

**Item 133****Industrial Relations****California Highway Patrol—Continued**

The department is asking for the same amount granted by the 1957 Legislature. We believe this provides ample flexibility.

Approval of this amount is recommended.

**DEPARTMENT OF INDUSTRIAL RELATIONS**

ITEM 133 of the Budget Bill

Budget page 318

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

Amount requested .....	\$8,742,203
Estimated to be expended in 1957-58 Fiscal Year .....	8,121,730
Increase (7.6 percent) .....	\$620,473

**Summary of Increase**

	Total Increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages .....	\$506,678	\$474,746	\$31,932	325 64
Operating expense .....	105,391	77,726	27,665	325 66
Equipment .....	27,090	—	27,090	325 68
Less increased reimbursements .....	—18,686	—18,686	—	325 76
Total increase .....	\$620,473	\$533,786	\$86,687	

**RECOMMENDED REDUCTIONS**

Reduction in budgeted increases .....	\$268,051
Improved efficiency and policy reappraisal .....	43,488
Total reductions .....	\$311,539

**Summary of Reductions**

	Amount	Budget	
		Page	Line
<b>Division of Administration</b>			
Operating expenses			
Traveling—out of State .....	\$4,750	319	15
Rent—building space .....	22,915	319	17
Equipment .....	664	319	23
Total .....	\$28,329		
<b>Division of Conciliation</b>			
Equipment .....	\$261	319	65
Total .....	\$261		
<b>Division of Industrial Accidents</b>			
Salaries and wages			
5 Referee .....	\$63,000	320	65
1 Consultant and medical examiner .....	11,400	320	66
2 Permanent disability rating specialist .....	13,344	320	67
Hearing reporter (5) .....	30,300	320	69
Senior legal stenographer (5) .....	21,480	320	70
5 Intermediate typist-clerk .....	17,280	320	71
3 Intermediate stenographer-clerk .....	10,890	320	72
Equipment .....	11,627	321	18
Total .....	\$179,321		

## General Summary—Continued

## Division of Industrial Safety

Salaries and wages			
6 Boiler engineers	\$40,032	321	54
1 Industrial engineer	6,072	321	55
1 Intermediate typist-clerk	3,456	321	56
Equipment	15,423	321	71

Total ----- \$65,583

## Division of Industrial Welfare

Salaries and wages			
1 Intermediate stenographer-clerk	\$3,540	322	40
Equipment	12,628	322	53

Total ----- \$16,168

## Division of Labor Law Enforcement

Salaries and wages			
1 Junior typist-clerk	\$3,136	323	20
Equipment	3,742	323	35

Total ----- \$6,878

## Division of Apprenticeship Standards

Equipment	\$7,345	324	13
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Total ----- \$7,345

## Division of Housing

Equipment	\$1,689	324	75
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Total ----- \$1,689

## Division of Labor Statistics and Research

Equipment	\$5,965	325	51
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Total ----- \$5,965

Total reductions ----- \$311,539

## GENERAL SUMMARY

The department directs the activities of nine divisions in the administration and enforcement of state labor laws. Seven divisions function in various areas of labor law jurisdiction while two provide staff services. A comparatively large number of positions within this department are appointive as exempt positions.

The Director of Industrial Relations, divisional chiefs and boards and commissions heading six divisions are appointed by the Governor. With the exception of the State Compensation Insurance Fund, a non-budgeted agency, and the Division of Industrial Accidents, the director may theoretically require any division to assist in the enforcement of any labor law. In addition, the director is authorized to organize the department as he deems necessary, subject to the Governor's approval so as "properly to segregate and conduct the work of the department." However, as a practical matter, the director's control over the divisions is limited to fiscal and administrative matters.

The large number of positions not appointed by the director results in considerable divisional autonomy and tends to obscure lines of authority and responsibility. The possibility to economize the department's operations through consolidation of functions and physical facilities would be enhanced by strengthening the position of the director.

**General Summary—Continued**

This would necessitate changes in existing code sections pertaining to department and divisional organization and appointive positions.

Services performed by the department benefit the State at large but in many instances inure to the immediate benefit of a particular segment of the State's population. All operational divisions service specific situations or groups, largely on a no-fee basis. Where fees are presently charged, schedules generally do not reflect costs of services. If present fees were adjusted to reflect costs and a schedule of fees established for beneficial services now rendered on a no-fee basis, there is a strong possibility some divisions could be placed in a self-financing position.

**ANALYSIS**

Total expenditures for this department are scheduled at \$9,348,361, an increase of \$663,541 or 7.6 percent over the amount estimated for expenditure in the current year, and an increase of \$2,284,365 or 32.3 percent over the amount actually expended in 1956-57.

The only major departmental program change as reflected by the increases shown in the budget, is the adoption and enforcement of standards for trailer coaches sold in California after July 1, 1958, by the Division of Housing, which program will be completely self-sustaining.

**Salaries and Wages**

The agency is requesting a total of 69.5 new positions, an increase of 6.7 percent over the 1,040.1 positions now shown as authorized for the budget year and 22.5 percent over the 905.8 positions actually used in 1956-57.

**Operating Expenses**

Operating expenses for the department are estimated at \$1,475,284. This is an increase of \$105,391 or 7.7 percent over the amount estimated in this category for the current year.

There are substantial increases reflected in the budget for a number of operating expense items. This is particularly true in the category of "General Expense" for several of the divisions, although some other operating expense items also reflect substantial increases. Some of the increase is related to requests for new positions, although we are unable to ascertain how much from the supplementary budget justification material submitted to us.

We have received such supplementary budget justification material for the items of printing, rent, out-of-state travel and automobile mileage only. Without such material being available for the other items of operating expense, we are unable to properly analyze the items of expense within the time available for analysis. We strongly urge that in the future such justification material be made available in conformity with the requirements of the Administrative Manual. Comments and recommendations are included in divisional analyses where appropriate for those items which we have been able to analyze.

## General Summary—Continued

## Equipment

The department, as a whole, requests \$200,103 for equipment for the budget year, an increase of \$27,090 or 15.6 percent over the \$173,013 now estimated to be expended in the current year, and an increase of \$139,995 or 232.9 percent over the amount of \$60,108 actually expended in 1956-57.

*The items set out in the following schedule are to be classified as new service under the criteria explained in the preliminary statement at the start of this analysis, and are therefore recommended for deletion.*

The numbers refer to the numbers given in Schedule 9 (equipment) of the budget justification material submitted by the department. They are grouped together as closely as possible, the individual items not being set out in the interest of saving space.

(R) means replacement item

(A) means additional item

Schedule I		Amount
Administration		
2 (R), 4 (R), 6-10 (A) -----		\$664
Conciliation		
15-16 (A) -----		261
Industrial accidents		
18-27 (R), 29-33 (R), 38-39 (A), 42-43 (A) -----		11,627
Safety		
69-81 (R), 83-88 (R), 94-117 (A) -----		15,423
Welfare		
130-144 (R), 148-160 (A), 161 (A),* 162-171 (A) -----		12,628
Labor law enforcement		
177-184 (R), 190-192 (A), 194-198 (A) -----		3,742
Apprenticeship standards		
214-224 (R), 234-259 (A) -----		7,345
Housing		
261-267 (R), 270-276 (A) -----		1,689
Labor statistics		
286-297 (R), 299-307 (A), 309-312 (A) -----		5,965
Total -----		\$59,344

\* Agency requests 12 dictating machines and transcribers. We recommend approval of two to be tried out in the San Diego office and a report to be furnished in regard to timesaving accomplished.

Included in the above schedule are certain items which we recommend specifically for deletion regardless of the action taken on the overall new service recommendation above. They are set out in Schedule II. These are items for which no valid justification is given for replacement or are additional equipment items requested without a sufficient justification.

Schedule II		Amount
Administration		
9 (A) Technical tools for graphic artist -----		\$150
Industrial Accidents		
27 (R) 2 desks -----		456
30 (R) 6 tables -----		726
31 (R) 4 tables -----		484
32 (R) 3 tables -----		429
38 (A) Adding machine -----		396
		<hr/> \$2,249

## Item 133

## Industrial Relations

## General Summary—Continued

## Safety

69 (R)	Bookcase	\$69
70 (R)	15 chairs	420
72 (R)	8 chairs	400
74 (R)	4 swivel chairs	484
75 (R)	3 chairs	174
77 (R)	1 desk	188
78 (R)	10 desks	2,280
79 (R)	5 files	630
86 (R)	1 table	121
88 (R)	Testing apparatus tools	100
94 (A)	5 bookcases	235
101 (A)	4 files	520
102 (A)	Films	1,000
107 (A)	Produc-Trol	265
113 (A)	1 table	121

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\$7,007

## Welfare

131 (R)	1 chair	\$58
133 (R)	1 chair	121
135 (R)	1 chair	121
139 (R)	1 file	126
142 (R)	1 file	134
143 (R)	1 cabinet file	200
148 (A)	3 adding machines	1,188
150 (A)	1 bookcase	73
151 (A)	1 bookcase	100
160 (A)	1 desk	228
161 (A)	10 dictating machines	7,300
163 (A)	1 file	126
164 (A)	1 file	126
166 (A)	1 file	145
167 (A)	1 table	113
169 (A)	1 table	113

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\$10,272

## Labor Law Enforcement

178 (R)	2 chairs	\$100
180 (R)	2 swivel chairs	242
181 (R)	3 desks	564
182 (R)	2 desks	456
184 (R)	4 tables	378
192 (A)	4 chairs	112
198 (A)	Edison Voicewriter	755

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\$2,607

## Apprenticeship Standards

214 (R)	3 bookcases	\$219
220 (R)	2 desks	376
223 (R)	2 tables	310
234 (A)	1 bookcase	73
239 (A)	3 chairs	363
242 (A)	1 desk	188

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\$1,529

## Housing

None

## General Summary—Continued

## Labor Statistics

286 (R)	9 chairs	-----	\$252
287 (R)	1 desk	-----	188
288 (R)	2 desks	-----	456
290 (R)	4 files	-----	680

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 \$1,576

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 Total ----- \$27,208

The following are selected typical examples of the kind of justification upon which all of the above requests are made, together with our specific recommendations.

## Item 77 (R)

The agency requests replacement of seven desks. For one of these the justification reads as follows:

"319 is an old wooden desk; 60-inch, used by two engineers, very badly in need of refinishing or replacement."

We recommend refinishing and deletion of one desk replacement, saving \$188.

## Item 133 (R)

The agency requests an executive chair for an agent in Bakersfield. The justification is as follows:

"Chair No. 20747 is approximately 10 years old and is of all wood structure—no padding or cushioning of any sort. The movable back section of the chair does not remain in position and the whole back section is not easily adjusted."

This justification is insufficient in our opinion. If the chair is not "easily adjusted" we think a professional repair job will remedy the situation and make the chair usable. We suggest a pad for cushioning. Deletion will save \$121.

## Item 135 (R)

The agency requests replacement of an all-wood swivel armchair (no age given) on the following justification:

"The chair has no cushioning of any sort, the back is not adjustable. We feel that the chair should be replaced with the newer type chair to conform with the rest of the office furniture."

We are of the opinion that under very few circumstances will uniformity of appearance or design justify a replacement.

## Item 160 (A)

The agency requests a typewriter desk on the following justification:

"It is expected that within the year our office in Stockton will be moved to larger quarters and a full-time stenographer will be employed. At present the half-time stenographer is using equipment belonging to the Division of Labor Law Enforcement."

**General Summary—Continued**

The stenographer position is not being requested by the agency in this budget.

We are of the opinion that this can well be delayed until the position is authorized. Deletion will save \$228.

**Item 178 (R)**

The agency wants to replace two armchairs. The justification reads:

“To replace chairs to match other furniture ordered for Attorney X’s office.”

This justification is stricken out and no new justification is given, and again matching for appearance sake will not in our opinion justify a replacement. Deletion will save \$100.

**Item 180 (R)**

Here the agency wants to replace two swivel chairs purchased in 1939 and '40, for use of one assistant commissioner and one attorney. Only justification given is “varnish is worn off.”

We recommend revarnishing. Deletion will save \$242.

**Item 102 (A)**

The agency requests “films and demonstration equipment” on the following justification:

“Including preparation of 15-minute 16-millimeter color sound film on shoring of trenches, with professional narration and music and A and B roll printing providing special effects. The film is especially needed as an educational measure to combat the continuing toll of injuries and deaths to workers from cave-ins of trenches and excavations.”

We recommend deletion. This, in our opinion, constitutes a clear case of “increased level of service” and does not result from increase in workload. Deletion saves \$1,000.

**Item 198 (A)**

The agency requests a portable Edison Voicewriter and Transcriber for use “by both deputies and the area supervisor.”

We agree that the equipment might be desirable and convenient but are of the opinion that this is clearly an “increased level of service” in the absence of any workload justification. Deletion will save \$755.

On all other items set out in Schedule II, we are prepared to discuss our objections orally at the committee hearings.

**Division of Administration****GENERAL SUMMARY**

This division renders fiscal, accounting, personnel, and housekeeping services to the other divisions. It includes the director’s office and office of the supervisor of industrial accident self-insurance plans.

## Division of Administration—Continued

Summary of Reductions		Budget	
	Amount	Page	Line
Operating Expenses			
Traveling—out of State	\$4,750	319	15
Rent—building space	22,915	319	17
Equipment	664	319	23
Total	\$28,329		

## ANALYSIS

This division is requesting a net total of \$836,600 for expenditures in 1958-59. This represents an increase of \$119,446 or 16.65 percent over the estimated expenditures of the current year.

## Salaries and Wages

The agency requests one-half position of intermediate typist-clerk to bring the total of positions in this classification to seven.

Since the request appears to be justified solely on an increase in workload, we recommend approval as budgeted.

## Operating Expenses

The division requests an amount of \$567,057 for operating expenses. This is an increase of \$92,067 or 19.3 percent over the estimated operating expenses for the current year.

*Traveling—Out of State (budget page 319, line 15)----- \$8,350*

The agency requests \$8,350 for the budget year for a total of 17 out-of-state trips needed to attend various conferences and meetings.

*We recommend deletion of \$4,750 from this item and the allowance of \$3,600 to maintain the current year level of service.*

Providing \$3,600 will allow approximately seven one-week trips to the East or more trips of shorter duration.

It should be noted that the agency in 1956-57 spent only \$1,752 for out-of-state travel. Although this figure appears rather conservative, the expenditure of \$3,600 in the current year seems to establish a more reasonable measurement for out-of-state travel activity of the department than the amount of \$8,350 requested for the Fiscal Year 1958-59. From an itemized statement submitted to us, it appears that the department proposes one or more out-of-state trips for each of its division chiefs and various other employees. From checking the submitted proposed trips, we conclude that quite a few of these might be stricken without serious detriment to the department's operation.

*Rent—Building space (budget page 319, line 17)----- \$458,314*

The department requests \$458,314 for expenditure for rent purposes for 1958-59, to allow for rent increases in leases which must be renegotiated during the budget year and for the accommodation of 69.5 new positions.

This is an increase of \$95,756 or 26.4 percent over the amount of \$362,558 estimated to be expended during the current fiscal year.

The department has 1,042.5 positions authorized for 1957-58, for which it now estimates its actual rent expenditure at \$362,558, a cost of \$347.77 per position.



## Division of Administration—Continued

For 1958-59, the department will have 1,109.6 positions authorized if the requested 69.5 positions are allowed. For these 1,109.6 positions the department requests \$458,314 for rent, a cost of \$413.04 per position or an increase of 18.7 percent.

The increase in rent to accommodate 69.5 new positions is \$39,745. This is a cost of \$571.87 per position, which is 38.5 percent higher than the average cost budgeted for all positions (those now authorized plus those requested), and 64.4 percent over the average rent cost per position in the current year.

On the other hand, the increase for 1958-59 for the positions *now* authorized is \$56,011, which is an increase of 15.4 percent over the expenditure of \$362,558 estimated for the current year. This portion of the total increase for personnel now being housed by the department includes increases in the amount of space being utilized and increases in the cost of rent, in leases to be renegotiated during the budget year.

Despite the deletion of 56 positions from the 1957-58 budget request of the agency, the Department of Finance failed to delete the related rent expense from that budget in accordance with the agreement that when requested positions are disallowed by the Legislature the related operating expenses and equipment costs will be automatically deleted. The agency had requested \$399,264 in that budget and it appears now that the department estimates its actual rent expenditure at \$362,558.

The \$36,706 by which this item has now been reduced is substantially more than the amount that should have been taken out on the basis of disallowed positions, indicating the correctness of our last year's analysis that the item of rent was estimated in excess of the agency's actual needs.

For the coming fiscal year, the agency makes provision for increases in rent at various locations where renewal of existing leases must be negotiated. The agency estimates all such renewals at a uniform price of \$0.35 per square foot regardless of the rental rate now being paid. We are advised that this is being done by the agency upon oral advice of the Department of Finance. It appears to us that such arbitrary budgeting at the highest cost now being paid by the agency for any lease instead of being based on an overall percentage increase in rental cost is neither realistic, nor proper budgeting procedure, nor is it helpful for the persons actually negotiating the renewals. If the other negotiating parties know that the agency's budget provides for a rental price of \$0.35 per square foot (and it appears to us they no doubt will know) it will be difficult to negotiate a more favorable rental price even in cases where the present price is substantially lower.

We call attention to the fact that the Department of Finance provides agencies with price change information upon which to predicate budget estimates in connection with practically all other items of operating expenses in its annual instructions to the agencies concerning the estimating of the budget. The change in the cost of rent is a calculable item the same as the change in the cost of such items as food, clothing, heat, transportation, office supplies, etc. We raise the question of why the Department of Finance has failed to include advice on rent

## Division of Administration—Continued

changes in its annual cost change letter, and, further, why it would offer oral advice to this agency to calculate all new space requirements and all renewal space at the highest price being paid by this agency rather than on a percentage change basis.

To further illustrate the agency's budget procedure in this field, we point to an item in the rent budget which provides for Eureka for an increase in estimated expenditure in 1957-58 of \$3,686 to \$13,965 for 1958-59. This increase of 278.9 percent is justified in writing as follows: "If a new building is leased by the State, to include the department's expansion for the next 10 years, approximately 3,325 square feet of space will be needed, etc. \* \* \*" We are now advised by the agency orally that the building contemplated in this case is to be ready about June or July, 1958, although construction has not yet started. Further, that the "expansion" considered will probably take place in the next three or four years instead of 10 years as stated in the budget justification and that, of course, meanwhile the space budgeted (for positions to be requested sometime in the indefinite future if a need for them arises) will be sublet to other tenants if this can be done.

We do not question the desirability to plan for future developments today but have serious doubts that planning of this kind is realistic and sound. This again points to the desirability of placing the administration of all state-owned and leased building space under the direction of one agency to achieve economy and uniformity in this area on a statewide basis.

We recommended last year that the agency carefully study its methods of determining space requirements and rent needs. In view of the manner in which the estimate in the present budget has been developed, it is apparent that this has not been done. *We reiterate this recommendation, and to avoid again appropriating amounts of money in excess of the agency's reasonable needs, we recommend the deletion of 5 percent of this item, an amount of \$22,915.*

## Equipment

The division requests \$29,317 for equipment for the budget years. This is \$21,294 or 265 percent more than the amount of \$8,023 estimated to be expended for equipment in the current year.

Reference is made to the departmental summary for the detailed recommendation for reduction of \$664.

## Division of Conciliation

## GENERAL SUMMARY

The Conciliation Service is charged with the adjustment of labor disputes and the promotion of sound employer-employee relationships.

Investigation, mediation, conciliation and arbitration services are performed by the division without any cost to the parties receiving such services. The Federal Government renders a similar free service where the parties to a dispute are engaged in interstate commerce. Arbitration services are also rendered to management and labor on a fee basis by private individuals and organizations.

# Item 133

# Industrial Relations

## Division of Conciliation—Continued

Since the services of the Division of Conciliation primarily benefit the parties to a dispute and are generally provided upon their specific request, it is recommended that a study be undertaken to consider the feasibility of the establishment of a system of fees to be charged for such services.

It would be possible to put this division on a self-supporting basis if parties who cannot reach an agreement themselves are required to pay a fair price for a solution made possible by the services rendered to them by society as a whole.

Summary of Reductions		Budget	
	Amount	Page	Line
Equipment -----	\$261	319	65
Total -----	\$261		

## ANALYSIS

This division requests a total of \$145,209 for the budget year. This represents an increase of \$660 over the \$144,549 currently estimated for 1957-58.

The budget request will adequately maintain the present level of services rendered and *we recommend approval as submitted* except for the equipment items recommended for deletion in the departmental summary.

## Division of Industrial Accidents

### GENERAL SUMMARY

The Industrial Accident Commission adjudicates cases arising under the Workman's Compensation Laws.

Summary of Reductions		Budget	
	Amount	Page	Line
Salaries and wages			
5 Referee -----	\$63,000	320	65
1 Consultant and medical examiner -----	11,400	320	66
2 Permanent disability rating specialist -----	13,344	320	67
5 Hearing reporter -----	30,300	320	69
5 Senior legal stenographer -----	21,480	320	70
5 Intermediate typist-clerk -----	17,280	320	71
3 Intermediate stenographer-clerk -----	10,890	320	72
Equipment -----	11,627	321	13
Total -----	\$179,321		

## ANALYSIS

Total expenditures for this division for the current fiscal year are estimated at \$2,642,350. The division requests \$2,985,929 for the budget year 1958-59, which represents an increase of \$343,579 or 13 percent over the current year.

### Salaries and Wages

The agency requests a total of 50 new positions, an increase of 14.9 percent over the 334.5 positions now shown as authorized for the budget year and 42.2 percent over the 270.3 positions actually used in 1956-57.

## Division of Industrial Accidents—Continued

10 Referees (budget page 320, line 65)	\$126,000
10 Hearing reporters (budget page 320, line 69)	60,600
10 Senior legal stenographers (budget page 320, line 70)	42,960
10 Intermediate typist-clerks (budget page 320, line 71)	34,560

The principal increase in the budget represents a request for 10 additional referee units, which the agency bases on an estimated increase in caseload. Each unit consists of one referee, one hearing reporter, one senior legal stenographer and one intermediate typist-clerk. At present 62 referee units are authorized, 10 of which were allowed by the Legislature for the current year. The agency has been able to fill all of these positions.

*We recommend that five of the requested referee teams be allowed and five be deleted, for a reduction of \$132,060.*

The division has done very commendable work in 1956-57. The records show 37,097 total dispositions. This workload was accomplished by four referee units in their second year of production, at 500 dispositions per unit and 48 units, at an average number of dispositions of 731 per unit. This result, in our opinion, reflects the efforts of a very able administration of the division by the chairman of the commission and speedy as well as efficient work performed by all referee teams. It also reflects the results of the timesaving pretrial procedure which for the first time during this year showed its impact on the average number of dispositions per referee unit.

It appears that the results for 1957-58 might show even more favorable figures and that it might be possible to obtain, through the present most effective administration, a higher average of dispositions from new teams than the presently projected average of 300 for the first and 500 for the second year of unit work.

Disregarding this strong possibility for improvement, in the computation that follows, and using only the average number of dispositions reached in 1956-57 and the agency's estimated increase of filings of 7 percent per year, we have calculated the probable development of workload for the agency under our recommendation of allowing five referee units, as follows:

	Dispositions
1956-57 (actual)	
48 units, full production, 731	= 35,097
4 units, second year, 500	= 2,000
Cases pending: 9,913	
1957-58 (estimated)	37,097
52 units, full production, average 731	= 38,012
10 units, first year, 300	= 3,000
Filings: 40,578; cases pending: 9,479	
	41,012
1958-59 (estimated)	
52 units, full production, average 731	= 38,012
10 units, second year, 500	= 5,000
5 units, first year, 300	= 1,500
Filings: 43,418; cases pending: 8,365	
	44,512
1959-60 (estimated)	
62 units, full production	= 45,322
5 units, second year, 500	= 2,500
Filings: 46,467; cases pending: 7,010	
	47,822

## Division of Industrial Accidents—Continued

In our analysis of this agency's workload last year, we pointed out that, at all times, a number of cases would, of necessity, be in process of disposition and that consequently the total number of pending cases could not be used as an indication of "backlog" which required additional staff to catch up. We suggested that the agency determine a true normal work in process figure for this purpose rather than using arbitrary estimates as has been the practice heretofore. This office has cooperated with the agency in studying this problem. As of the date of writing this analysis, no positive solution to the problem has been arrived at. When this study is complete, it is hoped that a fairly accurate formula will have been developed for determining the number of cases which have been delayed beyond the 60-day statutory limit for disposition because of lack of referees to hear and decide them, as distinguished from cases delayed for reasons beyond the control of the agency or the Legislature.

For the purposes of this analysis, we have developed the following method of computing backlog. If the total number of cases disposed of in any 60-day period is equal to the number of new cases filed during the period, no backlog which could be disposed of within the statutory time limit by additional personnel would exist. Therefore, the number of cases in process under optimum conditions should not exceed one-sixth of a total year's case dispositions. Based on 1956-57 actual dispositions, this figure would be 122 cases in process for fully experienced referee units, 83 cases for second-year units and 50 cases for first-year units.

It is recognized that this method is not entirely accurate, since some cases are actually disposed of in less than 60 days. A far larger number are delayed beyond that time for reasons other than lack of staff, such as stipulated continuances by the parties, delays for the convenience of attorneys, prolonged medical treatment, delayed medical reports, inadequate information supplied by the claimant, etc. However, the inclusion of the latter types of cases in the backlog figure used to determine staffing requirements this year will prevent an underestimate of the agency's needs for the budget year and will, in fact, provide something of a reserve against the contingency of unexpected increases in the total filings.

The following table shows how the number of cases pending at the end of the last year for which actual figures are available can be divided into reasonable work in progress and actual backlog portions by this method and, further, how this classification will be affected by our recommendation of staff for the agency for the three following years.

1956-57 (actual)			
Cases pending	-----		9,913
4 units @ 83	-----	=	332
48 units @ 122	-----	=	5,856
			<hr/>
Total work in process	-----		6,188
			<hr/>
Actual backlog	-----		3,725

## Division of Industrial Accidents—Continued

1957-58 (estimated)		
Cases pending		9,479
52 units @ 122	= 6,344	
10 units @ 50	= 500	
Total work in process		6,844
Actual backlog		2,635
1958-59 (estimated)		
Cases pending		8,365
52 units @ 122	= 6,344	
10 units @ 83	= 830	
5 units @ 50	= 250	
Total work in process		7,424
Actual backlog		941
1959-60 (estimated)		
Cases pending		7,010
62 units @ 122	= 7,564	
5 units @ 83	= 415	
Total work in process		7,979
Actual backlog		—139

It should be noted that accurate actual backlog figures will be less than those shown in the table and the effective elimination of pending cases chargeable to lack of staff should occur during the budget year. To the extent that our recommendation could result in decreasing the assignable workload per referee team in 1959-60, we believe the risk is justified again as a reserve against the contingency of unexpected increases in the number of cases to be filed.

While in the preceding calculation of work in process and backlog we have accepted the present statutory limitation of 60 days from the time of filing to the disposition of a claim, we point out that an arbitrary time limitation of this nature is unrealistic, and does not necessarily serve the intent of the law which was to provide just compensation for industrial accidents as quickly as possible. The time limitation has never been observed as a strict requirement of the law. If it were observed, it would be necessary to forego many desirable features of present procedure such as extended medical treatment, convenience of attorneys and claimants, careful rating of extent of disability, the complete and careful establishing of the facts of each case, et cetera, and even then could not be complied with in every case.

We suggest that a revision of the law be considered to permit the full consideration of each case on its merits regardless of the time involved and yet prevent careless or unnecessary delay.

2 Consultant and medical examiners (budget page 320, line 66) ----- \$22,800

In ratio to the number of referee teams recommended for deletion, we recommend the deletion of one position of consultant and medical examiner, for a reduction of \$11,400.

## Division of Industrial Accidents—Continued

3 Permanent disability rating specialists (budget page 320, line 67) ----- \$20,016

It should be noted that, at present, 11 disability rating specialists are authorized (plus one supervisor) for 62 referee units, or a ratio of one disability rating specialist for 5.6 referee units. Consequently, only one rating specialist should be allowed for five new referee units.

*We recommend the deletion of two permanent disability rating specialists for a reduction of \$13,344.*

5 Intermediate stenographer-clerks (budget page 320, line 72) \$18,150

The agency requests three clerks for the two doctors requested, one clerk for the pretrial and screening function, and one clerk for the clerical pool work increase.

We are informed that, at present, for 9.8 consultants and medical examiners, the agency has three clerks in the San Francisco Medical Bureau and four clerks in the Los Angeles Medical Bureau. This is a ratio of 0.7 clerk per doctor. Based on this ratio, the agency should have asked for 1.4 clerks for the two consultants and medical examiners requested. *In accordance with the recommended deletion of one consultant and medical examiner, we recommend the deletion of two of the three clerks requested for the Medical Bureau.* This allows 0.3 more clerical position than the currently existing ratio justifies.

Since the agency does not have a clerical pool in San Francisco or Los Angeles, we are unable to see how workload increase in a nonexistent work unit could justify the need for an additional clerk. *We recommend deletion of this position, resulting in a total recommendation for deletion of three intermediate stenographer-clerks for a reduction of \$10,890.*

In summing up, we specifically recommend deletion from the budget as follows:

	Amount
5 Referee -----	\$63,000
1 Consultant and medical examiner -----	11,400
2 Permanent disability rating specialist -----	13,344
5 Hearing reporter -----	30,000
5 Senior legal stenographer -----	21,480
5 Intermediate typist-clerk -----	17,280
3 Intermediate stenographer-clerk -----	10,890
Total reductions -----	\$167,694

## Equipment

The division requests \$69,085 for equipment for the budget year. This is \$24,416 or 26 percent less than the amount of \$93,501 estimated to be expended for equipment in the current year.

Reference is made to the departmental summary for the detailed recommendation for reduction of \$11,627.

## Division of Industrial Safety

## GENERAL SUMMARY

This division has jurisdiction to enforce all work safety laws. The objectives of the division are to be accomplished through the study of industrial accidents and their causes, formulation and enforcement of safety standards, public education and co-operation with other agencies.

The division receives fees for its elevator and boiler inspection work. However, costs incidental to these services are considerably in excess of revenues. It is recommended a policy be established to allow fee schedules for these services to reflect costs so that these services will be placed on a self-financing basis.

## Summary of Reductions

Division of Industrial Safety	Amount	Budget	
		Page	Line
Salaries and wages			
6 Boiler engineers	\$40,032	321	54
1 Industrial engineer	6,672	321	55
1 Intermediate typist-clerk	3,456	321	56
Equipment	15,423	321	71
Total	\$65,583		

## ANALYSIS

This division is requesting a total of \$1,786,355 for expenditure in 1958-59. This is \$83,959 or 4.9 percent over the amount now estimated for the current year.

## Salaries and Wages

The division is requesting eight new positions which is an increase of 3.8 percent over the 210.6 positions shown to be authorized now for the budget year and an increase of 4.3 percent over the 184.7 positions actually filled in 1956-57.

Of the 210.6 positions now authorized, 152 are safety engineers in the following classifications:

District safety engineer	16
Supervising safety engineer	7
Safety engineer (boiler)	24
Safety engineer (electrical)	8
Safety engineer (elevator)	6
Safety engineer (mining)	7
Safety engineer (petroleum)	7
Safety engineer (construction)	26
Safety engineer (industrial)	50
Safety engineer (logging and lumbering)	1
Total	152

1 Safety engineer (industrial) (budget page 321, line 55) ----- \$6,672

The agency states that "the increased shipyard and waterfront activities with their high risk activity will impose an additional workload on the staff" and that this position is needed "to reduce accidents in these two areas."

We recommend the deletion of this one position of safety engineer (industrial) for a reduction of \$6,672.



## Division of Industrial Safety—Continued

Although it is true that 14 fatal accidents occurred in California shipyards in 1957 as compared with a prior seven-year average of 2.4 fatalities this unusual occurrence cannot validly be made the basis of workload measurement, since 10 of these deaths occurred in one single major accident. Approval of this position would, in fact, result in an increased level of service.

For the budget year 1956-57, 48 safety engineer (industrial) positions were authorized by the Legislature and only 44.8 were utilized.

Three positions of safety engineer (industrial) were authorized for 1957-58 for a total of 51 such positions. At the same time, 15 district safety engineer positions were continued in the 1957-58 budget as authorized positions. The budget now shows 16 authorized positions in this classification and shows in this budget only 50 authorized positions of safety engineer (industrial).

The reclassification of one safety engineer (industrial) to district engineer was done with the approval of the Department of Finance; however, we raise the question of the propriety of such a reorganization where the Legislature has authorized a position in fieldwork, and an administrative position and organizational change results therefrom.

The agency states that in previous years as many as six industrial engineers have been assigned to logging and sawmill territories during the highest season of this work. Why then should the agency not be able to absorb a concentration of workload in the shipyard area in the same manner at least temporarily until it is demonstrated that this does not constitute a temporary concentration of workload only, but a genuine increase in overall workload?

As of now the agency has been able to fill the positions in this category which were vacant in 1956-57 and the three new positions allowed for the current year. Thus, only now for the first time since 1955-56 is the agency in a position to demonstrate what it can do with the full complement of the positions authorized to it. We believe it should reassess its requirements under these circumstances before requesting additional personnel.

6 Safety engineers, boiler (budget page 321, line 54)----- \$40,032  
1 Intermediate typist-clerk (budget page 321, line 56)----- 3,456

The agency states that in order to meet provisions of the law requiring field and shop inspections of pressure vessels, the addition of 12 safety engineers (boiler) and three clerks is needed. Because of recruitment and training problems only six additional engineers and one clerk are requested by the agency in this budget.

*We recommend the deletion of six safety engineers (boiler) and one intermediate typist-clerk, for a reduction of \$43,488.*

In its supplementary justification, the division has worked out an elaborate workload formula based on the number of boilers to be inspected per year, the number of tanks to be inspected every three years, and the hours required to accomplish this work. The formula seems to be sound; the data used by the division are actual figures computed from the weekly time tables of all safety engineers (boiler).

## Division of Industrial Safety—Continued

This workload formula would justify the addition of 12 safety engineers (boiler) if the timetables upon which it is based are correct.

However, we raise the following points on which we base our recommendation for deletion of these positions:

1. The division has IBM records on approximately 16,000 boilers in the State. There are 2,693 boilers to be inspected by the State (coded to the State). On these boilers there is no record that insurance is being carried or the records show that the insurance previously carried has lapsed and was not renewed. Inspection of these boilers is the primary responsibility of the State.

The remaining approximately 13,300 boilers are inspected annually by the insurance carriers (or, better, ought to be inspected by them). The division notifies the insurance carriers that these boilers are due for inspection and gives them 60 days to comply. If a boiler then is not inspected it becomes "overdue" and its inspection becomes the responsibility of the State, according to the present understanding of the law within the division. There are at present 2,277 "overdue" boilers in the State, raising the number of boilers to be inspected by the State from 2693 to 4970, an increase of more than 80 percent.

2. Similarly, there are 44,267 tanks which require inspection by the State (coded to the State) under Section 7681 of the Labor Code, on which no insurance is being carried or insurance has lapsed and was not renewed.

On the other hand, there are 30,680 tanks coded to other inspection agencies but overdue for inspection and requiring inspection by the State. This again results in an increase of tanks to be inspected by the State of more than 75 percent.

3. The inequities inherent in this present procedure appear to be obvious:

- a. An owner of a pressure vessel who does not carry insurance on the boilers or tanks pays no insurance premiums thereon and has his facilities safety inspected by the State at a nominal fee.
- b. An insurance carrier who receives premiums for the insurance of boilers and tanks from an insured pressure vessel owner, may, if he so desires, trust the inspection work done by the State at a nominal fee and rely thereon in calculating his insurance risk. Thereby he can probably substantially reduce his cost of operation and either pass these savings on to the insured in the form of lower premiums or make a larger profit on his business than other insurance carriers who rely on their own safety inspection work rather than on that done by the State. Since a rather large number of insurance carriers do make their own inspections, the interesting side problem arises: Why do they do it? Have they not yet recognized that they can save money by letting the State do this inspection work? Is their inspection work more thorough and better than that of the State? Or, are their safety standards more rigid? If the latter, should not these standards also be applied to state inspection work where the risk calculated by profitmaking

## Division of Industrial Safety—Continued

enterprises presumably reflects the amount of danger involved realistically on a dollar-and-cent basis?

- c. The State then is subsidizing private enterprise under this system at least to the extent actual inspection costs exceed fees.

4. The number of "overdue" boilers and tanks has been rising steadily but only very slightly during the last few years. In any event, the rise is not so significant or alarming that immediate measures are necessary. These "overdue" figures have existed for several years and might presumably continue to exist for another year. In any event the approval of these positions would only partially solve the problem.

Meanwhile we suggest that an immediate study be undertaken to evaluate and decide on the following possibilities of solving this problem:

1. Establish a policy not to inspect those boilers and tanks on which insurance is carried on the theory that the insurance carriers will come around and do the inspection work if they observe that the State is not going to do it for them; if this cannot be done under existing law, consider changes.

2. Establish a system of fees which is in accordance with cost figures of private industry for similar inspection work and amend the law accordingly.

3. Require mandatorily the carrying of insurance on all boilers and tanks by the owners thereof and abolish this service by the State altogether. Amend the law accordingly.

4. Make it mandatory for insurance carriers to safety inspect all boilers and tanks on which insurance is written and introduce legislation to this effect.

## Equipment

The division requests \$23,144 for equipment for the budget year. This is \$1,666 or 6.7 percent less than the amount of \$24,810 estimated to be expended for equipment in the current year.

Reference is made to the departmental summary for the detailed recommendation for reduction of \$15,423.

## Division of Industrial Welfare

## GENERAL SUMMARY

This division is responsible for the enforcement of orders of the Industrial Welfare Commission concerning wages, hours, and working conditions of women and minor workers.

The division realizes revenue from industrial homework permit fees. Presently, fees do not cover costs of services. It is suggested a policy be adopted whereby fees will pay full costs of services.

## Summary of Reductions

Salaries and wages	Amount	Budget	
		Page	Line
1 Intermediate stenographer-clerk -----	\$3,540	322	40
Equipment -----	12,628	322	53
Total -----	\$16,168		

**Division of Industrial Welfare—Continued  
ANALYSIS**

The division is requesting a total of \$423,272 for expenditure in the coming budget year. This is \$29,218 or 6.4 percent less than the amount now estimated for the current year. The decrease results from the completion of the revision of wage orders during the current year partially offset by requested increases.

**Salaries and Wages**

The agency requests a total of one new position, an increase of 1.7 percent over the 58.8 positions now shown as authorized for the budget year and 10.9 percent over the 53.9 positions actually used in 1956-57.

**1 Intermediate stenographer-clerk (budget page 322, line 40) \$3,540**

The division states that increased workload requires that half-time clerks in two offices be increased to full-time clerks.

*We recommend deletion of this position for a reduction of \$3,540.*

In 1956-57 five branch offices were requested by the division and granted by the Legislature. The accepted staffing pattern for the division's field offices is a ratio of one clerk for each two welfare agents. On this basis, one agent position and one-half clerk position were authorized by the Legislature for the new branch offices in Bakersfield, Redding, San Bernardino, San Jose and Stockton. At that time, and ever since, it was the understanding of the budget staff, Department of Finance, the Legislative Analyst and the Legislature that routine information, telephone answering, arrangement of appointments, etc., could be made by other departmental employees in adjacent offices.

Now the division points out that such an arrangement has proved unsatisfactory and originally requested that all these five one-half positions be made full time.

The budget now requests the increase of only two of these positions to full time without specifying for which offices this increase is being requested. We see no logical basis to request the increase in two offices and not in all five. This request is based solely on the division's statement that "workload has increased"; however, no effort has been made to substantiate this statement on the basis of actual workload measurements. No justification for increase in any of the five offices has been submitted on the basis of increase in workload based on factual workload measurement. If the arrangement of having the phone answered, etc., by other departmental employees in these offices for one-half day is unsatisfactory, the division could arrange to have these offices open one-half day only.

**Economies and Improvements Requiring Legislation**

The enforcement work of this division closely parallels that of the Division of Labor Law Enforcement, the major differentiating factor being the age and sex of workers. If the labor law enforcement and inspection responsibilities of these two divisions were consolidated, this could be expected to reduce total enforcement costs and improve efficiency. It is recommended consideration be given to the merging of the enforcement work of these two divisions.

## Division of Industrial Welfare—Continued

## Equipment

The division requests \$16,272 for equipment for the budget year. This is \$7,264 or 80.6 percent more than the amount of \$9,008 estimated to be expended for equipment in the current year.

Reference is made to the departmental summary for the detailed recommendation for reduction of \$12,628.

## Division of Labor Law Enforcement

## GENERAL SUMMARY

The division's jurisdiction extends to the administration and enforcement of all labor laws except those specifically assigned for enforcement to other state agencies. The agency is proposing to establish a new branch office in Vallejo, which appears to be justified.

Summary of Reductions		Budget		
		Amount	Page	Line
Salaries and Wages				
1 Junior typist-clerk	-----	\$3,136	323	20
Equipment	-----	3,742	323	35
Total	-----	\$6,878		

## ANALYSIS

This division requests a total of \$903,730 for expenditure in 1958-59. This is \$30,186 or 3.4 percent over the amount estimated for the current year.

## Salaries and Wages

The agency requests a total of four new positions, an increase of 3 percent over the 133.3 positions now shown as authorized for the budget year and 17.8 percent over the 116.5 positions actually used in 1956-57.

2 Junior typist-clerks (budget page 323, line 20)----- \$6,276

The agency requests one junior typist-clerk for the Los Angeles office solely on an increase in workload. There has been no personnel increase in the reception-information-filing section in the Los Angeles office in the past 10 years, whereas the complaint load rose from 5,643 in 1946 to 10,957 in 1957.

We had occasion to observe the function of this section for a period of two months in 1957 and are satisfied that this request is adequately justified on an increased workload basis. We recommend approval of this position.

The agency states that the complaint load in the San Francisco office is not very far above the 1946 level due in part to the establishment of the Eureka office, removing territory from the San Francisco district. This being the case, we are of the opinion that there is no valid justification to support the request for one clerk for this office.

*We recommend deletion of one position of junior typist-clerk for a reduction of \$3,136.*

## Equipment

The division requests \$11,339 for equipment for the budget year. This is \$1,462 or 11.4 percent less than the amount of \$12,801 estimated to be expended for equipment in the current year.

Reference is made to the departmental summary for the detailed recommendation for reduction of \$3,742.

**Division of Apprenticeship Standards****GENERAL SUMMARY**

This division is responsible for the administration and enforcement of wage, hour, and working condition standards established by the Apprenticeship Council. Primary duties are supervision of the apprenticeship program and advancement of apprenticeship employment opportunities.

The division renders a service primarily benefiting employers, present and potential, and apprentices. Participation in the division's program is voluntary. Currently reimbursement is received from the Federal Government for expenses incidental to the veterans apprenticeship program under both the G. I. Bill and the Korean Veterans Bill. These receipts will gradually decrease in the future.

A schedule of fees might be established so that the parties receiving primary benefits would pay a material portion of the program costs, replacing reimbursements presently received from the Federal Government. If the total cost were charged to all participants in the program, annual fees would be approximately \$40 for each apprentice and should not seriously inhibit the program.

	Summary of Reductions	Budget		
		Amount	Page	Line
Equipment -----		\$7,345	324	13
Total -----		\$7,345		

**ANALYSIS**

This division is requesting a net total of \$809,626 for the budget year.

This represents an increase of \$30,443 or 3.9 percent over the amount now estimated for the current year.

The total request of this division is \$835,112, amounting to an increase of only 1.3 percent over the estimated total figure for 1957-58. The difference in the percentage increase of total and net total request arises from a reduction in the amount of federal participation from \$44,800 for 1957-58 to \$25,486 in the budget year.

We recommend approval of this budget, except for the equipment items recommended for deletion in the departmental summary.

**Division of Housing****GENERAL SUMMARY**

This division is responsible for administration and enforcement of laws relating to design, construction, and operation of hotels, apartment houses, dwellings, motels, resorts and labor and trailer camps. In accordance with legislative intent as formulated during the last legislative session, the division has adopted a policy of giving 100 percent inspection of labor camps first priority. Other duties are to be discharged only as time permits.

Starting July, 1958, the division will have the responsibility of inspecting all trailer coaches manufactured or sold in California. Provision has been made for a schedule of fees for this service which will place the program on a self-sustaining basis. This new function and necessary additional personnel will be integrated into the division's present operations.

**Division of Housing—Continued**

Presently the division collects fees for permits issued to motels, trailer parks and certain new construction. Revenues received from these fees, in most instances, fail to cover related costs. It is recommended action be taken to place these fees on the same self-reimbursing basis as the planned trailer coach inspection program.

**Summary of Reductions**

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Equipment -----	\$1,689	324	75

**ANALYSIS**

This division requests a total of \$413,377 for expenditures for 1958-59. This is \$29,782 or 7.7 percent over the division's estimated expenditures for the current year. However, the net total request is only \$375,377, a decrease of \$8,218 or 2.1 percent from the current year. The difference between the total and net total request comprises the estimated reimbursements by inspection fees for trailer coach construction.

The agency requests a total of four new positions, an increase of 8.5 percent over the 47.2 positions now shown as authorized for the budget year and 10.3 percent over the 46.4 positions actually used in 1956-57.

This budget proposal represents the estimated cost of carrying out, during the 1958-59 Fiscal Year, the new program made mandatory by Chapter 2093, Statutes of 1957, relating to enforcement of trailer coach construction standards. Under these statutory provisions, reimbursement of these costs will be made by fees assessed the trailer coach manufacturers. A schedule of fees for this purpose will be established by the agency.

We recommend approval as budgeted, except for the equipment items recommended for deletion in the departmental summary.

**Division of Labor Statistics and Research****GENERAL SUMMARY**

Department statistical and fact-finding activities are carried on by this division. Fields covered include safety and accident conditions, employment and industrial relations. In collecting, organizing, publishing and disseminating this material, the division co-operates with other state agencies and the Federal Government. In addition to its own activities, the division functions as staff to other divisions providing statistical and research services.

**Summary of Reductions**

	<i>Budget</i>		
	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Equipment -----	\$5,965	325	51

**ANALYSIS**

The division requests a total of \$476,919 for 1958-59. This is an increase of \$49,636 or 11.6 percent over the estimated expenditures for the current year. The purchase of IBM equipment which has been rented heretofore accounts for some of the requested increase.

The agency requests a total of two new positions, an increase of 3 percent over the 67.7 positions now shown as authorized for the budget year and 20.4 percent over the 57.9 positions actually used in 1956-57.

## Division of Labor Statistics and Research—Continued

The requested increase in personnel appears to be justified on a workload basis and we recommend approval of the budget as submitted, except for the equipment items recommended for deletion in the departmental summary.

*We recommend that an overall reappraisal of the output of statistical material by the division should be undertaken to determine if, and to what extent, each particular administrative statistic or publication benefits the program of the department or the people of the State as a whole.*

## OFFICE OF FIRE MARSHAL

ITEMS 134-135 of the Budget Bill

Budget page 326

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

Amount requested	\$468,027
Estimated to be expended in 1957-58 Fiscal Year	437,274
Increase (7.0 percent)	\$30,753

## Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages	\$43,532	\$43,532	--	
Operating expense	7,029	7,029	--	
Equipment	—6,977	—6,977	--	
Increased reimbursements	—12,831	—12,831	--	
Total increase	\$30,753	\$30,753	--	

RECOMMENDED REDUCTIONS-----None  
GENERAL SUMMARY

The Fire Marshal functions with the advice of the State Fire Advisory Board in promulgating and enforcing fire safety regulations. He is only required to enforce fire prevention regulations in areas that are not formally organized into fire districts of some type. However, he may, upon request, assist organized fire agencies in solving problems that require technical advice. All state institutions with the exception of certain educational facilities are subject to the Fire Marshal's inspection for compliance with minimum standards of fire safety. Additional laws are enforced by the Fire Marshal such as the Inflammable Materials Act and fireworks regulations from which some revenue is derived and credited to the General Fund.

The 1957 Legislature added Chapter 1224, which requires the Fire Marshal to adopt and enforce standards for the transportation of explosives. Under the terms of the legislation the Fire Marshal must designate routes over which explosives may be transported and where the carrier may safely stop for rest and refueling.

During the current year the Department of Finance and the Fire Marshal's office have worked out a new method of recording workload. Our office has had the opportunity to review the new procedure and to discuss it with representatives of both the Department of Finance and



## Office of Fire Marshal—Continued

the Fire Marshal's Office and we are satisfied that it is an improvement over the voluminous records of the past.

## ANALYSIS

Approximately the same level of service is proposed for the budget as is currently authorized. However, nine additional positions are being requested on the basis of workload, primarily increased hospital, private welfare institution and school inspections. The total budget requested is \$468,027 which is \$30,753 or 7 percent greater than the estimate for the current year.

*1 Senior fire prevention engineer (budget page 327, line 37) — \$10,860*

The agency's request for this position is based upon a study recently completed by the Department of Finance which resulted in the authorization of this position in the current fiscal year. The study recognized the administrative load required of the Fire Marshal himself as responsibilities and personnel have been added to the agency. We also have recognized this problem for some time and feel that this position should be allowed.

*3 Intermediate clerks (budget page 327, line 38) ————— \$10,716*

Authorized clerical employees in the Office of the Fire Marshal have remained fairly constant over the past years in that there were 15 in 1951-52 and 16 in 1956-57 while 30 professional positions were authorized in 1951-52 and 45 are requested for the budget year. The requested positions would be placed one each in the Sacramento, San Francisco and Los Angeles offices. Based upon the increases in professional personnel we feel that the request for the above positions is reasonable.

*1 Deputy state fire marshal grade II (budget page 327, line 40) \$5,772*

This position is requested for assignment to the school plan checking function in the Division of Architecture. The Public Building Fund reimburses the General Fund for this service and consequently the cost of this position is completely offset by reimbursements. The position would relieve structural engineers who are employees of the Division of Architecture so that they might perform other engineering work. This request results from increased school construction and scarcity of structural engineers.

*2 Deputy state fire marshals grade I (budget page 327, line 41) \$10,992*

Workload figures for fire prevention and protection for the current fiscal year indicate that these positions are required to maintain the same level of inspection services as established by the Fire Marshal in the past. However, we point out that this workload is self-imposed and can be emphasized or reduced as desired. It appears that the requested positions represent a reasonable level of inspection services.

*1 Deputy state fire marshal grade III (budget page 327, line 43) \$7,635*

*1 Intermediate stenographer-clerk (budget page 327, line 44) 3,765*

The above positions have been added to the Fire Marshal's budget administratively during the current fiscal year as a result of the work-

**Office of Fire Marshal—Continued**

load increase occasioned by the passage of Chapter 1224, Statutes of 1957, regulating transportation of explosives. The deputy position works out designated transportation routes for explosives while the clerical position handles correspondence with local fire districts which are actually required to enforce the act.

Operating expenses show a \$7,029 increase which is practically offset by a decrease in equipment. The increase in operating expense is brought about by the additional positions that have been discussed above.

We recommend approval of the budget as presented with the exception noted below.

**Changes Requiring Legislation**

The Fire Marshal's Office is required to inspect dry cleaning plants for compliance with fire safety standards for which the Board of Dry Cleaners has paid a maximum of \$60,000 annually into the General Fund. This amount has been adequate in the past. However, the cost of inspecting dry cleaning plants is estimated at \$76,234 and \$82,347 for the current and budget years. It would therefore appear that the maximum amount specified in Section 9575 of the Business and Professions Code should be changed in order to more realistically represent present day costs.

**DEPARTMENT OF JUSTICE**

ITEM 136 of the Budget Bill

Budget page 329

**FOR SUPPORT OF THE DEPARTMENT OF JUSTICE FROM THE GENERAL FUND**

Amount requested .....	\$5,320,173
Estimated to be expended in 1957-58 Fiscal Year .....	4,942,504
Increase (7.6 percent) .....	\$377,669

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Workload or salary adjustments	New services	
Salaries and wages .....	\$296,437	\$275,641	\$20,796	335 61
Operating expense .....	67,480	67,480	—	335 63
Equipment .....	1,552	1,552	—	335 65
Add decreased reimbursements .....	12,200	12,200	—	335 73
Total increase .....	\$377,669	\$356,873	\$20,796	

**RECOMMENDED REDUCTIONS**

Reduction in budgeted increases .....	\$20,796
Improved efficiency and policy reappraisal .....	None
Total reductions .....	\$20,796

**GENERAL SUMMARY**

In general, the legal authority for the Attorney General is found in the Constitution, Article V, Section 17, and Title 2, Division 3, Part 2, Chapter 6 of the Government Code. The legal basis of the Department of Justice is also found in the Government Code under Title 2, Division 3, Part 6.