

State Water Rights Board—Continued

of the adjudications and legal staffs to a new location where the facilities of the board's clerical pool will no longer be available. In addition, according to the board, the workload in the adjudications unit now requires an additional clerical position.

*It is recommended that one intermediate stenographer-clerk be deleted for a reduction of \$3,720.* The move of these two sections to another building presumably relieves the present clerical pool of a portion of its workload and, if this workload is sufficient to justify a clerical position as the board states, an existing clerical position should be moved to the new quarters. It is recommended that the board transfer one clerical position to the new location of the adjudications section if the workload is adequate.

The statement that the ongoing workload of the adjudications unit justifies an additional clerical position is open to question. This is a function required by law to be fully reimbursable. A review of the reimbursements for the current year and estimated for 1960-61 indicates that reimbursements will decline from \$82,308 to \$60,000. Most of the cost for adjudications is salaries and wages. The decline in reimbursements indicates that workload related to adjudications will be substantially reduced in 1960-61.

Operating Expenses

*Printing (budget page 657, line 4)*..... \$7,900

*It is recommended that the board's request for printing expenses be reduced by \$2,000.* In 1958-59, the most recent year for which actual expenditure figures are available, the board spent \$4,412. The cost of printing has increased 6.5 percent since that time. The same level of printing in 1960-61 as in 1958-59 would cost \$4,700, or \$3,200 less than requested. The recommended reduction would allow a substantial amount for increased workload.

Miscellaneous

**WORKMEN'S COMPENSATION BENEFITS FOR STATE EMPLOYEES**

ITEM 265 of the Budget Bill Budget page 671

**FOR SUPPORT OF WORKMEN'S COMPENSATION FOR STATE EMPLOYEES FROM THE GENERAL FUND**

Amount requested .....	\$1,750,000
Estimated to be expended in 1959-60 fiscal year.....	1,540,000
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Increase (13.6 percent).....	\$210,000

**TOTAL RECOMMENDED REDUCTION**..... None

**ANALYSIS**

For workmen's compensation insurance purposes the State is self-insured. The State Compensation Insurance Fund acts as adjusting agent for the State and administers the payment of claims. *Approval as budgeted is recommended.*

The increase in this request over estimated expenditures for 1959-60 is consistent, in percentage terms, with annual increases in past years.

**Workmen's Compensation Benefits for State Employees—Continued**

In the Analysis of the Budget for 1959-60, it was pointed out that the loss experience between various state agencies was not consistent and this was especially true of facilities administered by the Department of Mental Hygiene. This department accounts for about 60 percent of the total cost to the State for workmen's compensation benefits in both 1957-58 and 1958-59. On pages 504 through 507 in the Analysis of the Budget for 1959-60, in discussing the budget of the Department of Mental Hygiene, it was pointed out that California has an unusually high accident record compared with similar institutions in other states. It would appear that a study leading to possible reforms in the safety practices of this agency could result in significant savings to the State.

**PAYMENTS FOR ADDITIONAL WORKMEN'S COMPENSATION  
FOR SUBSEQUENT INJURIES**

ITEM 266 of the Budget Bill Budget page 673

**FOR SUPPORT OF PAYMENTS FOR ADDITIONAL WORKMEN'S COM-  
PENSATION FOR SUBSEQUENT INJURIES FROM THE GENERAL  
FUND**

Amount requested .....	\$850,000
Estimated to be expended in 1959-60 fiscal year .....	785,000
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Increase (8.3 percent) .....	\$65,000

**TOTAL RECOMMENDED REDUCTION** ..... None

**ANALYSIS**

*Approval as budgeted is recommended.*

The fund is established to pay workmen's compensation benefits for permanent disabilities resulting from industrial injuries to employees who have previously suffered another specific permanent disability. The intent of the law is to encourage the employment of handicapped persons by relieving the employer of liability for the effects of a combination of injuries, some of which do not result from the hazards of his business.

The financing of this liability as a part of employers' insurance costs, rather than as a General Fund cost, is the subject of a report and recommendations to the Legislative Budget Committee on January 12, 1960.

**Miscellaneous**

**REFUND OF TAXES, LICENSES AND OTHER FEES**

ITEM 267 of the Budget Bill Budget page 670

**FOR REFUND OF TAXES, LICENSES AND OTHER FEES  
FROM THE GENERAL FUND**

Amount requested .....	\$10,000
Estimated to be expended in 1959-60 fiscal year .....	23,000
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Decrease (56.5 percent) .....	\$13,000

**TOTAL RECOMMENDED REDUCTION** ..... None

Refund of Taxes, Licenses and Other Fees—Continued

ANALYSIS

This appropriation is requested to provide funds for repayment of license fees, taxes, and other fees which were, through error, collected and deposited in the General Fund and for which there is no other provision of law for refunds.

We recommend approval of this item as budgeted.

LEGISLATIVE CLAIMS

ITEM 268 of the Budget Bill

Budget page 667

FOR SUPPORT OF CLAIMS OF THE STATE BOARD OF CONTROL FROM SEVERAL FUNDS

Amount requested .....	\$61,099
Estimated to be expended in 1959-60 fiscal year .....	240,599
Decrease (75.0 percent) .....	\$179,500

TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

The amount requested above represents those claims heard and approved by the Board of Control prior to and including November 17, 1959.

Claims subsequently heard and approved by the board, will, after legislative review, probably result in an amendment increasing the amount of this item in the budget bill. Therefore, the amount requested above is not the final or true budget figure.

CORRECTIONAL INDUSTRIES REVOLVING FUND

ITEM 269 of the Budget Bill

Budget page 669

FOR AUGMENTATION OF THE CORRECTIONAL INDUSTRIES REVOLVING FUND FROM THE GENERAL FUND

Amount requested .....	\$200,000
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TOTAL RECOMMENDED REDUCTION..... None

ANALYSIS

This budget item is for the augmentation of the Correctional Industries Revolving Fund in order to provide sufficient funds to equip the new Paper Converting and Container Enterprise industry at the Correctional Training Facility at Soledad (formerly the California State Prison, Soledad).

We recommend approval of this budget item.

STATE PRINTING FUND

ITEM 270 of the Budget Bill

Budget page 669

FOR AUGMENTATION OF THE STATE PRINTING FUND FROM THE GENERAL FUND

Amount requested .....	\$629,500
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TOTAL RECOMMENDED REDUCTION..... No recommendation

State Printing Fund—Continued

ANALYSIS

This appropriation is requested in accordance with Section 15.5 of the Budget Act of 1959 which requires that any capital addition to the State Printing Fund during the 1960-61 fiscal year be made by an appropriation from the General Fund.

This augmentation of the State Printing Fund in the amount of \$629,500 is for the purpose of providing sufficient funds to purchase the additional equipment the State Printer states is necessary to operate the plant, on the basis of workload increases, to effect salary savings by modernization, to increase the plant capacity, and to assist in the accomplishment of the textbook printing program.

We make no recommendation on this item principally because we have been provided with information which, in our opinion, raises questions of a policy nature rather than justifying or supporting the request for additional equipment.

The request as a whole expresses a need for 13 additional items of equipment or supplies. Of these, we recommend approval of nine and disapproval of one. The remaining three, we place in the category of those on which a policy decision is necessary to resolve the need.

*We recommend approval of the items listed below.* In these instances, after a review of the justifications and the data provided in their support, we are convinced they will improve quality, increase production with resultant salary savings, eliminate manual operation, modernize the existing plant and accommodate increased workload.

40 tons of Linotype metal -----	\$20,000
1 Roll feeding device -----	70,000
1 Heavy duty fork lift truck -----	10,000
1 Dexter building in attachment -----	15,000
1 Joint and back gluing attachment -----	9,000
1 Multiple flat wire stitcher -----	3,000
1 Center Board feeding device -----	2,500
1 Seven station Speed Klect machine -----	16,000
1 Drying and Renipping machine -----	16,000
	\$161,500

*We recommend disapproval of the light truck (\$3,000) requested by reason of failure to provide justification to support the need on the basis of workload.*

The printing plant has seven such trucks with special bodies at present. No information was provided relative to their use which would indicate the urgent need for an additional truck. We believe consideration should be given to use of a state pool vehicle or vehicles during peak periods for lighter small deliveries so as to release the present trucks for deliveries which only they can handle.

*On the following three items we make no recommendation.*

Common to all three of these items is the basic question of purchasing expensive machinery to increase the plant capacity in order to achieve a position of being able to produce all, or nearly all, the State's printing requirements.

A common question regarding the acquisition of the two larger presses is that of purchasing and installing equipment to meet peak requirements.

State Printing Fund—Continued

1 new 16" Era Data Processing Card Press..... \$80,000

This press is requested for the purpose of extending the capability of the printing plant to meet the maximum needs of the State for data processing cards. At present, the printing plant estimates that it meets 90 percent of the State's needs for these cards, printing approximately 240 million of them per year. There remains some 30 million cards printed on contract (approximately \$1 million) which are, for technical reasons, beyond the capability of the nine installed card presses.

We question the desirability of purchasing a new press to capture the remaining 10 percent of the State's business. Further, there arises the question of whether the State Printing Plant can truly compete in this specialized field. We understand the State Printer quotes a price of \$1.13 per thousand on these cards (sales tax and delivery included) whereas, a large data processing machine firm has quoted a price of \$1.03 per thousand (without sales tax and delivery costs). Whether the 10-cent differential would be absorbed in tax and shipping or delivery costs is questionable.

1 Harris single color offset press..... \$85,000

1 Harris four color offset press..... 300,000

These two presses are requested to increase the present capacity of the State Printing Plant in order to be in a position to accomplish almost 100 percent of the assumed peak textbook printing load during fiscal year 1960-61.

The word "assumed" appears in the foregoing sentence as the actual needs will not be firm until the State Board of Education makes the decisions on which books recommended by the Curriculum Commission will be printed or purchased.

With the new presses installed, we are advised that all the four color offset printing can readily be accomplished in 1960-61 but not all the single color printing. Production estimates of these presses are based upon the figures shown below for the clothbound books. All paperbound, we are advised, are well within the capacity of the letter presses installed.

We have been advised that the current production of the plant can handle estimated or proposed requirements in every year except 1960-61 and possibly 1965-66.

TEXTBOOK REQUIREMENTS

	<i>Paper</i>	<i>Cloth</i>	<i>Total</i>	
1956-57	3,035,000	4,992,000	8,027,000	Actual
1957-58	1,410,000	3,386,500	4,796,500	Actual
1958-59	8,120,000	5,478,000	13,598,000	Actual
1959-60	4,784,000	6,386,000	11,170,000	Actual
1960-61	5,618,000	9,527,000	15,145,000	Proposed
1961-62	6,084,000	7,544,000	13,628,000	Proposed
1962-63	3,932,000	2,877,500	6,809,500	Proposed
1963-64	5,174,000	7,312,500	12,486,500	Proposed
1964-65	4,185,000	6,410,500	10,595,500	Proposed
1965-66	3,755,000	8,250,000	12,005,000	Proposed

**PURCHASING REVOLVING FUND**

ITEM 271 of the Budget Bill

Budget page 669

**FOR AUGMENTATION OF THE PURCHASING REVOLVING FUND  
FROM THE GENERAL FUND****ANALYSIS**

This item reappropriates the unexpended balance of the \$410,000 appropriated by Item 274 of the Budget Act of 1959.

The period for which this appropriation is made is two years, authorization to charge expenditures against it to expire on June 30, 1962.

The purpose is to augment the Purchasing Revolving Fund which is expended for support of the state car pool operation, the state central stores operation, and to purchase additional equipment and supplies for the new state garages opening in Los Angeles and Fresno during 1960-61.

*We recommend approval of this item.*

ITEM 272 of the Budget Bill

**ANALYSIS**

This item is identical to Item 275 of the Budget Act of 1959. It provides that the State Controller upon approval of the State Board of Control shall transfer to this item, from any appropriation in Section 2 of this act made from the General Fund, that part of such appropriation intended for the purchase of automobiles. These funds shall be available for augmentation of the Purchasing Revolving Fund.

This item provides the machinery whereby funds appropriated from the General Fund to the various state agencies for the replacement of or purchase of additional automobiles may be used to augment the Revolving Fund which finances the Department of Finance car pool.

*We recommend approval.*

ITEM 273 of the Budget Bill

**ANALYSIS**

This item would authorize temporary transfers from the California Water Fund (formerly the Investment Fund) to the General Fund in the event the cash position of the General Fund would require such transfers. Under the terms of Section 16310 of the Government Code transfers made from special funds to the General Fund, upon a determination of necessity by the Governor, Controller, and Treasurer, are to be returned to the fund from which transferred as soon as there is sufficient money in the fund to return it.

Since this authorization is in the nature of temporary, contingent financing only, *we recommend approval.*

**CAPITOL BUILDING AND PLANNING COMMISSION**

ITEM 274 of the Budget Bill

Budget page 674

**FOR SUPPORT OF CAPITOL BUILDING AND PLANNING COMMISSION FROM THE GENERAL FUND**

Amount requested .....	\$30,000
Estimated to be expended in 1959-60 fiscal year.....	None
Increase .....	\$30,000

**TOTAL RECOMMENDED REDUCTION**..... No recommendation

**ANALYSIS**

Chapter 1952, Statutes of 1956, established a Capitol Building and Planning Commission consisting of 13 members to be appointed by the Governor to serve at his pleasure without compensation or reimbursement for expenses.

While the act authorized the commission to incur expense and employ personnel in connection with its duties and responsibilities, it made no actual appropriation. It did, however, authorize the acceptance of not to exceed \$15,000 each from the City and County of Sacramento. These sums have been made available and estimated expenditures of \$4,386 for the current fiscal year will be defrayed from these contributions.

For the budget year it is proposed to expend \$55,614, which will use up the balance of the contributions plus \$30,000 to be appropriated from the General Fund. No detailed program has been submitted to cover these expenditures, although the budget indicates that most of the expenditures will be for contractual services.

In our analysis of the bill during the 1959 Session, we pointed out the possibility that the State's cost might reach \$100,000 or more. Since we have no data to evaluate, *we cannot make any specific recommendations*. The subject appears to be essentially a matter of legislative policy and will need to be decided on that basis.

**PROVISION FOR SALARY INCREASE FUND**

ITEMS 275 and 276 of the Budget Bill

Budget page 675

**FOR PROVISION OF SALARY INCREASE FUND FROM THE GENERAL FUND**

Amount requested .....	\$24,068,067
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**TOTAL RECOMMENDED REDUCTION**..... None

**ANALYSIS**

An appropriation of \$24,068,067 from the General Fund for a salary increase fund is requested in the budget to provide a general 5 percent increase for all state personnel including employees of the University of California, and to permit special adjustments to correct internal inequities in the present salary range structure.

## Provision for Salary Increase Fund—Continued

The distribution of the proposed \$24,068,067 from the General Fund among the various categories of state employees is shown in the following table. Contributions to the State Employees' Retirement Fund totaling \$1,601,026 are not included.

Civil service classes -----	\$11,387,774
State colleges	
Academic salaries -----	1,501,240
Nonacademic salaries -----	1,163,693
Statutory positions -----	157,818
Other exempt positions -----	332,891
University of California	
Academic salaries -----	2,492,719
Nonacademic salaries -----	2,759,599
Provision for special adjustments	
Civil services classes -----	3,084,000
Exempt classes -----	10,000
University employees -----	950,000
Provision for university academic retirement contributions ----	228,333
Total -----	\$24,068,067

The cost to state special funds for the proposed salary increases will be \$14,622,679, not including retirement costs.

The responsibility for setting and adjusting salary ranges for civil service and state college employees has been delegated by the Legislature to the Personnel Board. Provisions within Section 18850 of the Government Code require the board to:

1. Set salaries so that "like salaries shall be paid for comparable duties and responsibilities."
2. Consider the salaries for comparable service in private business and in other governmental agencies in setting salaries.
3. Maintain the cost of salary adjustments within existing funds appropriated for salary increase purposes.

Each year the Personnel Board is required by Section 18712 of the Government Code to submit to the Governor and the Legislature an annual report on state civil service personnel. This report includes a review of the salary situation and recommendations concerning the need for salary adjustments for state employees.

In its report dated December 18, 1959, the board recommended that funds be appropriated to permit a general 5 percent salary increase in the 1960-61 fiscal year for all state employees. It also indicated a need for additional funds to allow special adjustments above 5 percent for certain groups of employees, notably those in clerical and related classes.

The Personnel Board's recommendations were based on a comparison of existing state salaries and data obtained in various surveys of salaries and wages in private industry and other governmental agencies. To support its recommendation the board presented the results of surveys of wage trends in private industry made in March and October of 1957, 1958, and 1959 and compared these findings to salary increases given state workers since July 1, 1957. The board concluded from its analysis that if present trends continue, wages in private

## Provision for Salary Increase Fund—Continued

industry would reach a level by July 1, 1960 at least 5 percent above existing pay scales for state employees.

Comparisons of actual salaries paid for specific jobs in private industry with the actual salaries paid for similar work in state service also indicated that the State will be lagging behind private industry by more than 5 percent by July 1, 1960.

*After an examination of the salary information supplied by the Personnel Board, which is the basis for the general 5 percent increase requested in the budget, we recommend approval of an appropriation to effect the proposed salary adjustment. Adoption of this salary increase, in our opinion, will maintain reasonable comparability between wage rates in state service and those in private industry and other governmental agencies.*

A need for special salary adjustments for certain classifications in addition to any general salary increase has been indicated by the Personnel Board. The budget contains \$3,084,000 from the General Fund to permit the board to make extra salary adjustments affecting approximately 22,000 employees. An additional \$950,000 for special adjustments is requested for the University of California. The Personnel Board's decision as to which classifications should receive special adjustments is based on: (1) a comparison of prevailing rates for similar occupations in industry and other governmental agencies; (2) a need to compensate for increases in responsibility assigned to certain classes; **and (3) a need to maintain or establish more proper internal salary relationships between classes.** The board stated in its recent report: "Included in this (salary increase fund) request are funds sufficient to provide an additional 5 percent special adjustment for clerical classes, . . . conversion of the state salary schedules to 5 percent steps at the upper levels, and adjustment of a number of other inequities." **The board feels the bulk of the special adjustments fund will be expended for additional 5 percent increases for most of the 20,000 employees in clerical classes.**

Considering the manner in which the special adjustment fund has been administered by the board in the past and the responsibility it has to set salaries in accordance with salaries paid for comparable duties and responsibilities in private industry and other governmental agencies, we recommend approval of the special adjustment funds requested in the budget.

**Statutory Salaries**

Funds are included in the salary increase fund to provide for an adjustment of 5 percent in statutory salaries above the salaries paid in 1959-60. However, because the funds for a 5 percent increase for 1959-60 were only approved for one year, the total amount requested in this year's budget for statutory salary increases is sufficient to continue the 5 percent of last year and to add the additional 5 percent in line with the recommendation for a general salary increase for all state employees.

Since this is a budget session year, it is quite appropriate for the Legislature to include statutory salary increases in the Budget Bill if

**Provision for Salary Increase Fund—Continued**

it believes the proposed salary increases for civil service employees will produce a serious compaction problem between statutory salaries and the higher level civil service salaries.

Section 11570 of the Government Code authorizes the Legislature to provide funds for statutory salaries in the Budget Act. This provision was amended into the code so that statutory salaries could be adjusted during a budget session when the Legislature is unable to consider legislation adjusting such salaries. This method of adjusting statutory salaries was used during the 1959 General Session, although we recommended the Legislature consider such salaries in a separate bill.

The salary changes that are made by such Budget Act adjustments are effective for only one year and then the salaries revert back to the statutory amount.

For this reason the budget provides funds for a 10 percent increase for the 1960-61 fiscal year.

In order to avoid this situation arising in the future, we strongly recommend that the Legislature consider statutory salaries in a separate bill. The very nature of statutory salaries is such that they are distinct by law and function from civil service salaries. While the Legislature through Section 11570 has the authority to prevent serious compaction problems which would result in a budget session year from giving substantial advances to civil service employees while being unable to adjust statutory salaries, this problem does not occur in a general session.

**State College Academic Salaries**

The salary increase funds requested in the budget provide for a 5 percent general increase for all state college employees, academic as well as nonacademic. In its latest report to the Governor and the Legislature, however, the Personnel Board stated regarding state college salaries:

“The Personnel Board recommends that any general increase in salaries for civil service employees be applied also to employees in the state colleges. In view of the surveys of higher education now underway, the question of an additional special salary increase for academic positions in the state colleges is submitted to the Governor and the Legislature as a policy matter, with a strong affirmative recommendation from the Personnel Board. The reasoning and recommendations of the Personnel Board submitted a year ago still apply if the State plans to continue the expansion of the state colleges and to provide a first class education to students in these colleges.”

The Personnel Board in its 1959 report has quoted arguments originally submitted in its report of the previous year to support the need for a special salary adjustment for state college academic employees. The considerations that the board believed to be pertinent to its proposal for a special 5 percent adjustment a year ago were discussed in

## Provision for Salary Increase Fund—Continued

detail in our budget analysis last year. Portions of that discussion we feel should be re-examined in light of developments during the past year.

In regard to the comparison of academic salaries in other states with those paid in California, the board restated in its 1959 report a point of view originally expounded in its 1958 report:

“Data on faculty salaries in other states cannot be compared directly to California faculty salaries because salary levels for most nonacademic occupations in these other states are lower than salary levels for similar occupations in California. These data are significant, however, in measuring rate of change.”

As we stated last year, the board's contention that there cannot be a direct comparison of faculty salaries paid in other states and in California is a complete reversal of its position in previous years. The Personnel Board and the Department of Education actually agreed upon a group of schools that legitimately could be compared with California's state colleges as to salaries paid, as well as to curricula, academic standing, and the recruitment of academic personnel. The Personnel Board continues to collect salary data from these institutions each year.

Of the original group of 16 out-of-state colleges and universities used for the comparison, the following 14 institutions provided 1959-60 academic salary data in a recent survey made by the Personnel Board:

Bowling Green State University	University of Colorado
Brooklyn College	University of Nevada
Oberlin College	University of Oklahoma
Paterson State College	University of Oregon
Rutgers University	University of Toledo
Southern Illinois University	Wayne State University
State College of Washington	Western Michigan University

The Personnel Board in November 1959 issued a report that shows the salaries paid at these institutions during the current academic year, 1959-60. Also included in the report were the findings of a salary survey of five private liberal arts colleges and universities in California: the College of the Pacific, Mills College, Occidental College, Pomona College, and the University of Redlands. The median salaries listed in the report for the four faculty ranks of instructor, assistant professor, associate professor, and professor are shown in Table I. Salary data for the 13 state colleges using the same ranks also is presented along with the percentage differences between the median salaries paid in the state colleges and those in the other institutions.

Table I

	Instructor		Assistant Professor		Associate Professor		Professor	
	Median salary	Percent difference	Median salary	Percent difference	Median salary	Percent difference	Median salary	Percent difference
14 out-of-state colleges -----	\$5,305	-8.8	\$6,500	-7.8	\$7,900	-2.7	\$9,852	-10.2
5 California private colleges---	5,500	-4.9	6,110	-14.7	7,300	-11.1	9,000	-20.6
California state colleges -----	5,772	--	7,008	--	8,112	--	10,860	--

Provision for Salary Increase Fund—Continued

As the data in this table shows, the median salaries for all academic ranks at the state colleges are presently greater than the median salaries for corresponding ranks at the colleges and universities surveyed by the Personnel Board. The percent difference is particularly significant at the assistant professor and professor levels.

The Personnel Board has stated in its December 1959 report that "The exceptional growth of the state college system requires that more than an 'average salary' be offered to attract an adequate number of qualified faculty members." As we stated last year when a similar statement was made, there is no indication of the meaning of "more than an average salary." Table I shows the state colleges presently are paying more at all academic ranks than comparable institutions in California and other states. In most instances, according to the median salary figures quoted, they are paying 8 to 20 percent more.

Another consideration in determining the appropriate amount of a salary increase for academic personnel is the amount of faculty salary increases that can be expected at representative colleges during the coming year. The 1959 survey of the 14 representative colleges outside California showed that eight colleges anticipated granting salary increases in 1960-61 that would average 5.9 percent; one college did not expect to grant any salary increase; and five colleges were unable to determine if an increase would be granted. From this information, we feel it is reasonable to conclude that the 5 percent salary increase for state college academic personnel recommended in the budget would probably equal the average increases at the out-of-state colleges surveyed. It can be expected, therefore, that the state colleges would continue to pay higher salaries than those paid at the 14 representative colleges.

University of California

The total Salary Increase Fund appropriation includes \$6,430,651 for a salary increase for employees of the university that will provide a pay adjustment comparable to the 5 percent increase for state civil service employees.

*The responsibility for setting salaries of university personnel belongs to the University Board of Regents and we recommend approval of the amount as budgeted.*

Reserves for Contingencies  
EMERGENCY FUND

ITEM 277 of the Budget Bill

Budget page 678

FOR THE EMERGENCY FUND TO BE EXPENDED ONLY ON WRITTEN AUTHORIZATION OF THE DEPARTMENT OF FINANCE FOR EMERGENCIES FROM THE GENERAL FUND

Amount requested	-----	\$1,000,000
Amount allocated to date for 1959-60 fiscal year	-----	2,025,839

Emergency Fund—Continued

ANALYSIS

The Emergency Fund request of \$1 million is the same amount as appropriated in the Budget Act of 1959. It is expended only on written authorization of the Department of Finance for general emergencies as defined in the Budget Act itself.

*As we consider the establishment of a single fund as a reserve for contingencies to be sound fiscal practice, we recommend approval of this item.*

Current Year Deficiencies

Total allocations for general emergencies from the Emergency Fund for the current year to date amount to \$2,025,839. This is \$1,025,839 in excess of the amount appropriated. A deficiency appropriation of \$1,325,839 is proposed to cover the above deficiency and provide for a \$300,000 unallocated balance for the remainder of the fiscal year.

These deficiencies resulted primarily from three unforeseen general emergencies; one for \$700,000 for emergency fire suppression; another of \$300,000 for veterans educational assistance (both for state operation); and lastly, \$612,700 for local assistance to counties for tuberculosis sanitariums.

*We recommend approval as budgeted.*

Reserves for Contingencies

EMERGENCY FUND DEFICIENCY

ITEM 278 of the Budget Bill

FOR AUGMENTATION OF APPROPRIATION MADE BY ITEM 278,  
BUDGET ACT OF 1959

Amount requested ----- \$1,325,839

ANALYSIS

The need for this deficiency appropriation is discussed under Item 277. *We recommend approval.*