594 43
Operating expense	139,073	128,664	10,409	594 44
Equipment	-20,411	-20,411	--	594 45
Less: increased reimbursements	-3,780	-3,780	--	594 53
Total increase	\$770,373	\$704,140	\$66,233	594 56

RECOMMENDATIONS

Amount budgeted	\$4,182,147
Legislative Auditor's recommendation	4,126,323
Reduction	\$55,824

Metropolitan State Hospital at Norwalk is an institution for the mentally ill. An average population of 2,393 is anticipated for the 1956-57 Fiscal Year.

The recommended reduction of \$55,824 consists of the following amounts in the category indicated:

	Amount	Budget Page Line	
<i>Salaries and Wages</i>			
4 Physician and surgeon II, range B	\$41,376	592	8
1 Clinical psychologist II	6,060	592	9
1 Neuropathology technician	4,194	592	11
1 Industrial therapist	4,194	592	15
7 Positions, reducing salaries and wages by	\$55,824		

It should be noted that even with the recommended deletions of the above seven positions, the agency will still receive the benefit of a total of 194.5 new positions involving an increase of \$601,071 in salaries and wages.

The deletions outlined above are in accord with the recommendations made in the Hospital Summary.

**Department of Mental Hygiene
MODESTO STATE HOSPITAL**

ITEM 160 of the Budget Bill

Budget page 595
Budget line No. 7

**FOR SUPPORT OF MODESTO STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$4,716,815
Estimated to be expended in 1955-56 Fiscal Year	4,599,811
Increase (2.5 percent)	\$117,004

Modesto State Hospital—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$59,179	\$27,313	\$31,866	600 30
Operating expense	76,895	68,710	8,185	600 31
Equipment	—19,070	—19,070	—	600 32
Total increase	\$117,004	\$76,953	\$40,051	600 40

RECOMMENDATIONS

Amount budgeted	\$4,716,815
Legislative Auditor's recommendation	4,684,949
Reduction	\$31,866

Modesto State Hospital is an institution for mentally ill and mentally defective patients. Anticipated average population for the 1956-57 Fiscal Year is 3,590.

ANALYSIS

The recommended reduction of \$31,866 consists of the following amounts in the category indicated:

<i>Salaries and Wages</i>	Amount	<i>Budget</i>	
		Page	Line
2 Physician and surgeon II, range B	\$20,688	598	48
1 Dental assistant	2,988	598	50
1 Occupational therapist I	3,996	598	53
1 Industrial therapist	4,194	598	54
5 Positions, reducing salaries and wages by	\$31,866		

It should be noted that even with the recommended deletions of the above five positions, the agency will still receive the benefit of a total of 1.1 new positions involving an increase of \$4,767 in salaries and wages.

The above deletions conform to the recommendations contained in the Hospital Summary.

**Department of Mental Hygiene
NAPA STATE HOSPITAL**

ITEM 161 of the Budget Bill

Budget page 601
Budget line No. 7

FOR SUPPORT OF NAPA STATE HOSPITAL FROM THE GENERAL FUND

Amount requested	\$7,491,004
Estimated to be expended in 1955-56 Fiscal Year	6,615,367
Increase (13.2 percent)	\$875,637

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$697,824	\$594,060	\$103,764	608 29
Operation expense	185,503	164,741	20,762	608 30
Equipment	—4,990	—4,990	—	608 31
Less: increased reimbursements	—2,700	—2,700	—	608 39
Total increase	\$875,637	\$751,111	\$124,526	608 42

**Napa State Hospital—Continued
RECOMMENDATIONS**

Amount budgeted	\$7,491,004
Legislative Auditor's recommendation	7,387,240
Reduction	\$103,764

Napa State Hospital, located at Imola, Napa County, is an institution for mentally ill patients. Anticipated average population for the 1956-57 Fiscal Year is 5,481.

The recommended reduction of \$103,764 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
7 Physician and surgeon II, range B	\$72,408	605	55
1 Dental assistant	2,988	605	56
4 Clinical laboratory technician	15,984	605	57
1 Neuropathology technician	4,194	605	58
1 Recreation therapist	4,194	605	60
1 Occupational therapist I	3,996	605	61

15 Positions, reducing salaries and wages by \$103,764

It should be noted that even with the recommended deletions of the above 15 positions, the agency will still receive the benefit of a total of 151 new positions involving an increase of \$417,576 in salaries and wages.

The above deletions conform to the recommendations contained in the Hospital Summary.

**Department of Mental Hygiene
PATTON STATE HOSPITAL**

ITEM 162 of the Budget Bill

Budget page 609
Budget line No. 7

**FOR SUPPORT OF PATTON STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$6,469,128
Estimated to be expended in 1955-56 Fiscal Year	6,044,721
Increase (7.0 percent)	\$424,407

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$319,717	\$308,737	\$10,980	615 52
Operating expense	93,609	76,959	16,650	615 53
Equipment	10,181	10,181	—	615 54
Plus: decreased reimbursements	900	900	—	615 62
Total increase	\$424,407	\$396,777	\$27,630	615 65

RECOMMENDATIONS

Amount budgeted	\$6,469,128
Legislative Auditor's recommendation	6,458,148
Reduction	\$10,980

Patton State Hospital at Patton, San Bernardino County, is an institution for the mentally ill. Anticipated average population for the 1956-57 Fiscal Year is 4,390.

Patton State Hospital—Continued

The recommended reduction of \$10,980 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
1 Dental assistant -----	\$2,988	612	78
2 Clinical laboratory technician -----	7,992	612	79
3 Positions, reducing salaries and wages by -----	\$10,980		

It should be noted that even with the recommended deletions of the above three positions, the agency will still receive the benefit of a total of 11 new positions involving an increase of \$31,056 in salaries and wages.

The foregoing deletions are in conformity with the recommendations contained in the Hospital Summary.

**Department of Mental Hygiene
STOCKTON STATE HOSPITAL**

ITEM 163 of the Budget Bill

Budget page 616
Budget line No. 6

**FOR SUPPORT OF STOCKTON STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested -----	\$6,958,179
Estimated to be expended in 1955-56 Fiscal Year -----	6,478,030
Increase (7.4 percent) -----	\$480,149

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages -----	\$307,405	\$161,047	\$146,358	622 40
Operating expense -----	161,930	144,483	17,447	622 41
Equipment -----	3,582	3,582	--	622 42
Plus: decreased reimbursements --	7,232	7,232	--	622 50
Total increase -----	\$480,149	\$316,344	\$163,805	622 53

RECOMMENDATIONS

Amount budgeted -----	\$6,958,179
Legislative Auditor's recommendation -----	6,811,821
Reduction -----	\$146,358

Stockton State Hospital is an institution for the mentally ill. The average estimated patient population for the 1956-57 Fiscal Year is 4,979.

The recommended reduction of \$146,358 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
30 Psychiatric technician trainee -----	\$77,400	619	70
5 Physician and surgeon II, range B -----	51,720	619	72
1 Clinical psychologist II -----	6,060	619	73
1 Dental assistant -----	2,988	619	75
1 Clinical laboratory technician -----	3,996	619	76
1 Neuropathology technician -----	4,194	619	77
39 Positions, reducing salaries and wages by -----	\$146,358		

Stockton State Hospital—Continued

It should be noted that even with the recommended deletions of the above 39 positions, the agency will still receive the benefit of a total of 10 new positions involving an increase of \$30,018 in salaries and wages.

The above deletions conform to the recommendations contained in the Hospital Summary.

**Department of Mental Hygiene
FAIRVIEW STATE HOSPITAL**

ITEM 164 of the Budget Bill

Budget page 623
Budget line No. 7

**FOR SUPPORT OF FAIRVIEW STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$164,837
Estimated to be expended in 1955-56 Fiscal Year	—
Increase	\$164,837

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$125,537	\$125,537	—	626 25
Operating expense	39,300	39,300	—	626 26
Total increase	\$164,837	\$164,837	—	626 28

RECOMMENDATIONS

Amount budgeted	\$164,837
Legislative Auditor's recommendation	164,837
Reduction	None

Fairview State Hospital, near Costa Mesa, Orange County, is being readied to receive mentally deficient patients about September, 1957. This new facility will relieve the waiting list and the patient load at the other hospitals through new admissions and transfers. It should be a factor in reducing the general waiting period for admissions to some extent.

**Department of Mental Hygiene
PACIFIC STATE HOSPITAL**

ITEM 165 of the Budget Bill

Budget page 627
Budget line No. 7

**FOR SUPPORT OF PACIFIC STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested	\$5,100,709
Estimated to be expended in 1955-56 Fiscal Year	4,182,794
Increase (21.9 percent)	\$917,915

Mental Hygiene

Pacific State Hospital—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$719,489	\$659,321	\$60,168	634	9
Operating expense-----	170,448	162,411	8,037	634	10
Equipment-----	30,678	30,678	--	634	11
Less: increased reimbursements--	-2,700	-2,700	--	634	19
Total increase-----	\$917,915	\$849,710	\$68,205	634	22

RECOMMENDATIONS

Amount budgeted-----	\$5,100,709
Legislative Auditor's recommendation-----	5,040,541
Reduction-----	\$60,168

Pacific State Hospital near Pomona is an institution for the mentally defective. Anticipated average population for the 1956-57 Fiscal Year is 3,079.

The recommended reduction of \$60,168 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	Amount	Budget	
		Page	Line
2 Physician and surgeon II, range B-----	\$20,688	631	68
2 Clinical psychologist II-----	12,120	631	69
1 Dental assistant-----	2,988	631	71
4 Clinical laboratory technician-----	15,984	631	72
1 Recreation therapist-----	4,194	631	75
1 Industrial therapist-----	4,194	631	76

11 Positions, reducing salaries and wages by----- \$60,168

It should be noted that even with the recommended deletions of the above 11 positions, the agency will still receive the benefit of a total of 248.1 new positions involving an increase of \$536,139 in salaries and wages.

The above deletions conform to the recommendations in the general Hospital Summary.

**Department of Mental Hygiene
PORTERVILLE STATE HOSPITAL**

ITEM 166 of the Budget Bill

Budget page 635
Budget line No. 7

**FOR SUPPORT OF PORTERVILLE STATE HOSPITAL FROM THE
GENERAL FUND**

Amount requested-----	\$4,117,827
Estimated to be expended in 1955-56 Fiscal Year-----	3,362,391
Increase (22.5 percent)-----	\$755,436

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages-----	\$596,523	\$518,211	\$78,312	640	65
Operating expense-----	155,845	149,229	6,616	640	66
Equipment-----	3,068	3,068	--	640	67
Total increase-----	\$755,436	\$670,508	\$84,928	640	75

Porterville State Hospital—Continued
RECOMMENDATIONS

Amount budgeted	\$4,117,827
Legislative Auditor's recommendation	4,089,515
Reduction	\$78,312

Porterville State Hospital is an institution for the mentally defective. Average estimated population for the 1956-57 Fiscal Year is 2,522. The recommended reduction of \$78,312 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
22 Psychiatric technician trainee.....	\$56,760	639	21
1 Clinical psychologist II.....	6,060	639	23
2 Clinical laboratory technician.....	7,992	639	24
1 Dental assistant.....	2,988	639	25
1 Physical therapist II.....	4,512	639	27
<hr/>			
27 Positions, reducing salaries and wages by.....	\$78,312		

It should be noted that even with the recommended deletions of the above 27 positions, the agency will still receive the benefit of a total of 41.6 new positions involving an increase of \$122,835 in salaries and wages.

The above deletions conform to the recommendations in the Hospital Summary.

Department of Mental Hygiene
SONOMA STATE HOSPITAL

ITEM 167 of the Budget Bill

Budget page 641
Budget line No. 7

FOR SUPPORT OF SONOMA STATE HOSPITAL FROM THE
GENERAL FUND

Amount requested	\$5,720,438
Estimated to be expended in 1955-56 Fiscal Year.....	5,346,377
Increase (7.0 percent).....	\$374,061

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$245,416	\$215,476	\$29,940	648 9
Operating expense.....	118,671	110,628	8,043	648 10
Equipment.....	10,494	10,494		648 11
Less: increased reimbursements.....	—520	—520		648 20
Total increase.....	\$374,061	\$336,078	\$37,983	648 23

RECOMMENDATIONS

Amount budgeted	\$5,720,438
Legislative Auditor's recommendation.....	5,690,498
Reduction	\$29,940

Sonoma State Hospital is an institution for the mentally defective located at Eldridge, Sonoma County. The anticipated average patient population for the 1956-57 Fiscal Year is 3,331.

Alcoholic Rehabilitation Commission — 412 —

Sonoma State Hospital—Continued

The recommended reduction of \$29,940 consists of the following amounts in the category indicated:

<i>Salaries and wages</i>	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
5 Psychiatric technician trainee-----	\$12,900	645	45
1 Clinical psychologist II-----	6,060	645	47
2 Clinical laboratory technician-----	7,992	645	48
1 Dental assistant-----	2,988	645	49
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9 Positions, reducing salaries and wages by-----	\$29,940		

It should be noted that even with the recommended deletions of the above nine positions, the agency will still receive the benefit of a total of six new positions involving an increase of \$18,216 in salaries and wages.

The above deletions conform to the recommendations contained in the Hospital Summary.

ALCOHOLIC REHABILITATION COMMISSION

ITEM 168 of the Budget Bill

Budget page 649
Budget line No. 7

FOR SUPPORT OF ALCOHOLIC REHABILITATION COMMISSION FROM THE GENERAL FUND

Amount requested-----	\$533,312
Estimated to be expended in 1955-56 Fiscal Year-----	207,094
<hr/>	
Increase (157.5 percent)-----	\$326,218

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$20,148	\$728	\$19,420	650 50
Operating expense-----	305,213	41,713	263,500	650 51
Equipment-----	857	857	--	650 52
<hr/>				
Total increase-----	\$326,218	\$43,298	\$282,920	650 54

RECOMMENDATIONS

Amount budgeted-----	\$533,312
Legislative Auditor's recommendation-----	300,392
<hr/>	
Reduction-----	\$232,920

Summary of recommended reductions.

Salaries and wages	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Additional staff-----	\$10,000	649	66
Information officer-----	6,360	649	67
Intermediate steno-clerk-----	3,060	649	68
<hr/>			
Operating expenses			
Public information services-----	1,250	650	17
Treatment clinics-----	212,250	650	29
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Total recommended reduction-----	\$232,920	650	39

GENERAL SUMMARY

The Alcoholic Rehabilitation Commission was created by the Legislature at its extraordinary session in September of 1954. It is composed of nine members appointed by and serving at the pleasure of the Gov-

Alcoholic Rehabilitation Commission—Continued

error. The law requires that at least three of the members shall be physicians and surgeons, and six shall be members of the public, at least one of whom shall be a woman.

In establishing the commission, Section 26004 was added to the Business and Professions Code, which provides that the commission was authorized to carry out the following responsibility :

1. Investigate and study all phases of the treatment and rehabilitation of alcoholics, and other factors necessary to the reduction and prevention of chronic alcoholism and other excessive uses of alcohol.
2. Engage in all phases of the treatment and rehabilitation of alcoholics.
3. Periodically report its findings thereon to the Governor and to the Legislature together with its recommendations, and shall make its final report to the Governor and Legislature not later than October 15, 1956. The commission shall cease to exist on September 30, 1957.

Chapter 1909, Statutes of 1955, extended the life of the commission until June 30, 1959, and provided for the commission to submit its first report to the Governor and to the Legislature prior to March 1, 1957, and the final report with recommendations before March 1, 1959. This was done to allow the commission sufficient time to study the problem and report to the Legislature on its findings.

ANALYSIS

In view of the fact that the Alcoholic Rehabilitation Commission is scheduled to cease after June 30, 1959, and that it must submit a final report to the Legislature by March 1, 1959, it is our opinion that the 1956-57 budget for the commission should only include expenditures that might reasonably be expected to produce results for incorporation in the March 1, 1959, report to the Legislature. The Legislature will then be in a position to determine if it wants to establish a long-range program in alcoholic rehabilitation or whether the findings indicate that the work should be terminated. In no case should the commission be regarded as an operating organization, but only as a study group.

We therefore make the following recommendations concerning the \$533,312 expenditure program of the Alcoholic Rehabilitation Commission.

Major items recommended for approval are :

1. General administration ----- \$60,992

The budget provides for \$10,000 in additional staff but no indication is given as to what the \$10,000 additional staff consists of. The commission had previously requested positions of medical research director (\$15,000) and psychologist (\$6,360). However, the Department of Finance deleted those items and instead set up this intangible amount to allow the commission broad discretion to apply \$10,000 for staff. We cannot recommend approval of this item on this questionable basis.

Alcoholic Rehabilitation Commission—Continued

Inclusion of a position for information officer at this time does not seem justified in view of the fact that the commission's primary objective is an exploratory or investigative type of program which will be of value for their final report. If the Legislature establishes a long-range alcoholism program and provides an organization for that purpose, then a full-time information officer might well be justified. In the meanwhile, it is felt that the executive secretary, the two research technicians, and the commission members themselves probably can handle adequately any information program necessary during the commission's current tenure.

We recommend that with these two exceptions the staff be continued at the present level of service subject to any necessary adjustment in the over-all program of the commission.

2. San Francisco Adult Guidance Center
augmentation ----- \$50,000

This facility has been utilized by the commission to set up a pilot clinic to evaluate treatment of alcoholics. During the current year an estimated \$48,000 will be expended for this purpose. The staff has been functioning for several months, and a contract was signed with the City and County of San Francisco on January 1, 1956, to allow actual treatment to begin. A progress report has been made on the program to date, along with proposed activities for the remainder of 1955-56.

We feel that this program is accomplishing its particular phase of the commission's over-all study of the alcoholism problem and therefore recommend approval of continuing the augmentation.

3. Follow-up study by the Department of Public
Health ----- \$40,000

This will be the second phase of a two-stage study to determine what becomes of alcoholics after they leave treatment facilities and their degree of rehabilitation.

In a progress report, the Department of Public Health declared it has been studying cases from three institutions where alcoholics receive treatment of varying degree—Mendocino State Hospital (242 cases), Santa Rita Rehabilitation Center in Alameda County (1,152 cases) and San Francisco Adult Guidance Center (1,256 cases).

During the current year \$40,000 expenditure is estimated. We feel that this is an integral part of the alcoholism study and therefore we recommend approval of including a similar amount, \$40,000, in the 1956-57 Budget.

4. Causation Study ----- \$50,000

A causation study is proposed to be initiated during 1956-57. This would be the first year of a two-year program to be contracted with the Department of Public Health. It is anticipated that \$100,000 for 1957-58 will complete the necessary study.

This study represents a pioneering effort in alcoholic research and is aimed at learning what preventive steps might be taken to

Alcoholic Rehabilitation Commission—Continued

avoid the path toward alcoholism. A study of this type has not been undertaken by any other group to the commission's knowledge.

We recommend approval of this item.

5. Basic Medical Research-----\$50,000

The basic medical phase of the research program was begun during the current year with expenditures as follows:

\$13,000—University of California at Los Angeles for two studies, biochemical factors in alcoholism and effects of alcohol on neuroendocrine functions.

\$12,000—Langley-Porter Clinic (University of California at San Francisco) for a pilot study on alcohol metabolism in man.

The budget request of \$50,000 is proposed to be divided between the two medical centers to continue these research projects, each of which are estimated to run three years' duration through 1957-58. The studies concern themselves with physical and medical effects of alcoholism and represent only a sampling of the total medical research necessary to arrive at final conclusions in this field. However, it is felt that sufficient valuable data can be compiled from these studies for the commission's report to the Governor and the Legislature, and therefore we recommend approval of the program as submitted.

6 U. C. L. A. Research Clinic-----\$50,000

This clinic at U. C. L. A. is designed to provide research information at the same time that it is serving as an active clinic in the community. In establishing the clinic at U. C. L. A., no commitment was made with respect to the furnishing at state expense of a permanent community clinic, while at the same time the research findings to be gained from the operation of such a clinic would be under university operation. It was felt that this was in conformity with the intent of the Legislature in establishing such a clinic as a result of agreement reached in the Conference Committee on the 1955 Budget Bill.

We believe that this program is in accordance with legislative action and that the research obtained from the clinic should assist the committee in providing recommendations in its final report as to the potentialities and proper basis for organization and operation of clinics for this purpose.

We recommend approval.

Items not recommended-----\$212,250

1. New clinics (treatment)-----\$212,250

The commission proposes to establish treatment clinics in various parts of the State. Tentative plans, depending on the availability of appropriations, call for a \$93,000 clinic in the Los Angeles area and the balance of \$119,250 for about six or seven other smaller clinics in various communities throughout the State.

It is the plan of the commission to have these clinics entirely supported by state funds by utilizing existing local facilities wherever possible. We believe that the commission as such is not the proper form of organization for conducting and operating a clinic program

Alcoholic Rehabilitation Commission—Continued

or for operating an alcoholism program. It was our understanding that the commission was established with a termination date to render a report on the proper type of program to be authorized, and that the question of clinics and operating program would be determined by the Legislature after such a report is made. We believe the Legislature at that time should determine whether an alcoholism program should be integrated into existing departments, such as Public Health, or whether a separate organization should be established for this purpose. It may well be that the Legislature will find that this program should be conducted on the basis of apportionments to local health departments through the State Department of Public Health. In any case, we believe that it was the intent of the Legislature in establishing this commission to be provided with information upon which these fundamental policy questions could be resolved and that the proposal to establish an operating program at this time is entirely premature. There has as yet been no report from the commission indicating the value and proper basis for establishing clinics of this kind.

We recommend the elimination of this portion of the budget request.

MILITARY DEPARTMENT

ITEM 169 of the Budget Bill

Budget page 651
Budget line No. 37

FOR SUPPORT OF MILITARY DEPARTMENT FROM THE GENERAL FUND

Amount requested	\$2,421,146
Estimated to be expended in 1955-56 Fiscal Year	2,248,363
Increase (7.7 percent)	\$172,783

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$78,897	\$55,471	\$23,426	659 60
Operating expense	131,552	98,707	32,845	659 63
Equipment	-11,474	-11,474	--	659 64
Less: increased reimbursements	-26,192	-26,192	--	659 74
Total increase	\$172,783	\$116,512	\$56,271	659 76

RECOMMENDATIONS

Amount budgeted	\$2,421,146
Legislative Auditor's recommendation	2,364,875
Reduction	\$56,271

GENERAL SUMMARY OF ACTIVITIES

The Military Department was created by an act of the 1953 California Legislature. The Department includes the Office of the Adjutant General, National Guard (Army and Air) California National Guard Reserve, Cadet Corps and the Naval Militia. The Adjutant General is head of the Military Department, Chief of Staff to the Governor and Commander of all state military forces. The Military Department