

Public Utilities Commission—Continued

highway common carrier permits to establish financial responsibility and in some instances to post surety bonds.

The increase in operating expenses is due largely to an increase in printing costs of \$13,725, due to work load, and an increase in services by the legal staff of the commission of \$9,543, Budget page 934, line 24.

We recommend approval of the budget as submitted.

DEPARTMENT OF SOCIAL WELFARE

ITEM 272 of the Budget Bill

Budget page 936

Budget line No. 42

FOR SUPPORT OF DEPARTMENT OF SOCIAL WELFARE FROM THE GENERAL FUND

Amount requested .....	\$2,286,105
Estimated to be expended in 1955-56 Fiscal Year.....	2,222,630

Increase (2.9 percent) .....	\$63,475
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Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$32,329	\$20,737	\$11,592	946 59
Operating expense .....	31,128	31,128	--	946 60
Equipment .....	7,140	7,140	--	946 61
Less: increased federal reimbursements .....	—7,122	—7,122	--	936 60
<b>Total increase .....</b>	<b>\$63,475</b>	<b>\$51,883</b>	<b>\$11,592</b>	

RECOMMENDATIONS

Amount budgeted .....	\$2,286,105
Legislative Auditor's recommendation.....	2,270,367

Reduction .....	\$15,738
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Summary of Recommended Reductions

	State Funds	Federal Funds	Total
Information Officer I .....	\$4,240	\$2,120	\$6,360
Travel .....	600	300	900
Contractual Medical Services .....	7,410	7,410	14,820
Administrative Assistant I .....	3,488	1,744	5,232
<b>Total .....</b>	<b>\$15,738</b>	<b>\$11,574</b>	<b>\$27,312</b>

ANALYSIS

GENERAL COMMENTS

The budget requested for support of the Department of Social Welfare is basically a continuation of the existing level of service now being rendered by the department. No major organizational changes or new programs are contemplated for the 1956-57 Fiscal Year. The department is moving into the new Employment Building and should be there by the beginning of the fiscal year.

Total expenditures for welfare programs within the State have increased since the monthly grants for recipients of old age assistance and blind aid were increased \$5 at the 1955 Session of the Legislature. This makes the maximum allowable monthly grant \$85 for the aged and \$95 for the blind as of October 1, 1955. This office has long been of the

**Department of Social Welfare—Continued**

opinion that recovery provisions should be enacted by the Legislature for the old age assistance program in order that the State would have a claim to the estate of deceased recipients. In our 1955 Analysis we estimated that such legislation would reduce the level of assistance payments by some \$10,000,000 on a going concern basis. This would do much to offset the cost of increasing the monthly grant.

Our exceptions to the budget requests for the department are noted under the appropriate administrative units.

**EXECUTIVE**

The total request for this office has gone from \$74,643 to \$80,005, an increase of \$5,362. This increase is due primarily to the request for a position of Information Officer I at a starting annual salary of \$6,360. A junior clerical position is being eliminated for a savings of \$2,868. Travel expense has increased \$1,810, of which \$900 is for the Public Information Officer, and normal salary increases have been granted.

The agency partially bases its request for a Public Information Officer on the enactment of legislation (Sec. 103.3, Welfare and Institutions Code) at the 1955 General Session of the Legislature which requires public assistance applicants or recipients to be informed of the provisions of eligibility. The law states in part:

“(a) Any applicant for, or recipient or payee of \* \* \* public assistance shall be informed as to the provisions of eligibility and his responsibility for reporting facts material to a correct determination of eligibility and grant.”

Other duties of this position would include editing reports and publications released by the department, the preparation of scripts for motion pictures, radio, and television, editing the intra-departmental “Welfare News,” and assisting the counties in preparing methods of dispensing information for public consumption.

We feel that not only is this position a definite new service within the department, but that the statute quoted above never anticipated a new position for this function. It appears to us that there is plenty of available staff to undertake the activities outlined for this position. The department contains a bureau of training with two professional training positions and a manual section which should be able to prepare material for public information programs in the counties, and methods of advising assistance recipients of their rights and privileges under the law.

Summarizing, we are of the opinion that this is a new service, that present staff can carry out the public information services, and that the position is unnecessary. *We recommend that it be deleted from the budget for a savings of \$6,360 in salary and \$900 in travel, or a total of \$7,260.*

**OFFICE OF THE ADMINISTRATIVE ADVISER**

There is a change of organization contemplated for this unit of the department. A position of Public Assistance Specialist II costing \$6,672 annually is being dropped and a Senior Hearing Officer costing \$7,728 is being added. Also the dropping of the clerical position in the executive office at a saving of \$2,868 has been made to help finance this change. The purpose of this reorganization is to relieve the administrative adviser of some of his duties of supervising and training hearing

**Department of Social Welfare—Continued**

officers in order that he may spend more time fulfilling his basic duties of advising the Social Welfare Board and the director of the department. Also, he will be able to make more progress on the codification of precedent decisions of the Social Welfare Board. We feel this change will be of benefit to the department and recommend its approval. This change does not appear to be an increase in service but rather a shift of emphasis in the program of this unit.

The budget for this unit will be increased from \$59,282 to \$62,323, or \$3,041. The proposed change of personnel, normal salary increases and \$920 in travel, necessary in order that the legal requirement for hearings in the county of the recipient be met, account for the increase.

**Division of Social Security****Divisional Administration**

The request for this unit is based upon the same level of service as the current fiscal year. Normal salary increments account primarily for the \$973 increase.

Included in the \$58,930 budgeted for this bureau is \$14,820 for contractual medical review services with the Department of Public Health. This service has been going on since the 1953-54 Fiscal Year. Out of this program has come a report entitled "A Medical Study of Incapacitated Fathers Receiving Aid to Needy Children in California" (March, 1954). This report recommended that a new definition of deprivation of parental support by reason of physical or mental incapacity, the development of a new medical report form, and a guide outlining the medical responsibilities of county welfare departments. Last year these recommendations had been substantially accomplished and we recommended approval of the extension of these contractual services on the basis that it would be desirable to have the medical consultant explain the new form for determining eligibility and revised departmental policy to his professional colleagues in the counties. The department has no available figures on the number of discontinued aid to needy children cases which may have resulted from redefining incapacity. It should also be pointed out that a redefinition of incapacity does not mean that a majority of cases so classified will be dropped from the aid to needy children program. We do not feel that another year is necessary for this type of activity. We see no reason why the department should not make its new form and policies mandatory upon the counties and if any explanation is necessary it can be done by the medical social work consultant. *Therefore, we recommend that the \$14,820 budgeted for the contractual services with the Department of Public Health be deleted from the budget.*

**Bureau of Field Review**

The \$17,355 budgeted for this bureau, which plans the activities of casework auditors in the area offices, is \$526 more than the current amount. Normal salary increases account for the increase. We recommend approval of the amount requested.

**Bureau of Aid to Needy Children**

This bureau is to continue at the same level of service as the current year. The \$524 increase is for normal salary increments. The total request is \$37,798.

Department of Social Welfare—Continued

Bureau of Aid to Needy Aged

This bureau will have no increased activities. The \$39,329 requested is \$2,783 less than the \$42,112 estimated for the current year due to increased salary savings and the deletion of the department's \$2,700 contribution to the Interdepartmental Committee on the Aging. This committee now has a separate budget with support from the General Fund rather than by contributions from various departments.

Division for the Blind

This division will continue at its existing level. One intermediate typist-clerk position is being continued on a temporary basis to handle referrals to the Bureau of Vocational Rehabilitation in the Department of Education, the Field Service for Adult Blind, and the State Orientation Center for the purpose of economic rehabilitation as stated in Section 3082.1 of the Welfare and Institutions Code.

The total request for this division is \$185,382, or \$1,075 more than available this year. This is due to normal salary increases and an increase of \$380 in moving expenses for the transfer of part of the staff from Los Angeles to Sacramento. The division is eventually planning to have its entire staff in Sacramento.

We recommend approval of the amount requested.

Division of Child Welfare

Divisional Administration

No change in current activities is planned for this unit. Normal salary increases have been granted and out-of-state travel has been reduced \$400. The request for this unit is \$53 less than the \$29,400 budgeted for the current year.

Bureau of Child Welfare Services

This bureau, with the exception of one intermediate clerical position, is financed from federal funds. The purpose of the Federal Government in creating and financing this program is to aid in improving the lot of children in rural areas. Funds are used to assist counties in developing child welfare programs and to finance scholarships for child welfare workers.

The budget request for this year is \$20,513 less than the \$60,506 budgeted for the current year, since the Federal Government has not as yet determined what amount California will receive. If amounts equal to the current year are allocated to California, the item budgeted for scholarships will be increased.

We recommend approval of the amount requested.

Bureau of Boarding Homes and Institutions

This bureau will continue at its present level of service. The \$28,241 requested for this year is \$217 more than the current year due to normal salary increases.

As a result of a study made by this office, this bureau has been revising some of its techniques in order that licensing workers in the area offices will be able to carry higher work loads.

We recommend approval of the amount requested.

**Department of Social Welfare—Continued****Division of Administrative Services****Divisional Administration**

The level of service of this unit will remain at its current level during the 1956-57 Fiscal Year. The \$51,064 requested is \$809 more than this year's estimate.

We recommend approval of the request.

**Bureau of Financial Administration**

This is one of the largest bureaus in the department and is responsible for all of the financial activities and property records of the department. The request for \$267,189 is \$472 more than budgeted for the current year.

We recommend approval of the amount requested.

**Bureau of Personnel**

No increase in the services of this bureau are planned for the next fiscal year. The request of \$125,680 is \$849 more than budgeted for the current year. This increase is due to normal salary increments.

We recommend approval of the amount requested.

**Bureau of Research and Statistics**

No change in existing services is contemplated for this bureau. The \$130,405 requested is \$1,997 more than budgeted for the current year and is due to normal salary increments and a \$300 increase in equipment rental.

We recommend approval of the amount requested.

**Bureau of Management Analysis**

This bureau will continue to operate at its present level. The request of \$37,678 is \$916 more than the current year due to normal salary increments.

We recommend approval of the amount requested.

**Bureau of Training**

The request for this bureau is \$26,430, an increase of \$1,011 over the current year. Normal salary increases and a \$250 increase in contractual services account for the increase.

We recommend approval of the request.

**Bureau of Office Services**

This bureau contains all of the expenditure items for operation of the Department of Social Welfare as well as the positions for "house-keeping" functions. The salary request for 67 positions in this bureau has been reduced because of the deletion of two watchmen positions which will be unnecessary when the department moves to its quarters in the new Employment Building. There is an increase of \$44,244 in the \$742,934 budgeted for this bureau, however, because of an increase in rent. Reduction in janitorial expense and utilities will offset a large part of the total rent increase.

It should be pointed out that rent which will be paid for space in the Employment Building will be paid into the Unemployment Compensation Disability Fund for reimbursement of the cost of constructing the building, while the funds previously paid for rental of space in Sacra-

Department of Social Welfare—Continued

mento went to private individuals and was lost to the State. Agency rental charges will eventually repay the loan from the Disability Fund for the Employment Building at which time no rent will be charged for space. At the same time, however, federal reimbursements to the Department of Employment for rent will cease.

We recommend approval of the request.

Area Operations

The three area offices of the Department of Social Welfare, located in San Francisco, Sacramento, and Los Angeles, serve as the line organizations to carry out the programs and policies of the department and its various bureaus in the central office in Sacramento. All professional and clerical positions in the area offices are based upon work loads. Seven new positions are being requested for the area offices.

Two of these positions are for the institutional licensing program which this office studied in some detail. Our recommendations were incorporated in a report to the Joint Legislative Budget Committee on October 21, 1954. At the 1955 Session of the Legislature a compromise on the number of positions necessary for this program was made with the department which resulted in a reduction of eight positions. During the past year a time study has been made by the Bureau of Management Analysis in the department, but as yet the findings of the study have not been fully reviewed by either this office or the Department of Finance. We feel that the existing level of service should continue in this program until a complete evaluation of the time study can be made and all points of possible controversy clearly defined.

We recommend that the request for the area offices be approved with the exception of the following position:

*Administrative Assistant I.* This position is requested for the San Francisco area office. Last year an administrative assistant was added to the Los Angeles area office on the basis that the major population area of the State is located in that area and that it was necessary to free the Los Angeles area director for a good many public relations activities. We recognized that the demands on the Los Angeles area director would be extraordinary but we did not feel that the other two areas, San Francisco and Sacramento, presented such a problem, since neither serves as great a population area nor is as far removed from the central office in Sacramento. We are still of that opinion. Also, the inclusion of this position would be a new level of service for the department which we do not recommend for the budget year.

*We recommend that the \$5,232 budgeted for this position be deleted from the budget.*

RECREATION COMMISSION

ITEM 273 of the Budget Bill

Budget page 948  
Budget line No. 7

FOR SUPPORT OF RECREATION COMMISSION FROM THE GENERAL FUND

Amount requested .....	\$94,698
Estimated to be expended in 1955-56 Fiscal Year .....	88,864
Increase (6.6 percent) .....	\$5,834

Recreation Commission—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$939	\$939	--	948 45
Operating expense -----	3,477	3,477	--	948 66
Equipment -----	1,418	1,418	--	948 73
Total increase -----	\$5,834	\$5,834	--	948 75

RECOMMENDATIONS

Amount budgeted -----	\$94,698
Legislative Auditor's recommendation-----	94,698
Reduction -----	None

ANALYSIS

The budget request for the Recreation Commission for 1956-57 is a continuation of existing services. Increases are due to salary increments and an additional charge for rent which will result from moving the commission from the Education Building to the new Employment Building. Rent paid for space in the Employment Building is not lost to the State, since it is paid into the Unemployment Compensation Disability Fund to amortize the cost of the building. Space freed in the Education Building will be used to house staff of agencies now paying rent to private sources.

Several times in the past this office has recommended that the Recreation Commission be abolished as an unessential state service, or that its functions should be integrated within other state agencies concerned with recreational activities. We are still of the opinion that "recreation" as an activity of state government might well be examined in all of its aspects and that a state-wide plan could be devised which would provide both the executive and the Legislature more workable guides in budgeting future expansion of recreational activities.

The services of the State Recreation Commission are primarily for the benefit of local communities. Advice on planning desirable facilities and aiding local citizens committees constitutes a majority of staff time of the commission. The commission also reports on facilities, programs and activities of recreation in the State and cooperates with other state agencies and interested groups in devising a recreational plan for the State. Inventories of public recreational facilities and programs are also maintained by the staff of the commission.

Recently the Recreation Commission helped organize and participated in a state-wide committee operating under a Rosenberg Foundation grant of \$25,000. The committee has studied and will report on the needs, experience and best practices for communities to acquire and develop parks and other recreational facilities. A guide is to be prepared which will contain "principles, criteria and graded standards for the planning of public recreational areas and facilities." The committee has a widespread representation of public and professional groups and the final report of the committee should be of considerable value to communities throughout the State and to the Recreation Commission.

**Recreation Commission—Continued**

Since the Legislature, in the past, has declared its intent to continue the Recreation Commission as a separate state agency, we recommend approval of the budget as submitted with the reservation that attention should continue to be given to integrating the activities of the commission into existing state agencies.

**Department of Social Welfare  
CITIZENS' ADVISORY COMMITTEE ON AGING**

ITEM 274 of the Budget Bill

Budget page 949  
Budget line No. 7

**FOR SUPPORT OF CITIZENS' ADVISORY COMMITTEE ON AGING  
FROM THE GENERAL FUND**

Amount requested .....	\$28,268
Estimated to be expended in 1955-56 Fiscal Year .....	10,741
<b>Increase (163.2 percent) .....</b>	<b>\$17,527</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$11,148	\$5,916	\$5,232	949 45
Operating expense .....	5,288	5,288	—	949 60
Equipment .....	1,091	1,091	—	949 63
<b>Total increase .....</b>	<b>\$17,527</b>	<b>\$12,295</b>	<b>\$5,232</b>	<b>949 65</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$28,268
Legislative Auditor's recommendation .....	23,036
<b>Reduction .....</b>	<b>\$5,232</b>

**ANALYSIS**

The Citizens' Advisory Committee on Aging is appearing in the Governor's Budget for the first time although a staff for this purpose has been employed approximately three years by the Interdepartmental Committee on Aging. This committee was previously financed by contributions from several state agencies and was concerned primarily with promoting social, cultural, recreational, and employment opportunities for aged persons throughout the State.

Chapter 1730, Statutes of 1955, authorized the Citizens' Advisory Committee on Aging which was to be composed of 12 members, two of whom were to be Members of the State Senate and two from the Assembly. An appropriation of \$10,600 was made by this act to support the committee and the budget request is for continued support from the General Fund. Recently the Attorney General has ruled that membership of legislators on this committee is of questionable constitutionality because it violates the theory of separation of powers in that Members of the Legislature would be responsible to the Governor. As yet the Citizens' Advisory Committee on Aging has not been appointed. It is anticipated that it will be composed of eight nonlegislative appointees.



## Citizens' Advisory Committee on Aging—Continued

The budget for this staff shows costs for only one-half year in 1955-56 since it was contemplated that the new committee would be activated by January 1, 1956, and would supersede the interdepartmental committee. The request of \$28,268 for 1956-57 is to continue the same staff of executive secretary and a clerk and to add a new position of assistant executive secretary at an added salary cost of \$5,232.

*We recommend deletion of this proposed new position, Budget page 949, line 43, on the basis that it is a new service and that the program of the new committee cannot yet be established.*

## DEPARTMENT OF VETERANS AFFAIRS

ITEM 275 of the Budget Bill

Budget page 950  
Budget line No. 41

## FOR SUPPORT OF DEPARTMENT OF VETERANS AFFAIRS FROM THE GENERAL FUND

Amount requested .....	\$320,491
Estimated to be expended in 1955-56 Fiscal Year .....	311,465
Increase (2.9 percent) .....	\$9,026

## Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$12,440	\$6,944	\$5,496	954 28
Operating expense .....	7,642	7,642	—	954 29
Equipment .....	3,874	3,874	—	954 30
Less: increased reimbursements ..	—14,930	—14,930	—	954 40
Total increase .....	\$9,026	\$3,530	\$5,496	954 42

## RECOMMENDATIONS

Amount budgeted .....	\$320,491
Legislative Auditor's recommendation .....	314,995
Reduction .....	\$5,496

## ANALYSIS

The Department of Veterans Affairs was first created by Chapter 114 of the First Extraordinary Session, Statutes of 1946, for the purpose of integrating, into one department, a number of veteran activities which were scattered through various other departments, boards, and commissions. The same statute also created the California Veterans' Board to act as the policy-making authority for the department. While the statute created the department to have four divisions, Farm and Home Purchases, Educational Assistance, Service and Coordination, and Veterans Homes, a fifth division, that of Administration, was administratively added later. Since the Division of Farm and Home Purchases is fully self-supporting from the interest charged on farm and home loans, its budget is not included in the regular support budget of the department. The Division of Veterans Homes also functions with some degree of autonomy so that its budget is a separate item of appropriation.

The department is charged with the responsibility of supervising, administering and implementing the various programs and services