

LOCAL ASSISTANCE

CHILD CARE CENTERS

ITEM 425 of the Budget Bill

Budget page 1357
Budget line No. 9

FOR SUPPORT OF CHILD CARE CENTERS FROM THE GENERAL FUND

Amount requested	\$4,604,048
Estimated to be expended in 1955-56 Fiscal Year	4,392,300
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Increase (4.8 percent)	\$211,748

RECOMMENDATIONS

Amount budgeted	\$4,604,048
Legislative Auditor's recommendation	4,604,048
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Reduction	None

ANALYSIS

The budget request of \$4,392,300 for child care centers is \$211,748 or 4.8 percent greater than the amount estimated to be expended in the current fiscal year. However, since the Budget has been printed the Department of Education has estimated that the \$4,392,300 budgeted for the current year will be insufficient by \$80,184. The adjustment has been reflected in the 1956-57 estimates.

We recommend approval of the amount requested.

TEACHERS' RETIREMENT SYSTEM

ITEM 426 of the Budget Bill

Budget page 1361
Budget line No. 10

FOR TRANSFER TO TEACHERS' PERMANENT FUND FOR OPERATION OF THE STATE TEACHERS' RETIREMENT SYSTEM, FROM THE GENERAL FUND

Amount requested	\$7,218,000
Estimated to be expended in 1955-56 Fiscal Year	7,028,000
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Increase (2.7 percent)	\$190,000

RECOMMENDATIONS

Amount budgeted	\$7,218,000
Legislative Auditor's recommendation	7,218,000
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Reduction	None

ANALYSIS

The amount requested from the General Fund is \$7,218,000 for payment of teachers' retirement. This amount covers that part of anticipated payment allowances not provided for by member contributions made for services since 1944 or by current contributions of school districts and other employing agencies.

We recommend approval of the amount requested.

TEACHERS' RETIREMENT SYSTEM

ITEM 427 of the Budget Bill

Budget page 1361
Budget line No. 11

FOR TRANSFER TO THE RETIREMENT ANNUITY FUND FOR OPERATION OF THE STATE TEACHERS' RETIREMENT SYSTEM, FROM THE GENERAL FUND

Amount requested	\$19,546,000
Estimated to be expended in 1955-56 Fiscal Year	18,557,000
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Increase (5.3 percent)	\$989,000

RECOMMENDATIONS

Amount budgeted	\$19,546,000
Legislative Auditor's recommendation	19,546,000
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Reduction	None

ANALYSIS

The amount requested from the General Fund is \$19,546,000 for payment of teachers' retirement allowances. This amount covers that part of the estimated allowances to be paid during 1956-57 which is not funded by members' contributions for services performed since 1944, or by current contributions of school districts and other employing agencies. The amount requested also includes subventions to local retirement systems in accordance with Section 14565 of the Teachers' Retirement Act. Item 426 also appropriates \$7,218,000 for the purpose of teachers' retirement allowances, making a total of \$26,764,000 for the Teachers' Retirement System.

Chapter 1395, Statutes of 1955, established a new formula to be used in the calculation of retirement allowances. This legislation also provided that the allowances of persons already retired would be recalculated, and generally all retired members will receive substantial increases in benefits on July 1, 1956, the operable date of this chapter. The recalculation of the allowances will not be completed until nearly the end of the current fiscal year, and the estimates of allowances made in this statement are based on what is anticipated to be the effect of this legislation.

It is estimated that the revenue to be derived from employers, on the basis of contributions equivalent to 3 percent of the certificated pay rolls as required by Chapter 1395, Statutes of 1955, will amount to \$12,000,000.

We recommend approval of the amount requested.

**Department of Education
FREE TEXTBOOKS**

ITEM 428 of the Budget Bill

Budget page 1363
Budget line No. 8

FOR SUPPORT OF FREE TEXTBOOKS FROM THE GENERAL FUND

Amount requested	\$6,103,632
Estimated to be expended in 1955-56 Fiscal Year	5,726,861
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Increase (6.6 percent)	\$376,771

RECOMMENDATIONS

Amount budgeted -----	\$6,103,632
Legislative Auditor's recommendation -----	6,103,632
Reduction -----	None

ANALYSIS

Since the last legislative session the Assembly Interim Committee on Education has been holding public hearings on the free textbook program of the State of California. As the committee has been considering basic state policy concerning whether textbooks should be printed at the State Printing Plant the report of the Assembly Education Committee should be considered prior to making any determination of approval or disapproval of this budget request.

Representatives of the State Department of Education and leaders of the major school organizations in California met in Atlantic City, New Jersey, on February 21, 1956, with representatives of six large publishing firms that are boycotting the California system of state-printed textbooks to determine the reasons for the boycott and attempt to arrive at a solution to the problem. It is recommended that the representatives of the Department of Education report on the results of that important meeting.

The department has taken several steps during the past year to improve their operations.

1. They have completed plans for moving to the textbook warehouse the shipment of departmental publications.
2. They are studying the possibility of working out a program to spread the shipping of state-printed textbooks over a long period of time, which will make more efficient use of employees. It will also eliminate the necessity of using space for a large number of books which may ultimately result in having to rent additional space.

In years past, this office has supported the request for printing of textbooks at the State Printing Plant on the basis that the books could be printed for considerably less than if the same books were purchased from private publishers. We have not seen any figures to the contrary.

However, we have assumed that state-printed textbooks are as good and are utilized to the same extent as books purchased from private concerns. This is an area which the committee is exploring and if it is found that school districts would prefer private textbooks and would use them more than they do the state-furnished textbooks, then the savings of state-printed textbooks is more apparent than real.

Subject to the above considerations, we recommend approval of this request.

Department of Public Health
AID TO LOCAL HEALTH DEPARTMENTS

ITEM 429 of the Budget Bill

Budget page 1364
Budget line No. 50

**FOR ASSISTANCE TO CITIES, COUNTIES, LOCAL HEALTH AGENCIES
AND LOCAL HEALTH DISTRICTS FOR HEALTH DEPARTMENTS
FROM THE GENERAL FUND**

Amount requested	\$3,364,032
Estimated to be expended in 1955-56 Fiscal Year	3,234,896
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Increase (4.0 percent)	\$129,136

RECOMMENDATIONS

Amount budgeted	\$3,364,032
Legislative Auditor's recommendation	3,364,032
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Reduction	None

ANALYSIS

The funds appropriated by this item are subvended to qualifying local health departments which meet minimum standards established by the State Board of Public Health. These funds are distributed in accordance with the formula set forth in Section 1141 of the Health and Safety Code. The law provides for a basic allotment of \$16,000 or 60 cents per capita per county, whichever is the lesser, to administrative bodies serving one or more counties. If a county is divided into two or more local health department jurisdictions, the basic allotment is divided in proportion to population served, except that no funds are available to independent health departments serving cities of less than 50,000 population. The law further provides that after deducting amounts allowed for basic allotments the balance of the appropriation shall be allotted on a per capita basis to the administrative body of each local health department in the proportion that the population of the local health department jurisdiction bears to the population served by all qualified local health departments of the State.

The amount requested will provide the same per capita distribution as the current year (20.735401 cents) and is based on an estimated population of 13,455,000 as of July 1, 1956.

In addition to the amount appropriated by this item, an estimated \$472,369 in federal funds will be distributed to local health departments in the same ratio as state funds.

We recommend approval of the amount requested.

Department of Public Health
SERVICES TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS

ITEM 430 of the Budget Bill

Budget page 1365
Budget line No. 9

**FOR SERVICES TO COUNTIES WITHOUT LOCAL HEALTH DEPARTMENTS,
DEPARTMENT OF PUBLIC HEALTH, FROM THE GENERAL FUND**

Amount requested	\$87,813
Estimated to be expended in 1955-56 Fiscal Year	40,557
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Increase (116.5 percent)	\$47,256

RECOMMENDATIONS

Amount budgeted -----	\$87,813
Legislative Auditor's recommendation -----	87,813
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Reduction -----	None

ANALYSIS

The State Department of Public Health is authorized to furnish local public health services to counties of less than 40,000 population in accordance with agreements with the boards of supervisors of such counties (Chapter 740, Statutes of 1953). It is provided that to be eligible for these services the contracting counties must appropriate a sum equivalent of not less than 55 cents per capita for the total county population.

In accordance with contracts already in effect the amount appropriated will provide health services for Alpine, Mono, Sierra, Mariposa and Trinity Counties. The amount requested also provides funds for two nurses and two sanitarians for expansion of the program to counties not presently covered. There are an additional 10 counties eligible for this program which are not presently covered.

We recommend approval as budgeted.

**Department of Public Health
TUBERCULOSIS SANATORIA**

ITEM 431 of the Budget Bill

Budget page 1366
Budget line No. 7

FOR SUBSIDIES TO CITIES, COUNTIES, CITIES AND COUNTIES FOR MAINTENANCE OF TUBERCULOSIS SANATORIA, DEPARTMENT OF PUBLIC HEALTH, FROM THE GENERAL FUND

Amount requested -----	\$4,446,257
Estimated to be expended in 1955-56 Fiscal Year -----	4,696,257
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Decrease (5.3 percent) -----	\$250,000

RECOMMENDATIONS

Amount budgeted -----	\$4,446,257
Legislative Auditor's recommendation -----	4,446,257
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Reduction -----	None

ANALYSIS

The amount of \$4,446,257 requested for state grants-in-aid for the care and treatment of tuberculosis patients represents a decrease of \$236,782 from estimated expenditures for the current fiscal year and is \$803,257 less than the amount appropriated for the current year. The cost of this program in relation to the State's population continues to decrease as the result of improved case finding and treatment techniques.

The amount of the tuberculosis subsidy to cities, counties, and cities and counties is based on provisions of Sections 3301.5 and 3301.6 of the Health and Safety Code. It is provided that each county, city or city and county shall receive \$2.60 per patient-day for the first 36,500 patient-days of care, \$2.30 per patient-day for the second 36,500 patient-days and \$1.75 for all patient-days in excess of 73,000. In addition, the code provides that there shall be distributed any additional amounts specified in the appropriation for tuberculosis subsidy.

This appropriation will provide for a distribution of 35 cents per patient-day over the amounts indicated in the above schedule.

We recommend approval as requested.

**Department of Public Health
CRIPPLED CHILDREN SERVICES**

ITEM 432 of the Budget Bill

Budget page 1366
Budget line No. 30

**FOR ASSISTANCE TO COUNTIES AND CITIES AND COUNTIES FOR
CRIPPLED CHILDREN, DEPARTMENT OF PUBLIC HEALTH, FROM
THE GENERAL FUND**

Amount requested	\$3,853,285
Estimated to be expended in 1955-56 Fiscal Year	3,635,020
Increase (6.0 percent)	\$218,265

RECOMMENDATIONS

Amount budgeted	\$3,853,285
Legislative Auditor's recommendation	3,853,285
Reduction	None

SUMMARY

The legal basis for the entire program for handicapped children is found in the Crippled Children's Act (Division 1, Part 1, Chapter 2, Article 2, Health and Safety Code), which was enacted in 1927. The State Department of Public Health is directed by this act to establish and administer a program for handicapped children. It further directs the department to seek out handicapped children and provide expert diagnosis. During the first 10 years children with orthopedic, eye and plastic defects and those with multiple congenital anomalies were covered. Since that initial period, the scope of the program has been broadened to include many categories of crippling conditions not originally considered. In 1940 rheumatic fever and rheumatic heart disease programs were operated in demonstration areas and were financed from federal funds. In 1949 the Legislature appropriated money for a state-wide rheumatic fever program. In 1943 a program for treatment of conditions leading to the loss of hearing was added, and in 1946 a program for children with cerebral palsy was established by legislative action.

The Crippled Children's Act makes it mandatory upon the county to appropriate not less than one-tenth mill on each dollar of assessed property valuation for the purpose of financing the program. The State, through its subvention program each year, augments county funds appropriated for the support of this program.

ANALYSIS

The amount of \$3,853,285 requested by this item is scheduled to provide the amount of \$3,013,285 for assistance to counties in the care and treatment of handicapped children and \$790,000 for expert diagnosis which is supported entirely from state funds. The amount of \$50,000 is provided for direct state expenditure where county residence cannot be established. The amount of \$3,013,285 budgeted for subvention to counties for care and treatment represents an increase of

\$145,549 or 5.1 percent over estimated expenditures of state funds for this purpose during the current year. Expenditures for expert diagnosis are scheduled to increase \$72,716 or 10.1 percent over the \$717,284 estimated for expenditure for this purpose during the current year.

The funds appropriated by this item for care and treatment of handicapped children will be distributed on the basis of a formula included as part of the appropriation item. This formula provides for the expenditure from county funds of an amount equivalent to one-tenth mill per dollar of the county's assessed valuation as provided in the Crippled Children's Act, after which, subject to need, there shall be allotted from this item sufficient funds to provide a total program equivalent to 35 cents per capita or \$20,000 whichever is greater. If funds are available after basic distribution, additional amounts may be allocated to counties provided the amount so allocated does not exceed twice the amount of additional funds made available by the county.

Estimated expenditure for all crippled children services under the Department of Public Health during the budget year as outlined on page 1366 of the budget is \$7,646,434. Of this amount, \$4,988,020, or 65.2 percent, is scheduled for expenditure from state funds and \$2,658,414, or 34.8 percent, will be supported by county contributions. The proposed state expenditure consists of this subvention item for treatment, care and diagnosis, a proposed expenditure of \$728,572 to provide for the employment of therapists for classes of children with cerebral palsy and \$406,163 for state administration of crippled children services.

We recommend approval as budgeted.

Department of Public Health

THERAPEUTIC SERVICES FOR CEREBRAL PALSIED CHILDREN

ITEM 433 of the Budget Bill

Budget page 1366

Budget line No. 70

FOR ASSISTANCE TO LOCAL AGENCIES AND COSTS TO THE STATE FOR THE EMPLOYMENT OF TECHNICAL PERSONNEL FOR TREATMENT OF MINORS WITH CEREBRAL PALSY ATTENDING SPECIAL SCHOOLS OR CLASSES, DEPARTMENT OF PUBLIC HEALTH, FROM THE GENERAL FUND

Amount requested	\$691,572
Estimated to be expended in 1955-56 Fiscal Year	634,998
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Increase (8.9 percent)	\$56,574

RECOMMENDATIONS

Amount budgeted	\$691,572
Legislative Auditor's recommendation	691,572
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Reduction	None

ANALYSIS

This item provides for the continued employment of therapists employed from subvended funds appropriated by a similar item for the current year. It also provides funds for the employment of therapists by the State Department of Public Health for assignment to classes for

cerebral palsied children where local agencies are unable or not ready to employ such personnel directly. The policy of the department is to transfer personnel provided by this item to local agency pay rolls as rapidly as possible.

Classes presently organized require the services of 142 therapists. In addition to continuing these therapists for existing classes, provision is made for 12 additional classes.

We recommend approval.

**Department of Public Health
MOSQUITO AND GNAT CONTROL**

ITEM 434 of the Budget Bill

Budget page 1367
Budget line No. 9

**FOR SUBSIDIES TO LOCAL DISTRICTS AND OTHER PUBLIC AGENCIES
FOR THE CONTROL OF MOSQUITOES AND GNATS, DEPARTMENT OF
PUBLIC HEALTH, FROM THE GENERAL FUND**

Amount requested	\$400,000
Estimated to be expended in 1955-56 Fiscal Year.....	400,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$400,000
Legislative Auditor's recommendation.....	400,000
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Reduction	None

ANALYSIS—SUMMARY

Authority for this program is found in Chapter 5.5 of Division 3 of the Health and Safety Code. This chapter on mosquito control was added by Chapter 704, Statutes of 1947, and amended by Chapter 695, Statutes of 1949, to include the control of gnats. Section 2425 of the Health and Safety Code provides that the department must make studies and demonstrations as may be necessary to determine the areas of the State which have a high proportion of mosquito-borne diseases, including malaria and encephalitis. Section 2426 provides that the department may enter into cooperative agreements with any local district or public agency engaged in the control of mosquitos or gnats or both, under conditions to be prescribed by the State Board of Public Health. Such agreements may provide for financial assistance by the State but the state total contribution shall not exceed 50 percent of the entire cost of the proposed activity.

This item would continue state assistance for mosquito control at the same level as established for the current year.

We recommend approval as requested.

**Department of Public Health
HOSPITAL CONSTRUCTION**

ITEM 435 of the Budget Bill

Budget page 1367
Budget line No. 38

FOR ASSISTANCE TO PUBLIC AGENCIES FOR HOSPITAL CONSTRUCTION, DEPARTMENT OF PUBLIC HEALTH, FROM THE GENERAL FUND

Amount requested	\$4,545,439
Estimated to be expended in 1955-56 Fiscal Year	4,119,014
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Increase (10.4 percent)	\$426,425

RECOMMENDATIONS

Amount budgeted	\$4,545,439
Legislative Auditor's recommendation	4,545,439
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Reduction	None

ANALYSIS

The funds appropriated by this item would provide for continued participation in the expanded federal hospital construction program (Hill-Burton Act as amended by the Wolverton Bill) on a matching basis. This item also reappropriates the unexpended balance of Item 411, Budget Act of 1955. Authority for this program is found in Sections 430-435.7 of the Health and Safety Code. These sections were amended by Chapter 1575, Statutes of 1955, to permit state participation in the expanded federal program authorized by the Wolverton Bill. The code provides that the amount of state assistance which shall be provided to any public agency for hospital construction shall be a sum equal to the assistance received by the public agency for that hospital under the federal act, but in no event shall the amount of the state assistance exceed one-third of the cost of construction of the hospital.

It is estimated that federal funds in the total amount of \$4,545,439 will be expended during the budget year, and since state policy to allocate equally to both governmental and nonprofit hospital projects was established by Chapter 1575, Statutes of 1955, an amount equal to expenditure of federal funds will be necessary from state funds. State funds to match an additional \$2,386,929 in federal funds available during the current year are not requested for the budget year, as contracts involving these funds will not be formalized until the 1957-58 Fiscal Year.

The amount of \$1,660,771 provided for hospital construction by Item 411 of the Budget Act of 1955 has been augmented by \$1,491,105 appropriated by Chapter 1575, Statutes of 1955, and \$25,680 provided by Item 382 of the Budget Act of 1954 and reappropriated by Item 411 of the Budget Act of 1955. Estimated expenditures for the current year also included \$941,458 requested as a deficiency appropriation by Item 436, Budget Act of 1956.

We recommend approval as requested.

**Department of Public Health
HOSPITAL CONSTRUCTION**

ITEM 436 of the Budget Bill

Budget page 1367
Budget line No. 39

FOR ASSISTANCE TO PUBLIC AGENCIES FOR HOSPITAL CONSTRUCTION FOR EXPENDITURE IN THE 1955-56 FISCAL YEAR, DEPARTMENT OF PUBLIC HEALTH, FROM THE GENERAL FUND

Amount requested ----- \$941,458

RECOMMENDATIONS

Amount budgeted ----- \$941,458

Legislative Auditor's recommendation ----- 941,458

Reduction ----- None

ANALYSIS

Chapter 1575, Statutes of 1955 provide that the State shall assist projects sponsored by both governmental units and nonprofit corporations in amounts equal to the federal allocation but in no case shall the amount exceed one-third the total cost of construction. Prior to the current year the policy had been to assist only those projects sponsored by governmental units.

The amount of \$1,660,771 appropriated by Item 411 of the Budget Act of 1955 for state participation in the Hill-Burton program and the amount of \$1,491,105 appropriated by Chapter 1575, Statutes of 1955, to finance state participation in the expanded federal program provided by the Wolverton Bill were both determined on the basis that the policy of providing assistance only to governmental units would be continued. The change in policy established by Chapter 1575, Statutes of 1955, without provision for additional funds therefore resulted in a deficiency during the current year.

We recommend approval of the \$941,458 requested by this item to cover the current year deficiency.

**Department of Public Works
FLOOD CONTROL**

ITEM 437 of the Budget Bill

Budget page 1369
Budget line No. 37

FOR ALLOCATION TO THE STATE WATER RESOURCES BOARD FOR REALLOCATION TO THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR THE LOS ANGELES RIVER WATERSHED PROGRAM FROM THE FLOOD CONTROL FUND OF 1946

Amount requested ----- \$594,000

Estimated to be expended in 1955-56 Fiscal Year ----- 1,184,563

Decrease (49.9 percent) ----- \$590,563

RECOMMENDATIONS

Amount budgeted ----- \$594,000

Legislative Auditor's recommendation ----- 594,000

Reduction ----- None

ANALYSIS

The Los Angeles Flood Control District has requested \$594,000 for the 1956-57 Fiscal Year for the Los Angeles River Watershed Program. This is a continuing project, allocations to this project beginning in 1948 and including Fiscal Year 1955-56 total \$2,392,000.

We recommend approval.

DEPARTMENT OF PUBLIC WORKS

ITEM 438 of the Budget Bill

Budget page 1369
Budget line No. 39

FOR ALLOCATION TO THE STATE WATER RESOURCES BOARD FOR REALLOCATION TO THE SONOMA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE RUSSIAN RIVER PROJECT FROM THE FLOOD CONTROL FUND OF 1946

Amount requested	\$64,000
Estimated to be expended in 1955-56 Fiscal Year.....	None
Increase	\$64,000

RECOMMENDATIONS

Amount budgeted	\$64,000
Legislative Auditor's recommendation.....	64,000
Reduction	None

ANALYSIS

This is a new project authorized by Section 12698 of the Water Code. The request for \$64,000 covers state costs of right-of-way for channel improvements on a portion of the Russian River Project, i.e., one dam on the East Fork of the Russian River at Coyote Valley is proposed for immediate construction by the Corps of Engineers. It was estimated to cost \$17,150,000 in 1948, of which \$5,598,000 was to be contributed by the Sonoma Flood Control and Water Conservation District. The \$64,000 estimated cost of the right-of-way may not be an accurate estimate, although it appears to be the best that can be made now.

We recommend approval.

ITEM 439 of the Budget Bill

Budget page 1369
Budget line No. 42

FOR ALLOCATION TO THE STATE WATER RESOURCES BOARD FOR REALLOCATION TO THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE RIVERSIDE PORTION OF THE SANTA ANA RIVER BASIN PROJECT FROM THE FLOOD CONTROL FUND OF 1946

Amount requested	\$2,412,000
Estimated to be expended in 1955-56 Fiscal Year.....	None
Increase	\$2,412,000

RECOMMENDATIONS

Amount budgeted	\$2,412,000
Legislative Auditor's recommendation.....	2,412,000
Reduction	None

ANALYSIS

This is a new project authorized by Chapter 196, Statutes of 1953. The Riverside County Flood Control and Water Conservation District, has requested \$2,412,000 to cover the State's costs for right of way and replacement of utilities on the Riverside portion of the Santa Ana River Basin Project. The project consists of levee construction and revetment and channel improvement on Devil, East Twin and Warm Creeks in the vicinity of the City of San Bernardino and levee construction and revetment on the Santa Ana River in the vicinity of Riverside. The district has requested that this money be reallocated in advance of actual expenditure rather than by reimbursement as provided in the current procedure and present indications are that at least portions of the funds will be advanced by the board on a contract basis.

ITEM 440 of the Budget Bill

Budget page 1369
Budget line No. 44

FOR ALLOCATION TO THE STATE WATER RESOURCES BOARD FOR REALLOCATION TO THE SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT FOR THE SAN BERNARDINO COUNTY PORTION OF THE SANTA ANA RIVER FLOOD CONTROL PROJECT FROM THE FLOOD CONTROL FUND OF 1946

Amount requested	\$427,000
Estimated to be expended in 1955-56 Fiscal Year	None

Increase	\$427,000
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RECOMMENDATIONS

Amount budgeted	\$427,000
Legislative Auditor's recommendation	427,000

Reduction	None
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ANALYSIS

The amount of \$427,000 is a new budget item requested for the San Bernardino County portion of the Santa Ana River Flood Control Project by the San Bernardino County Flood Control District.

It covers the cost of the Santa Ana River Flood Control Project in the County of San Bernardino. This amount is for right of way, utility relocation and relocation of highways and bridges.

We recommend approval.

ITEM 441 of the Budget Bill

Budget page 1369
Budget line No. 46

FOR ALLOCATION TO THE STATE WATER RESOURCES BOARD FOR REALLOCATION TO THE CONTRA COSTA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR THE WALNUT CREEK WATERSHED PROJECT FROM THE FLOOD CONTROL FUND OF 1946

Amount requested	\$927,500
Estimated to be expended in 1955-56 Fiscal Year	None

Increase	\$927,500
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RECOMMENDATIONS

Amount budgeted	\$927,500
Legislative Auditor's recommendation	927,500
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Reduction	None

ANALYSIS

This is a new project authorized under Section 12865 of the Water Code. The Contra Costa County Flood Control and Water Conservation District has requested \$927,500 for the Walnut Creek Watershed Protection Project. This project is the second small watersheds project in the State and like the Los Angeles Watershed Program is also a pilot project.

The Budget Bill provides language requested by the Water Resources Board to assure that the district will maintain and operate the project to accomplish the purposes for which it was authorized.

We recommend approval.

ITEM 442 of the Budget Bill

Budget page 1373
Budget line No. 8

FOR TRANSFER BY THE STATE CONTROLLER TO THE FLOOD CONTROL FUND OF 1946 FROM THE GENERAL FUND

Amount requested	\$5,184,110
Transferred in 1955-56 Fiscal Year	3,409,019
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Increase (52.1 percent)	\$1,775,091

RECOMMENDATIONS

Amount budgeted	\$5,184,110
Legislative Auditor's recommendation	5,184,110
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Reduction	None

ANALYSIS

This item transfers the funds required for items Nos. 418 and 419 in the capital outlay section of the budget and items 437, 438, 439, 440 and 441 in the subventions section from the General Fund to the Flood Control Fund of 1946. The amount being transferred is the difference between the estimated expenditures for 1956-57 Fiscal Year from the Flood Control Fund of 1946 and the balance estimated to be in the Fund on June 30, 1956.

DEPARTMENT OF SOCIAL WELFARE

ITEM 443 of the Budget Bill

Budget page 1379
Budget line No. 26

FOR SUPPORT OF LOCAL INSPECTION OF HOMES AND AGENCIES CARING FOR AGED AND CHILDREN FROM THE GENERAL FUND

Amount requested	\$989,400
Estimated to be expended in 1955-56 Fiscal Year	971,536
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Increase (1.8 percent)	\$17,864

RECOMMENDATIONS

Amount budgeted	\$989,400
Legislative Auditor's recommendation	989,400
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Reduction	None

ANALYSIS

This item is for reimbursement to the counties for inspection of child care and placement institutions and aged homes as specified in Sections 1622 and 2302 of the Welfare and Institutions Code. Reimbursement must be justified by the counties as an actual expenditure but not more than \$5 per month per license is authorized to be paid.

We recommend approval of the item as submitted.

ITEM 444 of the Budget Bill

Budget page 1379
Budget line No. 59

FOR SUPPORT OF REIMBURSEMENT TO COUNTIES FOR ADMINISTRATION AND COST OF CARE OF ADOPTIONS FROM THE GENERAL FUND

Amount requested	\$1,554,983
Estimated to be expended in 1955-56 Fiscal Year	1,402,731
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Increase (10.9 percent)	\$152,252

RECOMMENDATIONS

Amount budgeted	\$1,554,983
Legislative Auditor's recommendation	1,554,983
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Reduction	None

ANALYSIS

This item covers the cost of reimbursement to counties for the administrative expenses of operating child placement as specified in Section 1641 of the Welfare and Institution Code. Cost of care for children in these agencies is covered by Aid to Needy Children aid as of October 1, 1955. It is anticipated that three additional counties will be licensed to handle adoptions in the 1956-57 Fiscal Year.

The amount requested is actually less than the \$1,578,735 appropriated for this purpose for the current fiscal year but not all of the appropriation was necessary to cover the cost of administration.

We recommend approval of the item.

ITEM 445 of the Budget Bill

Budget page 1381
Budget line No. 9

FOR SUPPORT OF TRANSPORTATION OF NEEDY CHILDREN FROM THE GENERAL FUND

Amount requested	\$2,500
Estimated to be expended in 1955-56 Fiscal Year	2,500
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$2,500
Legislative Auditor's recommendation	2,500
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Reduction	None

ANALYSIS

Section 1580 of the Welfare and Institutions Code provides for the payment of transportation costs of needy children back to the states where they are residents. This item is for this purpose.

We recommend approval.

SUBVENTIONS FOR OTHER PURPOSES

Salaries of Superior Court Judges

ITEM 446 of the Budget Bill

Budget page 1382
Budget line No. 55

FOR STATE'S SHARE OF SALARIES OF JUDGES OF SUPERIOR COURTS FROM THE GENERAL FUND

Amount requested	\$2,117,000
Estimated to be expended in 1955-56 Fiscal Year.....	2,039,533
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Increase (3.9 percent)	\$77,467

RECOMMENDATIONS

Amount budgeted	\$2,117,000
Legislative Auditor's recommendation.....	2,117,000
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Reduction	None

ANALYSIS

As prescribed by Sections 68206 and 68207 of the Government Code, the State contributes to the salary of each judge of the superior courts in accordance with the population of the county. The increase of \$77,467 for the current year is the additional cost which resulted from the enactment of this salary formula based on the following table:

	Population of County		
	<i>State's share</i>	<i>County's share</i>	<i>Total salary</i>
250,000 or more.....	\$8,500	\$9,500	\$18,000
More than 40,000 but less than 250,000.....	9,000	7,500	16,500
40,000 or less	9,500	5,500	15,000

Approval of the amount budgeted is recommended.

DEPARTMENT OF VETERANS AFFAIRS

ITEM 447 of the Budget Bill

Budget page 1383
Budget line No. 16

FOR CONTRIBUTIONS TO COUNTIES FOR VETERANS SERVICE OFFICES FROM THE GENERAL FUND

Amount requested	\$350,000
Estimated to be expended in 1955-56 Fiscal Year.....	350,000
<hr/>	<hr/>
Increase	None

RECOMMENDATIONS

Amount budgeted	\$350,000
Legislative Auditor's recommendation.....	350,000
<hr/>	<hr/>
Reduction	None

ANALYSIS

This item is a companion one to the item for contract services between the State and veterans' organizations to provide services to veterans in pursuing claims against the United States. The veterans' organizations maintain offices only in San Francisco and Los Angeles where they are close to the claims offices of the Veterans Administration of the United States Government. In order that veterans in other parts of the State may initiate their claims without having to go to San Francisco or Los Angeles, Sections 970 through 973 of the Military and Veterans Code permit the establishment of county service officers, with suitable assistance, who provide this initial service at the contact point with the veteran.

The Military and Veterans Code permits the California Veterans' Board to pay a portion of the cost of the county service officers, to the extent of a maximum of \$75 per month towards the county service officer's salary, plus 80 percent of the salaries of the first assistants and 50 percent of the salaries of other assistants, and \$600 annually per contract for operating expenses.

The cost of this service has been established at \$350,000 annually for a number of years. It is proposed to continue this same amount for the 1956-57 Fiscal Year. Since legislative policy has established the authorization to participate in this service, we recommend approval of this item as submitted.

COUNTY AGRICULTURAL COMMISSIONERS

ITEM 448 of the Budget Bill

Budget page 1383
Budget line No. 35

FOR SALARIES OF COUNTY AGRICULTURAL COMMISSIONERS OR COMPENSATION FOR SERVICES PERFORMED FOR COUNTY AGRICULTURAL DEPARTMENTS, DEPARTMENT OF AGRICULTURE, FROM THE GENERAL FUND

Amount requested	\$145,666
Estimated to be expended in 1955-56 Fiscal Year	142,910
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Increase (1.9 percent)	\$2,756

RECOMMENDATIONS

Amount budgeted	\$145,666
Legislative Auditor's recommendation	145,666
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Reduction	None

ANALYSIS

This item provides for the payment by the State of a portion of the county agricultural commissioners' salaries. Section 63.5 of the Agricultural Code allows \$3,000, or two-thirds of the commissioners' salary, to be paid by the State, whichever is the lesser. It is estimated that 42 counties will contract for the \$3,000 maximum while eight will receive lesser amounts and eight will not have contracts for the 1956-57 Fiscal Year.

The reason for the State's participation in this program is based on the need for uniform enforcement of the Agricultural Code and to allow the smaller counties to pay a salary capable of attracting qualified men for the position of agricultural commissioner.

We recommend approval of the item as submitted.

WORKMEN'S COMPENSATION FOR CIVIL DEFENSE WORKERS

ITEM 449 of the Budget Bill

Budget page 1383
Budget line No. 52

FOR FURNISHING OF WORKMEN'S COMPENSATION TO CIVIL DEFENSE WORKERS, OFFICE OF CIVIL DEFENSE, FROM THE GENERAL FUND

Amount requested	\$25,000
Estimated to be expended in 1955-56 Fiscal Year.....	25,000
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Increase	None

RECOMMENDATIONS

Amount budgeted	\$25,000
Legislative Auditor's recommendation.....	25,000
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Reduction	None

ANALYSIS

This item provides for the hospitalization, medical care and services as provided by Chapter 10.5, Part 1 of Division 4 of the Labor Code for civil defense workers injured during training exercises. In order to expect volunteers to serve in civil defense activities without compensation the Legislature has determined that it is proper to protect them by providing this insurance.

Consequently, we recommend approval of the item as requested.

Youth Authority

AID FOR COUNTY JUVENILE HOMES AND CAMPS

ITEM 450 of the Budget Bill

Budget page 1384
Budget line No. 17

FOR SUPPORT OF REIMBURSEMENTS TO COUNTIES FOR MAINTENANCE OF JUVENILE HOMES AND CAMPS FROM THE GENERAL FUND

Amount requested	\$1,243,000
Estimated to be expended in 1955-56 Fiscal Year.....	951,740
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Increase (30.6 percent)	\$291,260

RECOMMENDATIONS

Amount budgeted	\$1,243,000
Legislative Auditor's recommendation.....	1,243,000
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Reduction	None

ANALYSIS

Under this County Juvenile Camp subvention program, the State reimburses a county, which operates an approved camp for juvenile delinquents, for one-half of the cost up to a maximum of \$95 per month per ward.

There are currently 15 permanent camps and one mobile camp eligible for the subvention. The agency expects a total of two camps to become eligible during the 1955-56 budget year and seven more in Fiscal Year 1956-57. This would make a total of 24 camps.

The total cost of operating these camps during 1956-57 is estimated at \$2,896,100, of which the counties' share will be \$1,653,100 and the State's share as reflected by this item will be \$1,243,000.

We recommend approval of the amount requested.

We note that of the nine new camps which were proposed for inclusion in the 1955-56 Budget, the agency now only expects the actual inclusion of two. It is now estimated that \$372,260 of the amount budgeted last year will not be required. We pointed out last year that the proposal of nine camps appeared unrealistic. We suggested that prior to the inclusion of new camps in the subvention item, some positive indication should exist that the county would itself appropriate the necessary funds to activate the camp. The agency and the Department of Finance stated at that time that they had been assured that the nine new camps would be activated. Apparently these assurances were not as reliable as they should have been. Inasmuch as the remaining seven camps of the nine proposed last year are again proposed for the budget year, we raise the question as to whether any better assurance supports their inclusion in this budget than in the last one? It appears to us to be a poor budget procedure to overestimate any item to the extent that this item has been overestimated in the absence of factual data to justify the estimate.

The per capita cost of county camp care for the budget year is estimated at \$2,509 for an estimated population of 1,154. Compared with the estimated per capita cost for Youth Authority care of \$3,599, this represents a substantial margin of lesser cost to the taxpayer. In our opinion care at the county level should, in the long run, prove to be more successful in terms of rehabilitation of delinquents.

We again point out that the county is only charged \$25 per month for wards committed to the Youth Authority, whereas the State pays one-half of the cost up to \$95 a month for maintaining a delinquent youth in a county camp. We believe these costs should be equalized so as to encourage the development of county camps.

DEPARTMENT OF EMPLOYMENT

ITEM 451 of the Budget Bill

Budget page 1444
Budget line No. 25

FOR SUPPORT OF DISABILITY AND HOSPITAL BENEFITS PROGRAM FROM THE UNEMPLOYMENT COMPENSATION DISABILITY FUND

Amount requested	\$3,767,474
Estimated to be expended in 1955-56 Fiscal Year	3,618,656
Increase (4.1 percent)	\$148,818

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$92,986	\$92,986	---	1469 20
Operating expense	53,987	53,987	---	1469 21
Equipment	1,845	1,845	---	1469 22
Total increase	\$148,818	\$148,818	---	1469 24

RECOMMENDATIONS

Amount budgeted	\$3,767,474
Legislative Auditor's recommendation	3,767,474
Reduction	None