

District Court of Appeal, Fifth Appellate District—Continued.

Provision is made in the proposed expenditures for temporary help to meet a problem of turnover in legal research positions. Another item of increased expense is that providing added fees for counsel assigned to indigent appellants in criminal cases made necessary by recent court decisions. Court revenues show a substantial increase due to fee increases made by Chapter 873, Statutes of 1963.

We recommend approval as budgeted.

GOVERNOR

ITEM 24 of the Budget Bill

Budget page 16

**FOR SUPPORT OF THE GOVERNOR
FROM THE GENERAL FUND**

Amount requested -----	\$897,166
Estimated to be expended in 1963-64 fiscal year -----	880,511
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Increase (1.9 percent) -----	\$16,655
Increase to maintain existing level of service -----	\$16,655

TOTAL RECOMMENDED REDUCTION ----- None

ANALYSIS

The Governor is the Chief Executive of the State. He is ultimately responsible for all matters within the jurisdiction of California's executive branch of state government. This budget item contains the proposed amount to support his executive offices in Sacramento, San Francisco and Los Angeles.

This budget totals \$897,166, which is an increase of \$16,655 (1.9 percent) over the estimated expenditure of \$880,511 for 1963-64. The 1964-65 budget includes a \$20,855 increase in salaries and wages, a \$3,800 increase in operating expenses, and a decrease of \$8,000 in equipment. In our opinion, this net increase of \$16,655 may be defined as increases to maintain the existing level of service.

During the current budget year the Governor's office created and filled a new staff position, assistant to the Governor for human rights, to serve as a personal adviser to the Governor in the field of civil rights. This \$17,365-per-year position will also be responsible for seeing that the Governor's Code of Fair Practices for state employment is carried out. The cost of the position, in effect, was offset by the abolishment of the \$17,365-per-year departmental secretary position. The responsibilities of the departmental secretary position were transferred to the cabinet secretary. The administrative assistant II position established during the current fiscal year will work under the direction of the cabinet secretary.

We recommend approval as budgeted.

**Governor
GOVERNOR'S RESIDENCE**

ITEM 25 of the Budget Bill Budget page 16

**FOR SUPPORT OF GOVERNOR'S RESIDENCE
FROM THE GENERAL FUND**

Amount requested	\$17,400
Estimated to be expended in 1963-64 fiscal year	17,400
Increase	None

TOTAL RECOMMENDED REDUCTION None

This item finances the general operations of the Governor's residence and expenditures are not subject to audit. The amount requested has not changed since 1955-56.

We recommend approval as budgeted.

**Governor
SPECIAL CONTINGENT EXPENSES**

ITEM 26 of the Budget Bill Budget page 16

**FOR SPECIAL CONTINGENT EXPENSES OF THE GOVERNOR'S
OFFICE FROM THE GENERAL FUND**

Amount requested	\$15,000
Estimated to be expended in 1963-64 fiscal year	15,000
Increase	None

TOTAL RECOMMENDED REDUCTION None

This item, titled special secret service expenses prior to 1956-57, is exempt from audit and has been available for use by the Governor's office since 1850. The amount requested for 1964-65 has remained the same since 1961-62.

We recommend approval as budgeted.

**Governor
OFFICE OF THE CONSUMER COUNSEL**

ITEM 27 of the Budget Bill Budget page 17

**FOR SUPPORT OF THE OFFICE OF THE CONSUMER
COUNSEL FROM THE GENERAL FUND**

Amount requested	\$144,476
Estimated to be expended in 1963-64 fiscal year	122,954
Increase (17.5 percent)	\$21,522

Increase to maintain existing level of service	\$3,502
Increase to improve level of service	18,020

TOTAL RECOMMENDED REDUCTION \$9,080

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Administrative assistant I	\$7,080	17	39
Traveling—in-state	2,000	17	52

Office of the Consumer Counsel—Continued
ANALYSIS

The Office of the Consumer Counsel is required to advise the Governor, make necessary studies, render reports to the people of the State, and recommend legislation designed to protect consumer interests. Established in 1959 (Chapter 467), this office is permitted by statute to appear before governmental commissions, departments, and other agencies, and contract supporting services from public and private agencies. The Government Code also requires all agencies to cooperate with the Consumer Counsel and permits the establishment of an advisory committee. The Consumer Counsel and staff are appointed by and serve at the pleasure of the Governor.

The 1964-65 proposed budget totals \$144,476 which represents a \$21,522 (17.5 percent) increase over the \$122,954 estimated expenditure for the current fiscal year. This increase includes \$3,502 to maintain the existing level of service which consists of merit salary increases of \$2,305, staff benefit increases of \$1,843, a net decrease in operating expenses (—\$2,122) and \$1,476 for equipment.

A total of \$18,020 of the proposed budget increase may be considered as requests to improve the level of service. Included in this category are two proposed new positions at an annual cost of \$17,520, and \$500 for traveling—in-state.

Proposed New Positions

1 Senior research technician (budget page 17, line 38)----- \$10,440

This position is being requested to enable recommendations and presentations of the Office of Consumer Counsel to be more thoroughly researched. According to the justification included in the budget, this position will not only prepare reports but may also make presentations to public and private groups.

We recommend the approval of this position.

The current need for a position such as a senior research technician is evidenced by the large amount of day-to-day activities which prevent continued attention to research and report writing. For example, the staff currently writes an average of 200 letters per month, exclusive of form letters, pamphlets, etc. During a six-day period in October 1963, 159 telephone calls were received and 106 were made by three professional and four clerical personnel.

According to the Office of the Consumer Counsel, it will have a major responsibility for providing testimony and data before interim committees in preparation for the 1965 General Session on nine subjects contained in Assembly and Senate bills and House resolutions which have been assigned for interim study. In addition, this office is being used frequently as a source of information by legislators, the Governor, and even Congressmen.

During the 1963 General Session the office not only prepared and analyzed the Governor's legislative program in the field of consumer problems, but was also asked by the Governor to comment on approximately 100 bills after they had passed both houses prior to his deciding whether to sign or veto them. Other workload includes the

Office of the Consumer Counsel—Continued

preparation and publication of information in pamphlet form, press releases, magazine and newspaper articles, appearances for radio and television interviews, and organizing consumer conferences. During 1962-63 the office accepted 83 requests to speak.

If the Legislature wants the Consumer Counsel to actively participate in all of the above activities, then it should seriously consider providing more staff to permit the responsible performance of these functions. This office is continuing to become involved in more and more areas of consumer interest on a broader and broader plane. The Legislature may soon be faced with the decision of amending the Government Code to clearly define and limit the responsibilities of this office or authorizing a larger staff.

Administrative assistant I (budget page 17, line 39)----- \$7,080

According to the proposed budget, this position is being requested to "... assist in the office management and the improvement of the efficiency of this office."

We recommend the deletion of one administrative assistant I (budget page 17, line 39) for a savings of \$7,080.

This position was requested in the 1963-64 budget and deleted by the Legislature. It is being requested again on the same basis as last year and we oppose its approval for the same reason we did then. A full-time administrative position is not justified for a small office such as the Consumer Counsel. Typical administrative needs include executive, public information, accounting, legal, personnel, and management analysis functions. The Consumer Counsel is the executive and she is supported by a public information officer. The office has a full-time administrative adviser who is an attorney, and we have recommended that personnel and accounting services be contracted from the new Department of General Services. Management advice can always be obtained from the Department of Finance, or the Governor's office.

Existing Positions

Temporary help (budget page 17, line 36)----- \$4,240

Funds from this item are used to pay for the services of a part-time bookkeeper.

We recommend that this agency contract its accounting and personnel services from the Department of General Services in lieu of hiring a part-time bookkeeper.

This agency's records will more accurately conform to the procedures in the State Administrative Manual if our recommendation is adopted. The scope of the Department of Finance's recent audit was severely limited by the fact that appropriate and adequate accounting records were not maintained. A related advantage to contracting services from the new Department of General Services is that personnel services are available and assistance in preparing budget forms may also be obtained. Although a lengthy narrative was prepared which

Office of the Consumer Counsel—Continued

incorporated the Consumer Counsel's 1964-65 budget request in general terms, none of the required supporting schedules were submitted.

We estimate that the contracting of such services from the Department of General Services would probably require approximately \$3,000 of the \$4,240 in temporary help. The balance of the temporary help money is needed for existing workload.

Operating Expenses

Traveling—in-state (budget page 17, line 52)----- \$12,000

This item consists of travel expenses for the Consumer Counsel, administrative adviser, public information officer, field representative, proposed new research technician, and members of the advisory committee.

We recommend that traveling—in-state be reduced to \$10,000 for a savings of \$2,000.

Since 1964-65 contains a general session, in-state travel requirements will be minimized. Our position is supported by the following table:

Actual Expenditures—Traveling—in-state		
1962-63 *	-----	\$6,368
1961-62	-----	10,348
1960-61 *	-----	7,438

* General session years.

Expenditures for the current fiscal year will be abnormally low because the field representative position has been vacant for several months. Total actual travel expenses from July 1 through November 30, 1963 (5 months), totaled \$2,294. A \$2,000 reduction will still provide \$10,000 which should be ample.

**Governor's Office
DISASTER OFFICE**

ITEM 28 of the Budget Bill

Budget page 18

**FOR SUPPORT OF DISASTER OFFICE
FROM THE GENERAL FUND**

Amount requested	-----	\$1,357,232
Estimated to be expended in 1963-64 fiscal year	-----	895,381
Increase (51.6 percent)	-----	\$461,851
Increase to maintain existing level of service	-----	\$410,144
Increase to improve level of service	-----	51,707

TOTAL RECOMMENDED REDUCTION----- \$33,800

Summary of Recommended Reductions

	Amount	Page	Line
Reduce equipment (transfer to Capital Outlay)	\$33,800	19	61

ANALYSIS

The State Disaster Office, which had its beginnings in 1941, is presently organized and geared to pursue two major missions. First, it is intended to plan, organize and prepare for relief and assistance func-

Disaster Office—Continued

tions on behalf of the people of the State following a disaster of military origin. Secondly, it is intended to carry out the same function following a disaster of natural origin. Basically these functions or services are expected to be supplied by local government and volunteer workers with the State Disaster Office acting in a planning, guiding and educational capacity before any disaster and in an actual leadership capacity during any disaster.

The budget proposal of the State Disaster Office for the 1964-65 fiscal year basically contemplates about the same level of service that was authorized for the current fiscal year. There is no proposed increase in the number of authorized positions and the salaries and wages cost reflects the increase only of merit adjustments.

However, the overall budget proposes a very substantial increase which reflects time-connected factors which in a sense are beyond the control of the agency. Ten years ago the Legislature provided funds for the purchase of 100 firefighting trucks which were to be dispersed throughout the State and placed under the immediate control of various local firefighting agencies to be used on relatively large-scale fires and particularly in implementation of mutual aid firefighting agreements. It was not intended that these units be used in first attack and to the best of our knowledge they have not been so used. Time has now caught up, so to speak, with this pool of firetrucks so that maintenance costs are rising sharply and consideration needs to be given to a policy of gradual replacement. It should be borne in mind that simple mileage is not a very good yardstick for units of this type, when in the course of firefighting the engines and other operating equipment are heavily used and not recorded on the mileage meter. The State Division of Forestry has a 10-year cycling policy in which it attempts to replace firefighting vehicles when they have reached a 10-year life. In some cases, because of the Division of Forestry's farflung operations, some of these vehicles can be kept longer by being deployed to low hazard areas. However, this course is not open to the State Disaster Office. Consequently, it is now proposed to replace the state-owned vehicles at the rate of 10 per year which would mean that by the time the last 10 of the original 100 were replaced they would be 20 years old. We would assume that in making these replacements every effort would be made to reshuffle the deployment of these vehicles so that the oldest and poorest ones would be in the areas of least demand. These units are presently costing about \$18,000 apiece and their cost is not subject to federal matching funds because the federal government has no matching policy for replacement units. Consequently, there is \$180,000 included in the proposal of the State Disaster Office to commence this replacement program. *We believe that this is justified and recommend approval.*

Another time-connected factor involves the drugs contained within the stockpile of 680 first aid stations and 176 emergency hospitals which are under the control of the State Disaster Office and which have been provided by the federal government on both a matching and a no cost basis. These units are 10 years or more in age and many of their

Disaster Office—Continued

drug supplies have now reached the point where they are either useless or dangerous to be used on human beings. Consequently, it is proposed that these drugs be replaced on a four-year program basis at a cost of about \$102,000 annually. There may be a technique whereby this cost can be matched by the federal government. However, this is not certain. In any case we believe that if the first aid stations and emergency hospitals are to serve their purpose they must be kept in immediately usable condition at all times and *we recommend approval of the drug replacement policy.*

A third time-connected problem involves 400,000 sets of blood procurement and donor equipment. These sets involve bottles of saline solution under vacuum which are becoming spoiled, with the solution darkening and the vacuum being lost. It is proposed to replace these at the rate of 100,000 annually with a new type of set which will have a much longer life and will probably take considerably less storage space. The cost of this would be \$100,000 annually. Here also it may be possible to obtain federal matching funds but this is not certain at this time. As in the case of the drugs we believe that these blood processing units are essential to be in immediate operating condition in order to serve their purpose in a disaster. Consequently, *we recommend approval of the replacement proposal.*

Other factors which lead to the overall budget increase include increases in operating expenses in some cases due to regular price rises and in others, such as in the case of fire vehicle maintenance, due to the aging character of the units which require steadily increasing maintenance cost. Some of these costs are also of a one-time nature such as the cost of relocation of control centers to provide for more efficient and effective operation.

There is, however, one item of additional cost which we believe should be handled in a different manner. This involves the purchase of radio equipment to further implement the establishment of a so-called "local government" network, wherein the State will provide certain basic central radio equipment and the local county governments will provide all of the equipment they would need to tie into this and through this central equipment tie into all other local governments. This policy was essentially approved for implementation by the Legislature in 1963 and we believe it should be completed. However, the establishment of a radio system is not a simple and quick operation. There are the difficulties in obtaining the necessary frequencies, the difficulties of determining the best frequencies for providing the service most effectively and the problems of engineering the system so as to produce maximum utility and coverage. These problems are simply not solvable within a budget year. This leads to pressures on the State Division of Communications to expend the funds or commit them so that they would not revert after one year, which is the case in support funds. Consequently, we recommend that the sum of \$33,800, representing the State's share of the cost of this equipment, be transferred from the support budget to the capital outlay budget where it would have a three-year life. The federal reimbursement portion of the budget would also have to be adjusted accordingly.

Governor's Office

COORDINATING COUNCIL ON URBAN POLICY

ITEM 29 of the Budget Bill

Budget page 21

FOR SUPPORT OF THE OFFICE OF URBAN AREA PROBLEMS FROM THE GENERAL FUND

Amount requested	\$50,000
Estimated to be expended in 1963-64 fiscal year	50,000

Increase	None
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TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The Coordinating Council on Urban Policy was created in 1963 (Chapter 1890) to advise the Governor, develop long-range policies, and identify and analyze current problems relating to rapidly growing urban areas in the State. One of the principal goals of this council apparently is to define the general scope of responsibilities of various levels of government including the State, cities, counties and special districts. The council consists of 18 members appointed by the Governor including 3 representing cities, 3 counties, 2 school districts, 6 the State, and 4 the general public. The council shall cease to exist on the 91st day after the final adjournment of the 1965 Regular Session.

The budget proposes an expenditure of \$50,000 for the support of the council, which is identical with the amount estimated to be expended during the current year.

We have reviewed the Coordinating Council's proposed budget for the 1964-65 fiscal year and recommend approval of the requested \$50,000.

LIEUTENANT GOVERNOR

ITEM 30 of the Budget Bill

Budget page 21

FOR SUPPORT OF THE LIEUTENANT GOVERNOR FROM THE GENERAL FUND

Amount requested	\$120,020
Estimated to be expended in 1963-64 fiscal year	116,080

Increase (3.4 percent)	\$3,940
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Increase to maintain existing level of service.....	\$3,940
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TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The Lieutenant Governor assumes the chief executive's responsibilities when the Governor is absent from the State. He presides over the Senate when it is in session and serves as a member of several boards and commissions including: Board of Trustees of the State College System, University of California Board of Regents, State Lands Commission, Commission on Interstate Cooperation, State Toll Bridge Authority, California Disaster Council, Reapportionment Commission, and the California Reciprocity Commission.

Retirement System

Items 31-33

Lieutenant Governor—Continued

The budget for 1964-65 proposes an expenditure of \$120,020, which is \$3,940 or 3.4 percent more than is estimated to be spent during the current fiscal year.

The increase for 1964-65 over the current budget proposes to maintain the existing level of service.

We recommend approval of the budget as proposed.

STATE EMPLOYEES' RETIREMENT SYSTEM

ITEMS 31, 32 and 33 of the Budget Bill

Budget page 23

**FOR SUPPORT OF STATE EMPLOYEES' RETIREMENT SYSTEM
FROM THE STATE EMPLOYEES' RETIREMENT FUND,
THE STATE EMPLOYEES' CONTINGENCY RESERVE
FUND, AND THE GENERAL FUND**

Amount requested.....	\$2,055,975
Estimated to be expended in 1963-64 fiscal year.....	1,842,171
Increase (11.6 percent)	\$213,804
Increase to maintain existing level of service.....	\$192,490
Increase to improve level of service.....	21,314
TOTAL RECOMMENDED REDUCTION.....	\$7,256

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
1 Retirement officer II.....	\$7,256	25	67

ANALYSIS

The primary function of the State Employees' Retirement system is the administration of a retirement program for state employees, employees of local jurisdictions contracting with the state system, and nonacademic University of California employees employed prior to October 1, 1961. The system also administers the Meyers-Geddes State Employees' Medical and Hospital Care Act, which provides for a \$6-a-month contribution by the State toward the premium payment of an approved health insurance policy carried by state employees.

The State Employees' Retirement System is administered by a board of administration composed of eight members, which also administers the Legislators' Retirement System. When administering the Meyers-Geddes State Employees' Medical and Hospital Care Act, the board of administration is augmented by three members appointed by the Governor representing the public.

For the 1964-65 fiscal year the support for the State Employees' Retirement System comes from three sources:

Item 31 State Employees' Retirement Fund.....	\$1,769,407	(86.1%)
Item 32 State Employees' Contingency Reserve Fund	266,568	(12.9%)
Item 33 General Fund	20,000	(1.0%)

The 1964-65 budget request of \$2,055,975 from the above three funds is \$213,804, or 11.6 percent more than the amount estimated to be expended during the current fiscal year.