

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEM 135 of the Budget Bill

Budget page 505

Budget line No. 31

FOR SUPPORT OF THE DEPARTMENT OF INDUSTRIAL RELATIONS
FROM THE GENERAL FUND

Amount requested	\$8,177,821
Estimated to be expended in 1956-57 Fiscal Year	6,668,350
Increase (22.6 percent)	\$1,509,471

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$1,043,924	\$477,194	\$566,750	515 60
Operating expense	330,817	152,176	178,641	515 61
Equipment	134,730	61,976	72,754	515 62
Total increase	\$1,509,471	\$691,326	\$818,145	515 64

RECOMMENDATIONS

Amount budgeted	\$8,177,821
Legislative Auditor's recommendation	7,618,789
Reduction	\$559,032

SUMMARY OF RECOMMENDED REDUCTIONS

The recommended reduction of \$559,032 consists of the following amounts in the categories indicated:

<i>Salaries and wages</i>	Amount	<i>Budget</i>	
		Page	Line
Division of Administration			
1 Graphic artist	\$4,296	506	31
1 Intermediate stenographer-clerk	3,372	406	32
Division of Conciliation			
2 Conciliators	15,456	507	21
1 Intermediate stenographer-clerk	3,372	507	22
Division of Industrial Accidents			
10 Referees	120,000	508	48
2 Medical examiners	20,688	508	49
2 Disability rating specialists	12,720	508	51
10 Hearing reporters	54,960	508	52
10 Intermediate typist-clerks	32,160	508	53
2 Intermediate stenographer-clerks	6,744	508	54
10 Senior legal stenographers	40,920	508	55
Division of Industrial Safety			
2 Safety engineers (boiler)	12,120	509	53
9 Safety engineers (construction)	54,540	509	56
3 Safety engineers (industrial)	18,180	509	58
5 Intermediate typist-clerks	16,080	509	59
Division of Industrial Welfare			
1 Area supervisor	6,360	510	56
2 Industrial welfare agents	10,992	510	57
1 Senior typist-clerk	3,900	510	58
3 Intermediate stenographer-clerks	10,116	510	59

General Summary—Continued

Division of Labor Law Enforcement			
1 Deputy labor commissioner.....	5,772	512	16
1 Supervising deputy labor commissioner.....	6,672	512	14
2 Special investigators.....	9,960	512	17
1 Senior stenographer-clerk.....	3,900	512	20
Division of Apprenticeship Standards			
1 Apprenticeship consultant.....	6,060	513	20
Division of Housing			
1 Area supervisor.....	6,672	514	13
5 District representatives.....	26,160	514	14
2 Intermediate stenographer-clerks.....	6,744	514	15
Division of Labor Statistics and Research			
2 Junior research technicians.....	9,024	515	18
1 Associate research technician.....	6,672	515	17
1 Senior account clerk.....	3,900	515	19
1 Senior stenographer-clerk.....	3,900	515	23
2 Intermediate account clerks.....	6,432	515	20
1 Intermediate clerk.....	3,216	515	21
2 Intermediate typist-clerk.....	6,432	515	22

101 Positions reducing salaries and wages by---- \$559,032

It should be noted that even with the recommended deletion of the above 101 positions, the department will still receive the benefit of a total of 83 additional positions increasing the annual cost of salaries and wages by \$475,125.

No specific recommendations for reductions of operating expenses or equipment are shown in this analysis. The principal increases in these categories are related to the addition of new positions. Consequently, reductions will be related to those positions actually deleted from the budget.

GENERAL SUMMARY

This department is charged generally with responsibility for the administration and enforcement of the state laws relating to labor. It is organized into nine divisions for this purpose. Two of these divisions, the Division of Administration and the Division of Labor Statistics and Research have a service or staff relationship to the seven operating divisions, which function directly in the various fields of labor law enforcement and administration. The chiefs of the various divisions as well as the members of the Industrial Accident Commission are appointed directly by the Governor, as is the Director of the Department. This factor tends to encourage a greater degree of divisional autonomy than is usually present in departmental organizations.

Individual divisional analyses are presented hereafter with recommendations relating to the budget request of each division.

The following table sets forth the increase in personnel and expenditures experienced by the department in the past 10 years:

Table of Increases 1946-47 to 1956-57

	1946-47	1956-57	Percent increase
Number of employees.....	590	926.2	57
Total expenditures.....	\$2,553,858	\$7,081,302	177.2

General Summary—Continued

ANALYSIS

Total expenditures for this department are scheduled at \$8,667,606, an increase of \$1,586,304, or 22.4 percent over the amount estimated for expenditure in the current year, and an increase of \$2,439,703, or 39.2 percent over the amount actually expended in 1955-56.

The agency is requesting a total of 184 new positions, an increase of 19.9 percent over the 926.2 authorized positions for 1956-57 and 28.9 percent over the 857.9 positions actually used in 1955-56. Of the 184 new positions requested, 81 are requested on the basis of work load increases and 103 are for new or expanded services.

No major departmental program changes are reflected by the increases shown in the budget.

Division of Administration

GENERAL SUMMARY

The Division of Administration has the Offices of the Director and Supervisor of Industrial Accident Self Insurance Plans and provides personnel, accounting, office service and fiscal management services to the rest of the department.

The following table reflects pertinent increases experienced by this division in the 1946-47 to 1956-57 period:

Table of Increases 1946-47 to 1956-57			
	1946-47	1956-57	Percent increase
Work index			
Number of divisions	9	9	0
Number of employees	20.4	46.9	129.9
Total expenditures	\$74,648	\$606,158	712.0

ANALYSIS

This division is requesting a total of \$724,108 for the budget year. This represents an increase of \$118,542 or 19.6 percent over the \$606,158 now estimated for 1956-57.

Salaries and Wages

The division has a total of 46.9 positions authorized for the current year. Three additional positions are proposed, one of which is a reclassification of the position of accounting officer III to personnel officer I, for a net increase in authorized positions of two, making a proposed total of 48.9.

The total amount requested for salaries and wages for 1957-58 is \$222,183. This represents an increase of \$10,115 or 4.8 percent over the total of \$212,068 scheduled for expenditure in this category in 1956-57.

The agency reorganized the supervision of the division during the current year to provide a position of administrative service officer II as the administrative head of the division. This function was formerly the direct responsibility of the director and was to some extent performed by the position of accounting officer III. The position of administrative service officer resulted from the reclassification of a position of confidential assistant to the director. The position of the accounting officer III was reclassified to personnel officer I.

Division of Administration—Continued

We note that this reorganization stems from a study by the Administrative Analysis Section of the Department of Finance (AN 812) completed on February 20, 1956. This study recommended that the position of accounting officer III be replaced with the position of administrative service officer II. This recommendation was based in part on the fact that the duties of the proposed position of administrative service officer II were in fact delegated to and being performed by the accounting officer III.

The three proposed new positions are shown as follows:

Positions	Amount	Budget	
		Page	Line
1 Personnel officer I.....	\$7,356	506	30
1 Graphic artist	4,296	506	31
1 Intermediate stenographer-clerk	3,372	506	32
3 Totals	\$15,024		

1 Personnel officer I (Budget page 506, line 30)..... \$7,356

No justification for this position has been submitted by the agency. However, the reasons for the recommendation of this position contained in the Management Analysis Section Report AN 812, referred to above, appear to provide adequate justification for authorizing the position, particularly as a reclassification of an existing position with a similar salary range. We recommend approval of the position.

1 Graphic artist (Budget page 506, line 31)..... \$4,296

This position is requested to illustrate reports, pamphlets and other material for public distribution; prepare charts, illustrations and other visual aid materials for training programs; design and assemble special exhibit material for conventions and fairs; prepare administrative material such as flow of work charts, maps and organization charts and graphic material for interim committees and commission hearings. It is anticipated that this position would devote more than half of the working time involved to preparing materials for the Division of Industrial Safety and would be under the supervision of the supervisor of the Educational Section of that division although located organizationally in this division. To the extent that work of this nature is now being done it is accomplished by employees of the department in addition to their other duties, occasionally by service contract with outside agencies, and by donations.

We recommend deletion of the position, reducing salaries and wages by \$4,296.

The agency has not submitted data showing that the justifiable use of art services in connection with its public informational activities will require the full-time services of a graphic artist. The only identifiable items of expense in the current budget related to this kind of activity are: one, an item for art work in office expense under operating expenses in the Division of Industrial Safety (Budget page 509, line 64),

Division of Administration—Continued

estimated at \$95 for the current year based on an actual expenditure of \$57.73 in 1955-56; and two, an item for displays and exhibits under office expense in operating expense, Division of Administration (Budget page 506, line 38), estimated at \$200 in both the current and budget year. On the other hand this latter item of office expense for the Division of Administration has been augmented by an amount of \$100 in the budget year for graphic artist's supplies apparently in anticipation of the allowance of this position.

It is true that this agency publishes a large amount of material for public information purposes; however, it is not possible to ascertain from the data submitted by the agency how much of this material is susceptible to improvement through the application of artistic techniques, what savings in manpower now devoted to this purpose would occur if the position were authorized, nor what this saved manpower would be used for if it were not so utilized. Further, the question is raised as to whether the materials for public information now being produced are so deficient because of the lack of artistic treatment as to seriously handicap the agency in the performance of its educational function. It is noted that in large part the publications scheduled for printing in the budget year are reprints or revisions of previously published documents. If these are to be revised by the addition of illustrative material it can be anticipated that the cost of printing will increase considerably. This added cost factor should be analyzed and presented to the Legislature for consideration as part of the over-all cost of embarking on an expanded program of illustration of publications. The same type of additional cost will accrue to the other phases of a graphic artist's function. The department should not embark on such a program without consideration of all these factors and we do not believe that a position to accomplish such a program should be authorized until such considerations are before the Legislature. Under any circumstances such a position request is a request for a new level of service and should be justified as such.

1 Intermediate stenographer-clerk (Budget page 506, line 32) — \$3,372

This position is requested as a result of the appointment of the personnel officer as a reclassification of the accounting officer III mentioned previously. It is stated that formulation, interpretation and communication of personnel policies as well as training activities undertaken by the personnel section have increased the workload of this section.

We recommend deletion of the position.

The budget does not provide a functional breakdown of the assignment of clerical positions in the Division of Administration. It does reveal that of the 46.9 positions authorized for the current year, 30.5 are of the clerical typist-stenographer category. In addition, there is an office supervisor, a storekeeper and a stock clerk, two telephone operators, five accounting technicians, and an intermediate account clerk, leaving only six supervisory positions and .4 janitor in the division. This distribution of personnel is not affected by the reorgani-

Division of Administration—Continued

zation since both the new administrative service officer and the personnel officer, who were formerly the confidential assistant to the director and an accounting officer III can be presumed to have required clerical assistance in their former jobs. An explanation should be made of why the clerical assistance which they formerly enjoyed is not available to them in their new positions if in fact such a deficiency exists. Some additional evidence that the division's problem is one of assignment of personnel is adduced from the fact that on occasion peak workloads in the personnel section have been handled by borrowing from other sections. If other sections have personnel available to make such loans they should either be transferred to the personnel section, if in fact it is short as a result of added responsibilities, or preferably all excess positions or portions of positions should be pooled for the very purpose of taking care of peak workloads.

In the absence of detailed information and justification of the assignment and utilization of authorized clerical personnel we cannot recommend a request for additional clerical positions.

Operating Expenses

The division is requesting \$494,494 for operating expenses in the budget year. This represents an increase of \$123,090 or 33.1 percent over the \$371,404 estimated to be required in the current year.

The principal item included in this exceedingly large increase is an increase of \$112,444 or 39.2 percent in the item for Rent-building space (Budget page 506, line 50). This item is for rent of office space for the entire department in some 25 different cities in the State. It appears that approximately one-half of this increase is to provide space for the 184 additional positions requested in this budget, and the balance is to provide additional space for existing functions as well as to provide for estimated rent increases.

This office has repeatedly recommended in the past the establishment of space utilization standards by which to judge the actual space requirements for state functions. The inconsistencies in the detail of the requests included in the over-all rent increase for this department again demonstrate the need for adequate administrative control over this very costly item. In this request there are wide variations in the amount of space being requested by the same divisions for the same function in different places. There are also sufficiently wide variations in the cost of space as to raise a question of the comparable quality of the space in use and to be acquired. Admittedly, many factors, some of them uncontrollable, will affect final determinations of space to be rented. However, utilization standards such as we have recommended will tend to reduce the average amount of space required per employee or function and will prevent competition between state agencies for improvement in existing housing conditions.

We are unable to make a recommendation for or against the approval of the department's requested increase. Such a recommendation would require an exhaustive survey of the space requirements and space utilization in all the locations both now in use and proposed. *However,*

Division of Administration—Continued

we do recommend that such a survey be made, and that the agency develop its own space utilization standards (in the absence of such standards being developed on a state-wide basis by the Department of Finance) as a yardstick for measuring its own needs. In the meantime, we suggest that the agency keep its expansion of space to a minimum with a view to utilizing such standards when they have been developed.

Other items of increase in operating expense include: office, \$6,169; printing, \$1,485; Travel-in-state, \$1,807; moving, \$2,876.

Equipment

Insufficient detail has been submitted in justification of requests for replacement equipment. From the data submitted, nothing can be learned concerning the actual condition of the equipment sought to be replaced, nor of the reasons for seeking replacement. We suggest that the department develop and use an equipment check sheet similar to those in use in other departments, which will provide the information to evaluate the necessity for replacement and addition of equipment.

The additional equipment requested in this Budget is largely for the new positions being requested.

Division of Conciliation

GENERAL SUMMARY

This division provides an independent source of investigation, mediation, conciliation and arbitration service in the settlement of labor disputes.

The following table represents the pertinent increases experienced by the division in the 1948-49 to 1956-57 period.

Table of Increases 1948-49 to 1956-57			
	1948-49	1956-57	Percent increase
Work index:			
Number of cases -----	203	539	165.5
Number of employees -----	6.7	12	79.1
Total expenditures -----	\$52,026	\$111,180	113.7

ANALYSIS

This division is requesting a total of \$140,500 for the budget year. This represents an increase of \$29,330 or 26.4 percent over the \$111,180 currently estimated for 1956-57.

Salaries and Wages

The total requested for salaries and wages is \$109,935, an increase of \$20,657 or 23.1 percent. Three new positions are requested which if added to the 12 currently authorized will make a total of 15.

The proposed new positions are:

2 Conciliators (Budget page 507, line 21)-----	\$15,456
1 Intermediate stenographer-clerk (Budget page 507, line 22)-----	3,372
<hr/>	
3 Totals -----	\$18,828

These are requested on the basis of a projected increase in the number of cases to be assigned to conciliators during the budget year.

Division of Conciliation—Continued

We recommend the deletion of all three positions for a reduction of \$18,828.

It is true that the number of conciliation, arbitration, and election cases assigned to conciliators during the last half of 1955-56 exceeded the number for any similar six-month period in recent years. However, it is not known whether the trend will continue. In view of the continuation of generally good economic conditions, it would not appear that there is a likelihood of an overwhelming flood of labor disputes. The numbers of assignments are not a reliable index of the manpower necessary to handle them in any event, because while the number of such assignments to the conciliation service has been increasing, the number of work stoppages, the number of employees involved, and the number of threatened work stoppages have decreased. A more accurate measurement of manpower requirements for conciliation might be based on the past experience of the agency in terms of man hours or days per assigned case.

In view of the lack of accurate work load measurements and of the fact that the severity of the labor-management bargaining problem appears to have eased off, we do not believe that an expansion of the conciliation staff is justified at this time.

The requested clerical position is related to the two conciliator positions and should not be allowed if they are not allowed.

Operating Expenses

The total of \$28,480 requested for operating expenses represents an increase of \$6,803 or 31.4 percent over the amount estimated for the current year. This increase is largely the result of an increased cost of travel estimated at 18 percent and additional travel allowances for the two additional conciliators requested for the budget year.

Equipment

\$2,085 is requested for equipment for the budget year. This represents an increase of \$1,860 or 826.7 percent over the estimate of \$225 for the current year. Of the total request, \$1,725 is for additional equipment and \$360 is for replacements. The additional equipment is primarily related to the proposed new positions.

Division of Industrial Accidents

GENERAL SUMMARY

This division adjudicates cases arising under the Workmen's Compensation law.

The following table presents pertinent increases experienced by the division in the 1946-47 to 1956-57 period:

	Table of Increases 1946-47 to 1956-57		Percent increase
	1946-47	1956-57	
Work index:			
1. Cases filed -----	22,401	37,696	68.3
2. Dispositions -----	20,721	36,100	74.2
Employees -----	182.5	274.8	50.7
Total expenditures -----	\$816,918	\$2,033,309	148.9

Division of Industrial Accidents—Continued
ANALYSIS

Total expenditures for this division are estimated at \$2,845,417 for the budget year. This is an increase of \$812,108 or 39.9 percent over the \$2,033,309 scheduled for expenditure in the current year.

Salaries and Wages

The division is requesting a total of 105 additional positions. This represents an increase of 38.2 percent in the number of authorized positions. The total expenditure requested for salaries and wages is \$2,546,532, an increase of \$647,603 or 34.1 percent over the amount estimated for expenditure in this category in the current year.

The principal increases in this category are related to a request for 20 additional referee teams composed of four positions each—a referee, a hearing reporter, an intermediate typist-clerk and a senior legal stenographer. In addition, certain pooled positions are requested to relieve assigned hearing reporters of the necessity of making transcripts and to provide relief for other referee team members in cases of absence. Additional supporting staff in the nature of medical examiners, disability rating specialists and clerks are requested in ratio to the referee teams requested. Additional legal staff is requested for appeals from commission decisions and special clerical help to purge existing files and reduce storage space requirements. It is contemplated that new branch offices will be opened at four additional locations.

The new positions requested are as follows:

No.	Position	Amount	Budget	
			Page	Line
2	Associate counsels -----	\$17,040	508	47
20	Referees -----	240,000	508	48
4	Medical examiners -----	41,376	508	49
4	Permanent disability rating specialists ----	25,440	508	50
24	Hearing reporters -----	131,904	508	52
22	Intermediate typist-clerks -----	70,752	508	53
4	Intermediate stenographer-clerks -----	13,488	508	54
25	Senior legal stenographers -----	102,300	508	55
105	Total positions, costing -----	\$642,300		

This request is based on the existence of a backlog of undecided cases amounting to 9,180 on June 30, 1956, and is intended to reduce the elapsed time between the filing of a case and its decision.

This agency's problems of a backlog of undecided cases and lapse of time between the filing and decision of cases were considered by the 1955 Session of the Legislature. At that time five additional referee teams were authorized for the specific purpose of eradicating that portion of the backlog which indicated that an excessive time was elapsing between the filing and decision of some cases.

The agency, according to the budget, had 48 referees authorized in 1955-56. With the addition of five in that year, the agency should currently have the benefit of 53 referee positions. We note that the budget shows only 52 such positions authorized for both 1956-57 and 1957-58

Division of Industrial Accidents—Continued

(Budget page 508, line 21). The agency and the Department of Finance should explain why only four of the five authorized referees were added in 1955-56, particularly in view of the continuing growth of backlog and the fact that it takes approximately two years for a referee team to achieve the standard annual rate of disposition of cases.

The budget does not state how many referee teams the agency now has authorized or active. It does show that 51 hearing reporters are currently authorized (Budget page 508, line 30). Inasmuch as a hearing reporter is an essential member of the referee team, it would appear that there are no more than 51 complete teams; however, the agency states that it has 52 referee units, apparently one without a hearing reporter.

The agency has estimated that the average number of dispositions which can be expected from a new referee team will amount to approximately one-third of the number in the first year that can be expected from an experienced team, and approximately two-thirds in the second year, with full production usually resulting in the third year. The agency's experience in recent years has been that approximately 725 cases are disposed of per referee team. This figure is arrived at by taking as the number of active referee teams, that number which will contain a full complement of three essential members of the team and dividing the actual number of dispositions among them.

It seems clear that the maximum number of referee teams needed by the agency is that number which will enable it to dispose of the same number of cases as are filed in any given year plus the accumulation of cases not disposed of in prior years. When the number of cases not disposed of in prior years is equal to the number of cases in process at the end of the year, the agency in effect has no work load backlog and delay in the time factor from filing to decision will not be attributable to understaffing. Normal carry-over is said in the budget to be 5,000 cases per year. In 1955 this figure was estimated to be 3,375, or approximately 75 cases per referee. We believe that the agency should determine what the proper carry-over figure per referee team should be. This can be done by excluding from the number of cases currently assigned to the referees, those which are being delayed because of overloading as distinguished from those which are being actively worked on.

The estimate of new filings for both the current and the budget years appears to be too generous. The long-term average annual increase has amounted to 5.56 percent, with a fluctuation between a decline of 4.6 percent and an increase of 15.5 percent. The agency is estimating its increase as 7 percent over the 1955-56 actual filings. This estimate is based on the actual increase in filings in 1955-56 of 6.7 percent over 1954-55, apparently rounded to 7 percent in consideration of the fact that filings for the first six months of 1956 were 10 percent above the first six months of 1955. We believe that sound budgeting would indicate the use of the long-term percentage increase rather than short-term comparisons. The tendency to attempt to provide for the contingency of an increase in the rate of increase in work load can only lead to consistently overbudgeting.

Division of Industrial Accidents—Continued

On the basis of the foregoing, we believe that the requirements of the agency for additional referee teams in 1957-58 can be calculated as follows:

New filings 1957-58 -----	39,212
Carry-over from 1956-57 -----	10,776
	49,988
Total cases on file -----	49,988
Less normal carry-over -----	5,000
	44,988
Number of cases to be disposed of -----	44,988
Number of referee teams at 725 dispositions per team -----	62
Number of teams required -----	62
Number now authorized -----	52
	10
Additional teams -----	10

Therefore, we recommend that 10 of the requested additional referee teams be allowed and 10 deleted.

If our recommendation is followed, we believe that work load for the agency can be projected as follows:

Fiscal Year	Decisions by		Total Dispositions	New Filings	Backlog
	Existing Referees	New Referees			
1957-58 -----	37,700	2,662	40,362	39,212	8,465
1958-59 -----	37,700	5,317	43,017	41,369	6,817
1959-60 -----	37,700	7,975	45,675	43,644	4,786
1960-61 -----	45,675	--	45,675	46,044	5,155

Thus, by the time the additional referee teams to be allowed now reach full production in 1959-60, the present backlog of cases should be approximately reduced to what is now considered to be normal. We do not believe that this backlog can be reduced at a faster rate and still maintain the present level of service. For example, if more than 10 referee teams are allowed this year, it is true that the backlog will decline at a faster rate, but this is being accomplished by the use of teams which produce at only one-third efficiency. The following year, the teams could produce at a more efficient rate, but with the backlog entirely depleted, would not be able to dispose of as many cases. At that point the agency would have to choose between letting some of the referee teams go or reducing the productivity of each team artificially. Neither of these solutions is desirable.

We believe that our recommendation, which provides that the depletion of backlog will coincide with the commencement of new work load requirements, affords the best solution to achieving the objective of eliminating delay due to backlog.

We do not intend to imply through this recommendation that we believe that the agency's personnel requirements should be taken care of through 1960-61. On the contrary, we believe that part of the reason the agency finds itself periodically in trouble over a backlog of undecided cases is because it fails to calculate its requirements on the basis of a standard work load formula, and to request needed personnel every year. We would expect that in its 1958-59 budget request the agency will have established a factual normal backlog figure, will adjust its

Division of Industrial Accidents—Continued

estimated filing and disposition figures in the light of an additional year's experience, and will at that time if necessary request the additional personnel to achieve the objective of depleting the backlog coincidentally with the probable development of new work load.

Once this agency gets to that point, it should make annual requests for personnel to stay abreast of its work load, so long as the numbers of cases to be adjudicated continue to rise.

In addition to allowing the additional referee teams we believe to be necessary for the agency to get on a current basis, we recommend allowing supporting staff as follows: four additional hearing reporters for the purpose of preparing transcripts so as to relieve regular hearing unit reporters; three stenographers to provide continuity of hearings despite absences of stenographers; and two medical examiners, two permanent disability rating specialists and two clerks in ratio to the number of referee team units recommended.

Further, we recommend that the two clerks requested to purge old files preparatory to transfer to central file storage should be authorized for one year only inasmuch as the purging job has a definite termination.

We recommend approval of the additional legal counsel and stenographic assistance related to appeals to the superior court.

Our specific recommendations for deletions from the budget are as follows:

No.	Position	Amount	Budget	
			Page	Line
10	Referees -----	\$120,000	508	48
2	Medical examiners -----	20,688	508	49
2	Disability rating specialists -----	12,720	508	51
10	Hearing reporters -----	54,960	508	52
10	Intermediate typist-clerks -----	32,160	508	53
2	Intermediate stenographer-clerks -----	6,744	508	54
10	Senior legal stenographer -----	40,920	508	55
46	Total reduction -----	\$288,192		

Operating Expenses

The total of \$178,515 requested in this category for 1957-58 is \$58,722 or 49 percent more than the \$119,793 requested for the current year. The increase is largely attributable to the new positions being requested, and to increased costs of such items as printing, traveling and office supplies.

Equipment

A total of \$120,370 is requested for the budget year. This represents an increase of \$105,783 or 725 percent over the \$14,587 now estimated for the current year. This increase is generally attributable to the equipment required by the requested new positions, together with normal replacement.

Division of Industrial Safety

GENERAL SUMMARY

This division is charged with responsibility for the protection of workers from injuries connected with their employment. It discharges

Division of Industrial Safety—Continued

this responsibility through the study of accidents and their causes, the promulgation of standards of safety relating to various kinds of employment, and enforcement of these standards, and through the dissemination of safety information.

The following table reflects pertinent increases experienced by this division in the 1946-47 to 1956-57 period.

	1946-47	1956-57	Percent increase
Number of employees -----	128.5	186	44.7
Total expenditures -----	\$619,202	\$1,445,510	133.4

ANALYSIS

This division is requesting a total of \$1,629,184 for expenditure in 1957-58. This is \$183,674 or 12.7 percent over the \$1,445,510 now estimated for the current year.

Salaries and Wages

Most of this increase results from the request for 23 additional positions estimated to cost \$122,316 in the budget year. This division is presently authorized 189 positions. Five additional safety engineers were authorized in the 1956-57 Budget on the basis of increased work load. Four of these were for the boiler safety inspection program and one for the electrical program. One of the boiler safety engineers was authorized for one year only in connection with inspections of low pressure boilers in places of public gathering.

The following table shows the present authorization of safety engineer positions together with the requested new positions:

Position	Authorized 1956-57	Requested 1957-58	Total
Safety engineer (boiler) -----	24 *	2	26
Safety engineer (construction) -----	14	12	26
Safety engineer (industrial) -----	48	3	51
Safety engineer (electrical) -----	8	--	8
Safety engineer (elevator) -----	6	--	6
Safety engineer (mining) -----	7	--	7
Safety engineer (petroleum) -----	7	--	7
Safety engineer (logging and lumbering) -----	1	--	1
Totals -----	115	17	132

* One position not included because of June 30, 1957, termination.

In addition to the above, there are seven supervising safety engineers and 15 district safety engineers.

2 Safety engineers (boiler) (Budget page 509, line 53) ----- \$12,120

These positions are requested to continue the inspection program of boilers and pressure tanks and vessels at the rate required by law.

We recommend deletion of these two positions.

On the basis of the data submitted in support of this request, it is not possible to determine whether the positions are necessary to accomplish the required inspections or not. For example, the agency states

Division of Industrial Safety—Continued

there are 2,951 boilers, 40,414 tanks requiring three-year interval inspections, and 2,372 tanks requiring two-year interval inspection comprising its basic work load. Whether these are actual figures resulting from a study in 1955-56 or estimated figures for the budget year is not clear. The Department of Finance apparently bases its calculation of work load on the change in numbers of boilers and tanks as between 1954 and 1955. These changes indicate that the number of boilers declined in 1955 while the number of tanks increased. Admittedly, work load on a three-year reinspection schedule will be affected in 1958 by the 1955 figures; however, we do not believe that without annual adjustment for known increases and decreases they can be very meaningful. We suggest that the agency and the Department of Finance develop a method of recording the work load statistics necessary for annual budget review of the agency's work load requirements.

We note that the agency made a "thorough study of the actual hours spent in one full year (May 1, 1955, to April 30, 1956) in rendering services, inspections, and surveys required by the Labor Code."

The results of this study indicate the following:

One boiler inspection takes 1½ hours.

One tank inspection takes three-fourths hour.

Field inspections of boilers and tanks would have required 15,419 man-hours of the 38,850 man-hours available to the agency from the 21 authorized positions in 1955-56. However, the study reports the following "actual hours spent" in activities other than boiler or tank inspection:

	<i>Hours</i>
In shop inspections -----	6,160
In consultations, accident investigations, complaint investigations, etc.---	9,120
In office for staff meetings, writing reports, preparing itineraries, special projects, etc. -----	8,168
Traveling -----	11,601
Total actual hours spent -----	35,049

If in fact, 35,049 actual hours were spent by the boiler safety engineers in these activities, then only 3,801 actual hours were available for boiler and tank inspections instead of the 15,419 which the agency calculates it needs. Obviously the agency's figures are not reliable and we cannot recommend an increase in personnel based upon them. If the amounts of time spent in travel and in the office are even relatively correct at 51 percent of the total available in 1955-56, we suggest that any additional requirements necessary for the agency to discharge its field inspection obligations be secured by administratively controlling these items prior to asking for additional positions. In view of the fact that the agency has the advantage of four additional boiler inspectors over the number authorized in 1955-56 when the study referred to above was made, any increase at this time would appear to be an increase in level of service.

Division of Industrial Safety—Continued

12 Safety engineers (construction) (Budget page 509, line 56) \$72,720

These engineers are requested on the basis of the increased construction activity in the State, and the fact that injuries and deaths resulting from accidents in the construction industry are also higher than ever before. Additionally, the rates of injury and death resulting from accidents in the construction industry are higher than in other industries. The agency estimates that there will be 6,500 contract wards in the budget year. Four inspections per contract awarded will require 26,000 inspections. At the rate of 1,000 inspections per inspector per year it will require 26 inspectors. There are currently 14 inspectors authorized. The Department of Finance is suggesting that inspections be carried out on a task force basis. That is, that the requested 12 new inspectors be divided into four teams of three inspectors each, with a team assigned to inspect a given area in a short period of time. The results are to be judged on the basis of safety order violations found and corrected and comparisons of injury and death statistics before and after the task force inspections. It is believed that district safety engineers can maintain a higher level of compliance with safety orders for an indefinite period following such a task force inspection, and consequently that an appreciable increase in the reduction of the volume of injures and deaths can be achieved.

We recommend the deletion of nine of the requested positions of safety engineer (construction), effecting a reduction of \$54,540 in salaries and wages and the allowance of three of the positions at a cost of \$18,180.

The statistics submitted by the agency in justification of this request relate to the numbers of persons and firms engaged in the construction industry in 1955. The same is true of the numbers of injuries and deaths and the rates of injuries and deaths and comparisons of rates for this industry. While the numbers of persons and firms and of injuries and deaths are said to be the highest in the history of the State, it is not clear how much higher these figures are than for the preceding year, or whether the numbers of injuries and deaths have increased in direct ratio to the increased numbers of persons and firms engaged in the construction industry. Likewise it is not clear whether the rates of injuries and deaths represent increased rates over prior experience, and whether the comparisons with other industries are more or less favorable than they have been previously.

Consequently, it cannot be determined whether any or all of the requested increase in positions is related to work load increases or whether it represents a new level of service. Whether the agency's suggested formula of four inspections per construction project and 1,000 inspections per safety engineer per year represents the present practice or is considered desirable is not clear. In view of the fact that the agency has not requested any new positions in this category since 1953-54, it would appear that the suggested formula of relating the required number of safety engineers (construction) to the estimated

Division of Industrial Safety—Continued

number of construction jobs at the rate of four inspections per job is a new approach to the problem of staffing for this function. Whether this approach is based on any estimate of the probable effect of increased inspections in reducing accident rates is also not clear; however, we believe that a request for a substantial increase in staff ostensibly to meet a serious or emergent problem which has not previously been the subject of requests for periodic increases should be based on a specific program of objectives to be attained and schedules for completion.

Whether the addition of the requested staff will result in a reduction in the number and a rate of accidents is not known. Many factors combine to cause the accidents which result in those injuries and deaths. We agree that elimination of conditions which violate the construction safety order should logically result in some reduction in accidents. How much of a reduction can be expected even from the complete elimination of such violations is open to question, and it is apparent that a level of service of four inspections per construction project will not necessarily have that effect. We believe it is a mistake for the agency to pin its hopes of reducing injuries and deaths in the construction industry solely on increasing the rate of inspections for violations of the safety orders, particularly when the results of the present program of inspections in terms of trends of the rates of injuries and deaths have apparently not been studied.

Our recommendation in this instance is twofold: First, the agency should utilize the three additional positions we recommend for approval in the manner suggested by the Department of Finance to factually determine whether in a limited area, a substantial increase in the rate of inspections will result in a decrease in the rate of injury and death. This should be done in an experimental manner with adequate control and specified limitations so as to make the evaluation of the results meaningful. Second, the agency should work out an acceptable work load standard to be used as the basis for requesting annual increments of staff to meet the needs of work load increases. Program changes should be justified as such and not result from the accumulative effect of the failure of the agency to request the staff it needs on a year to year basis.

If these recommendations are followed, we believe that the agency will be in a position to make a coordinated systematic attack on the problem of the high injury and death rates in the construction industry by the commencement of the next fiscal year.

3 *Safety engineer (industrial) (Budget page 509, line 58)----- \$18,180*

These positions are requested on the basis of an increase in the number of places of employment for which the division has responsibility for safety regulation, and because of the diversion in recent years of some industrial safety engineers to the logging and sawmill areas.

We recommend the deletion of these positions.

Division of Industrial Safety—Continued

The agency states that it has been in the process of accelerating and rounding out the safety engineering and educational phases of its program since 1950 and has not emphasized the inspectional and survey aspects of the program during that time. To the extent that this request is intended to add emphasis to the inspectional and survey phase of the program, it apparently represents a new service. Inasmuch as no data concerning the present inspection program has come to our attention, we are unable to determine whether any of the request is justified on a work load basis as a result of the reported increases in number of establishments.

There are presently 48 safety engineers (industrial) authorized in the budget (Budget page 509, line 58). The agency states that several of these have in the past several years been transferred to logging and sawmill territories during the logging and sawmill season, and that this has curtailed the regular activities of the transferred engineers. There is one position of safety engineer (logging and lumbering) shown in the Budget (Budget page 509, line 35) in addition to the 48 safety engineers (industrial) mentioned previously. It is not clear from the data submitted how much industrial safety engineer time has been used for lumber and sawmill operation. The agency variously states that several, or five or six engineers have been so used. The Department of Finance state that as many as six industrial safety engineers have been used during the months of logging operations. We raise the question as to why under these circumstances a distinction is made as between safety engineers (industrial) and (logging and lumbering). The determination to use safety engineers (industrial) on a task force basis to alleviate a serious situation in the logging and lumbering industry would appear to us to be a proper administrative decision. However, if this transfer is to be the basis for a request for additional positions, the agency should show specifically what detriment its regular program suffers as a result. For example, it should show just exactly how many positions are involved and the amount of time; the number and kind of things which are not done which would have been done if it were not for the transfer; and its proposal for using the positions requested in relation to the foregoing. In the absence of such information, we cannot decide whether the request is justified or the number of positions that might be required if it is justified. In view of the fact that the agency has a total of 49 industrial and logging safety engineers, we do not believe that its need for three more is so critical that it cannot afford to wait until it can properly justify its request.

6 *Intermediate typist-clerks (Budget page 509, line 59)----- \$19,296*

These positions are requested as supporting staff for the 17 new engineering positions requested in this budget.

We recommend the deletion of five of these positions to reduce salaries and wages by \$16,080, and the allowance of one position at a cost of \$3,216.

Division of Industrial Safety—Continued

In accordance with our prior recommendation for the deletion of 14 of the 17 requested safety engineers, this request for supporting staff should be scaled down proportionately.

Operating Expenses

A total of \$258,911 is requested for this category of expenditures for Fiscal Year 1957-58. This represents an increase of \$45,167 or 21.1 percent over the amount now estimated for the current year.

Major items of increase such as traveling and automobile operation are related to the requested increases in authorized positions discussed above.

Equipment

A total of \$24,810 is requested for equipment. Of this amount \$8,803 is for replacement and \$15,757 is for new equipment. The latter item is generally related to the requested new positions discussed above.

Division of Industrial Welfare

GENERAL SUMMARY

This division is charged with responsibility for the enforcement of laws relating to the employment of women and minors.

The following table reflects pertinent increases experienced by the division during the 1946-47 to 1956-57 period:

Table of Increases 1946-47 to 1956-57 *

	1946-47	1956-57	Percent increase
Number of employees -----	39.3	54	37.4
Total expenditures -----	\$160,949	\$357,684	122.2

* Includes wage board.

ANALYSIS

This division is requesting a total of \$406,145 for expenditure during the 1957-58 Fiscal Year. This includes an increase of \$48,461 or 13.5 percent over the \$357,684 now scheduled for expenditure during the current year.

The budget provides for the establishment of a new field office at Eureka; for an area supervisor for the Northern District; for an additional agent for the Los Angeles office and for supporting clerical staff. It also provides for the review of one additional wage order and the printing of 12 wage orders reviewed in 1956-57.

Salaries and Wages

The agency currently has 52 authorized positions and is proposing to add seven new positions for a total of 59.

1 Area supervisor (Budget page 510, line 56) ----- \$6,360

This position is requested to supervise the activities of 13 agents and one pay roll auditor in eight branch offices in Northern California. This includes the proposed new office and staff at Eureka. At the present time the assistant chief is serving as area supervisor in addition to the duties of assistant chief, which latter duties are said to have

Division of Industrial Welfare—Continued

increased because of the program and policy developed during the last year. The southern part of the State has a position of area supervisor authorized to supervise 14 agents and a pay roll auditor.

We recommend the deletion of this position.

There are three divisional executive positions now authorized for this division with a total of 49 other authorized positions. The divisional headquarters are located at San Francisco. Because the activities of the division are about equally divided between the north and the south and because of the distance of the center of southern activity from the divisional headquarters, it has been deemed appropriate to utilize an area supervisor in the south. Such a position is not appropriate to the north because of the proximity of its activity to the divisional headquarters. The position of assistant to the chief was added in 1955-56 and should have relieved the assistant chief of some of the responsibility for divisional administration. To the extent that this has resulted, the assistant chief has more time available for area supervision. In addition, it should be pointed out that the work of wage order revision, the supervision of which has been a responsibility of the divisional staff is or will be largely completed during the current year, still further relieving this staff of divisional responsibility.

The top divisional organization of this division is currently comparable to other divisions of the department with approximately similar staffs and organizational problems. The allowance of this position would create a new level of supervisory service. The agency has not pointed out any discrepancies between the programs of the northern and southern areas which tend to show that its enforcement program is less effective in the north than in the south, despite the fact that the agency in effect states that the assistant chief is unable to carry out the duties of area supervisor in the north. If the agents in the north area are now performing their duties without area supervision as effectively as those in the south area with area supervision, there can be little reason for adding such a position in the north. If they are not, the agency should show that this is the fact by such statistics as the relative case loads, turnover, relative time for completion of cases, backlog, complaints as to the manner of performance, and other criteria of lack of supervision.

1 Industrial welfare agent (Budget page 510, line 57)_____ \$5,496

This agent is requested to staff the proposed new office at Eureka.

We recommend deletion of the position.

The proposal to create a new office at Eureka is based on the fact of the distance of the Eureka area from San Francisco, from which it is now served. The agency states that it is very expensive to service this area, and that it is uneconomical to attach it to the Redding area because of the condition of the road between the two. We do not note any offsetting savings in travel or automobile mileage in the budget; however, in any event these savings would be nominal inasmuch as currently only one or two trips are made into the area in a year. The essential question is whether the work load in the Eureka area warrants the establishment of a branch office.

Division of Industrial Welfare—Continued

The agency estimates that there may currently be 12,205 women employed in the three counties intended to be served from Eureka. This is based on the estimated increase of one-third in the number of employed women since the 1950 census. However, the state-wide average of employed women per agent, calculated on the same basis is 58,868. Thus, the estimated work load for this proposed new office is only approximately 21 percent of the work load which would justify the addition of an agent on this basis. We do not believe it is feasible to open a new office with any less than one-half of the work load needed to justify the new agent. Even then, careful consideration should be given to the cost factors involved. We are of the opinion that the level of service to this area could be increased considerably by servicing it from another area before the cost factors would favor a new office. In any event the decision to open a new office should be based on a comparison of the cost per unit of service as between the alternative methods of providing the service. While such a comparison has not been made in the present instance, there can be little question at the present time but that it would be unfavorable to the opening of a new office.

1 Industrial welfare agent (Budget page 510, line 57)----- \$5,496

This agent is requested for the Los Angeles office to review increased activities in connection with the Industrial Homework Act and the processing of defense production permits.

We recommend the deletion of this position.

According to data submitted by the agency, there are 86 employers with permits and 839 licensed homeworkers in the Los Angeles area. The agency with its present staff has completed an audit of all 1955 handbooks. In the first quarter of 1956, it re-audited those handbooks in which record keeping and minimum wage violations were found in 1955, and proposes to continue on a quarterly basis to re-audit so as to accomplish an annual audit of all handbooks in each succeeding year.

It would appear that there are 220 defense production permits outstanding in the Los Angeles area. Inasmuch as the agency's function with regard to these permits is to investigate applications and advise the Governor prior to issuance, the number outstanding has little bearing on the agency's work load. Work load in this function would depend on the number of new applications and applications for change which are processed annually. The agency has submitted no data showing reasonable projections or estimates of such applications.

In connection with both Industrial Homework permits and licenses and Defense Production permits, the agency has not shown that there is any increase in work load in either the current or the budget year. We are at a loss to explain the meaning of the Budget at page 510, line 31, where it says, " * * * to review increased activities in connection with the Industrial Homework Act and the processing of defense products permits."

Division of Industrial Welfare—Continued

If in fact the agency is short of industrial welfare agent staff in its Los Angeles office, we suggest that it cease the present practice of stationing one of its welfare agents at the reception desk at all times during office hours in addition to the clerical position which is stationed there. The filling of the presently vacant area supervisor position will also relieve the welfare agent who is now acting area supervisor for return to the full performance of agent's duties. These suggestions will provide the agency with the equivalent of two additional agents for field work without increasing the number authorized.

1 Senior typist-clerk (Budget page 510, line 58)----- \$3,900

This position is requested for the Los Angeles office, primarily to serve as the information clerk at the reception desk. It is stated that this position is presently filled by a senior stenographer-clerk, but that this position could be more profitably used for stenographic duties. It is also said that 1.5 positions are required for this duty.

We recommend deletion of this position.

This office, as noted above, is presently authorized a position for the reception desk. If the position classification is improper, we suggest a reclassification rather than adding a new position. The office is open five days a week; we do not believe that it should require 1.5 positions to staff a reception desk during this time. In an office employing only six clerical positions, it is not feasible to staff for sick leave and vacations. This must be absorbed among the existing positions. We note that the staffing ratio for this office is in excess of one clerical position to two administrative or professional people, inasmuch as there are six clerical positions for 11 administrative and professional people. This would appear to be comparable to staffing in other offices of the division. The reception desk activity is relatively comparable to the size of the office, and forms part of the work load upon which clerical staffing is based in either a small or a large office. It is not a separate function.

3 Intermediate stenographer-clerks (Budget page 510, line 59) \$10,116

These positions are requested to provide the necessary clerical assistance for the proposed new branch office at Eureka, for the proposed new position of area supervisor for the north area and for additional clerical help for the San Diego branch office, where an additional welfare agent has been added in the current year.

We recommend the deletion of these positions.

The position for the new office at Eureka obviously should not be allowed unless the welfare agent to staff the office is allowed. We have previously in this analysis pointed out the fact that such an office is not justified on a cost basis. The decision to allow this clerical position is dependent on the decision with regard to establishing a new office.

The authorization of a position of area supervisor for the north should not automatically carry with it an authorization for an additional stenographer-clerk. The area supervisor in the south does not

Division of Industrial Welfare—Continued

require the services of one full-time clerical position, but rather is included as one administrative or professional position in determining the application of the ratio of two to one clerical position. No breakdown of the clerical assignments as between divisional administration and the north area welfare agents has been presented to us. However, the area supervisor should only weigh one of the two administrative or professional positions in the two-to-one ratio to clerical people. Inasmuch as there are 20 clerical positions in the entire division, far in excess of a two-to-one ratio, we do not believe this additional position should be allowed in any event.

The San Diego office has the smallest ratio of women employed in the area per welfare agent of any office in the division except for the Redding office. There are two agents in the San Diego office and to allow a clerical position for that office would enrich the ratio of clerical to professional people from its present two to one, to one to one. If a problem of lack of clerical help exists in this office, the request for additional help should be supported with statistics as to the numbers of complaints handled, the numbers of inspections completed, the numbers of office inquiries responded to, and other data directly related to job performance. These data should be set out to show the changes, if any, occurring from the prior fiscal period, and how they compare with division-wide standards. None of this type of justification has been submitted by the agency. We cannot recommend approval of a position request on the general basis that one more welfare agent has been added to the staff.

Operating Expenses

A total of \$72,380 is being requested in this category for the budget year. This is \$18,611 or 34.6 percent over the amount now estimated for expenditure in the current year. The principal items of increase in this category are \$17,664 for printing of the 12 wage orders reviewed in 1956-57 and \$6,000 for postage for mailing these orders. These items are offset by decreases resulting from the contemplated completion of most of the wage board's work. Other increases are related primarily to new positions and increased costs.

Equipment

A total of \$9,480 is requested for equipment in 1957-58. This is an increase of \$4,200 or 79.5 percent over the amount scheduled for the current year. Of the total, \$3,961 is for replacement and \$5,519 is for additional equipment. The latter amount results primarily from the new position requests in the budget.

Division of Labor Law Enforcement**GENERAL SUMMARY**

This division has the responsibility for the administration and enforcement of labor laws except for those specifically under the jurisdiction of the Division of Industrial Welfare and other state agencies.

Division of Labor Law Enforcement—Continued

It is generally concerned with wage, hour, and overtime regulation, and with environmental conditions such as ventilation and sanitation. In addition the agency is responsible for the licensing and regulation of private employment agencies.

The following table reflects pertinent increases experienced by the agency since 1946-47:

Table of Increases 1946-47 to 1956-57

	1946-47	1956-57	Percent increase
Number of employees -----	74.4	120.5	62.0
Total expenditures -----	\$304,668	\$745,105	144.6

The division proposes to establish a new office at Redding to service the northern California area. At the same time it is proposed to split the Central Valley area for supervision purposes into two areas, thus creating an additional area.

The agency plans to increase its inspectional and investigative activities in the areas of public works jobs, farm labor contractors, employment agencies, and produce markets, in the Long Beach-Los Angeles area. Several new positions for this purpose are included in its request.

ANALYSIS

A total of \$831,052 is requested for the budget year. This is \$86,313 or 11.6 percent more than the \$744,730 now estimated for the current year.

Salaries and Wages

The amount requested for salaries and wages is \$721,077, representing an increase of \$63,783, or 9.7 percent over the amount estimated for the current year. There are 120.5 positions presently authorized and the agency is requesting 12 additional positions for a total of 132.5. These additional positions are estimated to cost an additional \$56,754.

3 Deputy labor commissioners (Budget page 512, line 16)----- \$17,316

These positions are requested to double the present staff of deputy labor commissioners in the San Bernardino and Bakersfield offices by adding one deputy in each office. The other position is to staff the proposed new office in Redding.

We recommend the deletion of \$5,772 for one position and the allowance of \$11,544 for two positions.

The work load statistics advanced by the agency in support of its request for the establishment of an office at Redding do not in our opinion support the request. The agency has recorded a total of 129 complaints in six months in the Redding area which is now serviced from the Sacramento office. The state-wide average of complaints per deputy labor commissioner is presently 795.5. We are aware that more complaints from the area will be made to an officer in Redding than to Sacramento; however, it is questionable whether the total complaint

Division of Labor Law Enforcement—Continued

work load will approach the state-wide average after the establishment of the office, for quite a few years. An office staffed with one deputy and a clerk with a possible annual work load of even 400 complaints would be a relatively costly operation. In addition, that portion of the current work load of the Sacramento office which generates from the Redding area would transfer to the latter office, thereby reducing the Sacramento office work load. This reduction can be estimated to be approximately twice the 129 complaints from the Redding area, and would result in reducing the Sacramento office complaint per deputy to 495 based on the 1955-56 rate. This would be 37.7 percent below the average for all deputies for 1955-56. Inasmuch as the complaint work load of the Sacramento office is already below the state average, we believe it can continue to operate in the Redding area despite the distance involved and obvious inefficiency of additional travel time and cost. We suggest that the agency explore some administrative solutions to the problem of the quality of the service rendered in the Redding area with its present staffing. We would suggest the possibility of regular trips at scheduled times, so as to make a deputy available in the area to receive complaints as well as to service them in place of the present practice of traveling to the area only on specific cases, and of accumulating claims enough to warrant a trip.

The work load of the Bakersfield and San Bernardino offices based on the 1955-56 figures would appear to justify the addition of one deputy in each of these offices in 1957-58, and we recommend approval of those two positions.

1 *Supervising deputy labor commissioner (Budget page 512, line 14)* ----- \$6,672

This position is requested to supervise the new area intended to be created as a result of the establishment of the Redding office. If that office is included the area would extend from Redding to Bakersfield. The travel involved in supervising an area of that size would preclude adequate supervision.

We recommend deletion of the position.

If our recommendation that the establishment of an office at Redding be deferred is followed, this position should not be allowed. However, we agree with the agency that one supervising deputy could not properly supervise an area extending from Redding to Bakersfield, and if the Redding office is established, then this position should be allowed.

2 *Special investigators (Budget page 512, line 17)* ----- \$9,960

These positions are requested to permit an increase in the agency's activity in the areas of inspections of places of employment, inspections of public works jobs, farm labor contract investigations, and to relieve deputies of some investigative work in connection with wage claims. The positions would be utilized in the Los Angeles-Long Beach area.

We recommend deletion of these two positions.

Division of Labor Law Enforcement—Continued

The agency is now performing some work in the fields of activity mentioned above with its presently authorized staff. The performance of additional work in these areas and the shifting of work load from the deputies to the requested investigators is clearly an increase in level of service. The agency states that in the past it has had a higher level of service in these areas of activity but that it has gradually curtailed these activities as its complaint work load has increased without proportionate increases in staff. To the extent that this has occurred, it would appear to have been on the basis of legislative policy determinations as to the agency's staffing requirements. We believe that the question of increasing this level of service at this time is a question for legislative policy determination. If the question is resolved in favor of allowing an increase, the agency's request for two such positions would appear reasonable. We do point out, however, that if an increase in level of service is permitted for the Los Angeles-Long Beach area, it will probably be requested for other areas in future budgets and result in a general increase in the agency's total costs considerably in excess of the amount being requested in this budget.

1 Senior stenographer-clerk (Budget page 512, line 20)----- \$3,900

This position is requested for the proposed Redding office.

We recommend deletion of the position.

If the proposed Redding office is not established, this position should not be allowed. If the office is established, the position will be needed.

Operating Expenses

A total of \$97,549 is requested in this category for the budget year. This is \$17,639 or 22.1 percent over the amount estimated for expenditure in the current year. Requested increases are related primarily to requests for new positions.

Equipment

Twelve thousand eight hundred one dollars is requested for equipment for the budget year. This is \$4,900 or 62 percent over the amount scheduled for expenditure in 1956-57. Of the total, \$2,764 is for replacement and \$10,037 is for additional equipment. Items of additional equipment are primarily related to requests for new positions.

Division of Apprenticeship Standards**GENERAL SUMMARY**

The Division of Apprenticeship Standards enforces the standards for wages, hours, and working conditions of apprentices which have been established by the apprenticeship council. This work involves the registration of apprentices, inspection of places of employment and ap-

Division of Apprenticeship Standards—Continued

praisals of progress being made by apprentices toward completion of their apprenticeship. The function has been in existence since 1939.

The following table reflects pertinent increases experienced by this division in the 1946-47 to 1956-57 period.

	1946-47	1956-57	Percent increase
Number of employees	78.8	123	56.1
Total expenditures	\$406,508	\$684,790	68.4

ANALYSIS

This division is requesting a net total of \$766,714 for expenditure in the budget year. This represents an increase of \$81,924, or 12 percent over the amount now estimated for the current year.

Salaries and Wages

A total of \$745,090 is requested in this category for 1957-58. This is \$62,708 or 9.2 percent more than the \$682,382 now estimated for 1956-57. The increase is largely attributed to the cost of 11 new positions being requested by the agency. The agency currently has 123 authorized positions, which with the 11 new positions would make a total of 134.

6 *Apprenticeship consultants (Budget page 513, line 20)*..... \$36,360

These positions are requested on the basis of the workload formula developed several years ago to reflect changes in the several factors of workload which affect apprenticeship consultants.

We recommend the deletion of one position of apprenticeship consultant, reducing this item by \$6,060, and approval of the other five positions at a cost of \$30,300.

Subsequent to the printing of this budget, it has been learned that the correct number of authorized positions of apprenticeship consultant for the current year should be 54 rather than 55 as shown in the Budget at page 512, line 76. This error apparently results from an unanticipated decline in the Federal Government's participation in this program, which has reduced the number of positions required for the current year to 54. We are informed by the Department of Finance that even though authorized, the position will not be filled during the current year, but will be available to the agency at the commencement of the budget year in lieu of one of the six new positions being requested in the budget. Consequently, only five new positions are required in this category to meet the agency's requirements of 60 authorized positions for 1957-58.

The other proposed new positions requested in the budget appear to be justified on a workload basis.

Division of Apprenticeship Standards—Continued
Operating Expenses

A total of \$87,722 is requested in this category for expenditure in the budget year. This is an increase of \$14,885 or 20.4 percent over the \$72,837 now estimated for the current year. The principal increases relate to the new positions requested.

Equipment

The amount of \$9,361 is requested for equipment in 1957-58. This represents an increase of \$4,331, or 86.1 percent, over the amount estimated for the current year. Of the total requested, \$5,199 is for additional equipment and \$4,192 is for replacement of equipment. The requested new positions will require additional office equipment, and several items such as dictating equipment and bookcases are being requested for existing staff.

Division of Housing

GENERAL SUMMARY

This division has responsibility for the administration and enforcement of laws relating to the health and safety standards for hotels, apartment houses, dwelling places, auto courts, resorts, motels and labor and trailer camps insofar as these standards relate to design, construction and operation.

The division has existed since 1913 and since that time has undergone numerous changes of program resulting from changes of emphasis, but has always operated in the same general area of responsibility.

The following table reflects pertinent increases experienced by this division in the 1946-47 to 1956-57 period:

	Table of Increases 1946-47 to 1956-57		Percent
	1946-47	1956-57	increase
Number of employes -----	32.9	47	42.9
Total expenditures -----	\$148,590	\$352,596	137.3

ANALYSIS

The division is requesting a total of \$429,535 for expenditures in 1957-58. This is \$76,939, or 21.8 percent more than is now estimated for the current year.

Salaries and Wages

The agency now has a total of 47 authorized positions and is requesting eight additional for a total of 55. The entire request for new positions relates to the agency's farm labor camp inspection activity and does not reflect any increase in other activities of the agency.

1 Area supervisor (Budget page 514, line 13)-----	\$6,672
5 District representatives (Budget page 514, line 14)-----	26,160
2 Intermediate stenographer-clerks (Budget page 514, line 15)-----	6,744

These positions are requested to provide 100 percent inspection of the estimated 7,755 farm labor camps in the State at least once during the

Division of Housing—Continued

budget year. It is anticipated that at least one-half of the camps inspected will require a reinspection because of violations found on the initial inspection.

We recommend the deletion of these positions.

In 1946, the agency had nine inspectors (district representatives) who inspected only labor camps. Since that time the agency has been authorized six additional district representatives for labor camp activities, making a total of 15 positions authorized for this purpose. It appears that the agency utilized approximately seven positions for this function in 1955-56. Inasmuch as more positions have been provided for this activity than the agency has chosen to utilize, work load increases should be taken care of from authorized positions before requesting additional positions. The work load increase resulting from additional camps would appear to be approximately the equivalent of one position.

The question of whether the agency should engage in a 100 percent inspection program is a policy question. To do so will be a substantial increase in level of service. It is true that the agency apparently has a responsibility to inspect all labor camps; however, as a practical matter this has not been done. If the policy decision is to permit and require the 100 percent inspection program requested, it appears that the agency will need to devote the time of approximately 16 district representatives to the activity. Since the agency has had 15 such positions authorized, only one additional position should be allowed.

To the extent that positions authorized for farm labor camp activity have been diverted to other activities, and which if now used for that activity would reduce the present level of service of other activities, the agency should justify requests for additional personnel for those activities on both a work load and level of service basis.

The positions requested other than the district representatives are justified only on a ratio basis to the district representatives and should not be allowed unless the district representatives are allowed.

Operating Expenses

A total of \$113,232 is requested in this category for the budget year. This is \$32,645, or 40.5 percent more than is now estimated for the current year. Major increases appear to be related to the request for new positions, particularly for additional travel.

Equipment

Equipment requests are for \$3,242 for replacement and \$3,355 for additional equipment. This is a total of \$6,597, or an increase of \$3,639 over the amount estimated for the current year.

Division of Labor Statistics and Research

GENERAL SUMMARY

This division is charged with responsibility for collecting, organizing, and reporting statistics concerning labor conditions in the State. These include statistics and studies relating to employment and unemployment, industrial and labor relations, and safety and accident conditions. One of the fundamental purposes of the Department of Industrial Relations is the dissemination of this information. The division publishes some of this material as part of its own program and occupies a staff relationship to other divisions in the department in the preparation of materials issued by them. It works in cooperation with other state departments and with the Federal Government to coordinate and complement the activities in the field of labor statistics.

The following table reflects pertinent increases experienced by the division in the 1946-47 to 1956-57 period:

	1946-47	1956-57	Percent increase
Number of employees -----	33.2	58	74.7
Total expenditures -----	\$116,534	\$332,985	185.7

ANALYSIS

The division is requesting a total of \$405,166 for 1957-58. This is \$72,181, or 21.7 percent more than the \$332,985 now estimated for expenditure in the current year.

The agency now has a total of 58 authorized positions and is requesting 12 additional positions to increase its authorized staff to 70. These 12 additional positions are proposed to enable the division to expand its activities in three areas.

1. It is desired to expand the detail of statistical data compiled by the employment and pay roll statistics section by breaking down the present broad general classifications by industry into smaller units which will provide detailed information not heretofore available. This would bring the California reporting system into conformity with that of the U. S. Bureau of Labor Statistics. The agency estimates this will require four additional positions.
2. Two additional positions are requested to provide a breakdown, on the basis of occupational data, of work injury statistics, starting with the construction and lumbering industries, which have high injury rates, and where it is believed that occupational data of this nature can be used effectively to promote greater safety.
3. Five positions are requested to develop statistics to show patterns of hours, earnings, rates of pay, and related data for women and minors in industry. Such information would be useful to the Industrial Welfare Commission for use in revising industry orders and in promulgating new orders.

One clerical position is related to additional work load in the clerical pool generated by the above expansion of programs.

All of these program changes will result in increasing the agency's level of service.

OFFICE OF STATE FIRE MARSHAL

ITEMS 136 and 137 of the Budget Bill

Budget page 517

Budget lines Nos. 7 and 31

FOR SUPPORT OF OFFICE OF FIRE MARSHAL FROM THE GENERAL AND FAIR AND EXPOSITION FUNDS

Amount requested	\$387,505
Estimated to be expended in 1956-57 Fiscal Year	385,531
Increase (0.5 percent)	\$1,974

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$10,673	\$10,673	---	518 66
Operating expense	860	860	---	519 13
Equipment	1,664	1,664	---	519 22
Less increased reimbursements	11,223	11,223	---	519 29
Total increase	\$1,974	\$1,974	---	519 32

RECOMMENDATIONS

Amount budgeted	\$387,505
Legislative Auditor's recommendation	387,505
Reduction	None

GENERAL SUMMARY

The Fire Marshal is appointed by the Governor to make and enforce regulations with regard to fire safety with the advice of the State Fire Advisory Board.

While most fire prevention enforcement work is conducted by the local city or fire district the Fire Marshal must enforce fire regulations in the unorganized areas. He may, on invitation, assist local authorities in solving any fire problem. This office is, however, required to inspect state institutions such as prisons, mental hospitals, Youth Authority schools and the Veterans Home for compliance with regulations. With regard to new construction, all plans for public schools and hospitals are reviewed by fire prevention engineers as they are submitted to the Division of Architecture.

Table of Increases to 1955-56

Work index	1948-49 *	1956-57	Percent increase
Number of inspections:			
Private mental hospitals	192	119	-38.0
Private welfare institutions	1,196	936	-21.7
Cleaning plants	1,624	2,259	39.1
Cleaning shops	8,113	3,491	-57.0
Public assemblages	598	476	-20.4
Public and private schools	549	1,458	165.6
Total number of inspections	12,272	8,739	-28.8
Authorized employees	43.6	52	19.3
Total expenditures	\$229,821	\$395,531	72.1

* 1948-49 year used as figures are not available for prior year.

Office of State Fire Marshal—Continued

The above table indicates the change in emphasis in the inspection of certain types of occupancies as compared to others. The deficiencies of the table are that there is no indication of the change in type of inspection made nor does it show if more time is required to be spent per inspection currently as compared to 1948-49. In addition, it is recognized that greater emphasis has been placed on fire prevention engineering on new construction which is not shown in the table as figures are not available.

Other factors that have influenced the growth of work load are as follows:

1. The 1955 Session of the Legislature enacted a more comprehensive fire works law which requires licenses for retailers and operators.
2. The 1955 Session of the Legislature placed the responsibility of approving fire sprinkler systems and alarms for various institutions on the Fire Marshal.
3. The State Fire Marshal has assigned help to the Division of Architecture, school house plan checking section, to review plans for new construction, whereas Division of Architecture personnel had performed this review in the past.

We feel that many important changes have been effected in the fire marshal's organization over the past few years. Some of these are as follows:

1. The Department of Finance has conducted a management study of this office and subsequently the Fire Marshal has put the recommendations of the survey into effect which include:
 - a. One man has been assigned to inspect all state institutions from the fire safety standpoint which will insure uniform inspection procedures, whereas in the past two men of lower classification were used on a half-time basis for this work.
 - b. The office has worked closely with local officials in an attempt to place as much of the inspection work as possible on a uniform basis to be conducted by local officials. The success of this approach is apparent from the foregoing table which shows the reduction in the number of cleaning shops inspected.

ANALYSIS

The Office of Fire Marshal proposes to offer the same level of service in the budget year as in the current year with one additional position being added on the basis of work load. The net increase of \$1,974, or 0.5 percent, is the result of an actual increase of \$13,197 which is partially offset by increased reimbursements of \$11,223.

It should be pointed out that since 1954-55, part of the support costs of this function have been from the Fair and Exposition Fund and the Division of Architecture Public Building Fund for the respective services rendered. Subsequently, in 1956 an Attorney General's opinion declared that the Division of Architecture Public Building Fund could

Office of State Fire Marshal—Continued

not legally carry the cost of inspecting school buildings that were already constructed but only those that are in the planning stage. Consequently, this procedure has been stopped. As a result only \$21,223 is proposed to be provided from this source as a reimbursement in the budget year as compared to \$64,422 appropriated for the current year.

The \$10,673 increase in salaries and wages is brought about by the request for an additional deputy state fire marshal I referred to above, and normal merit salary adjustments. Operating expenses are proposed to increase by \$860 as a result of increased building rent, in-state traveling, automobile operation, office and printing. This is largely offset by the elimination of the research project on cleaning solvents.

The equipment allocation is requested at \$1,664 over the current year's authorization in order to provide copying machines in each office and some dictating equipment.

We feel that the increased budget request should be approved only on the basis that a more careful study of the work load measurement system would establish the actual need for the position prior to its employment.

We recommend approval of the budget with this limitation.

DEPARTMENT OF JUSTICE

ITEM 138 of the Budget Bill

Budget page 520
Budget line No. 42

FOR SUPPORT OF THE DEPARTMENT OF JUSTICE FROM THE GENERAL FUND

Amount requested	\$4,672,433
Estimated to be expended in 1956-57 Fiscal Year	4,196,319
Increase (11.3 percent)	\$476,114

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages	\$382,811	\$382,811	—	530 56
Operating expense	79,605	79,605	—	530 57
Equipment	40,582	40,582	—	530 58
Plus decreased reimbursements other agencies	4,750	4,750	—	530 69
Less increased reimbursements from special fund agencies	—31,634	—31,634	—	520 21
	\$476,114	\$476,114		

RECOMMENDATIONS

Amount budgeted	\$4,672,433
Legislative Auditor's recommendation	4,672,433
Reduction	None