

Division of Aeronautics—Continued

a particular site is properly or improperly located in relation to a nearby airport. The question is usually one of interference and noise rather than safety, as such. It appears to us that this diversion of the Architecture Public Building Fund is unjustifiable. On the other hand the advisory service of the Division of Aeronautics appears to be a proper charge against the General Fund as part of the overall service rendered by the Division of Aeronautics for the good of the State at large. *Consequently, we recommend that item 183 for \$13,575 from the Architecture Public Building Fund be eliminated and the General Fund support item be increased by a like amount.*

**Department of Public Works
DIVISION OF ARCHITECTURE**

ITEM 184 of the Budget Bill

Budget page 456

**FOR SUPPORT OF DIVISION OF ARCHITECTURE
FROM THE ARCHITECTURE PUBLIC BUILDING FUND**

Amount requested	\$1,339,877
Estimated to be expended in 1962-63 fiscal year.....	1,346,585
Decrease (0.5 percent)	\$6,708
TOTAL RECOMMENDED REDUCTION.....	None

ANALYSIS

The budget proposed for this section of the Division of Architecture is based on providing about the same level of service as in the current fiscal year with the same number of authorized positions. The slight reduction anticipated occurs entirely in the area of materials and methods structural research which is being adjusted downward slightly. It is anticipated that the workload occasioned by the construction of new public schools will continue at about the same level as in the past few years. A new schedule of fees provided by the Statutes of 1961 will gradually eliminate the relatively small deficit that the Architecture Public Building Fund has developed. At the beginning of the budget year it is anticipated that this deficit will be approximately \$116,000 and at the end of the budget year it will have dropped to \$86,000. At this rate the deficit should be wiped out in a couple of years. *We recommend approval.*

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEM 185 of the Budget Bill

Budget page 464

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

Amount requested	\$14,979,022
Estimated to be expended in 1962-63 fiscal year.....	13,824,317
Increase (8.4 percent)	\$1,154,705
TOTAL RECOMMENDED REDUCTION.....	\$136,949

Item 185

Industrial Relations

Department of Industrial Relations—Continued

Summary of Recommended Reductions		Amount	Budget	
	Page		Line	
Division of Administration				
Personal Services				
1	Rehabilitation specialist	\$7,800	465	22
0.5	Rehabilitation medical consultant	7,350	465	23
1	Medical social worker	6,120	465	24
1	Intermediate typist-clerk	4,242	465	26
Operating Expenses				
	Printing	3,000	465	41
Subtotal		\$28,512		
Division of Industrial Accidents				
Operating Expenses				
	Contractual medical examinations	\$1,000	467	8
Subtotal		\$1,000		
Division of Industrial Safety				
Operating Expenses				
	General expense	\$550	467	74
	Printing	4,800	467	75
Subtotal		\$5,350		
Division of Industrial Welfare				
Operating Expenses				
	Printing	\$2,000	468	69
Subtotal		\$2,000		
Division of Labor Law Enforcement				
Operating Expenses				
	Printing	\$8,900	469	60
Subtotal		\$8,900		
Division of Apprenticeship Standards				
Personal Services				
2	Apprenticeship consultant	\$15,600	470	27
1	Intermediate stenographer	4,427	470	28
Operating Expenses				
	Printing	1,000	470	43
Subtotal		\$21,027		
Division of Housing				
Operating Expenses				
	Printing	\$1,900	471	18
Subtotal		\$1,900		
Division of Labor Statistics and Research				
Personal Services				
1	Associate research technician	\$8,604	472	8
1	Junior research technician	5,832	472	10
0.5	Temporary help	2,916	472	14
Operating Expenses				
	Traveling—in-state	1,500	472	31
Subtotal		\$18,852		
Division of Fair Employment Practices				
Personal Services				
1	Assistant education officer	\$8,604	472	82
3	Fair employment practice consultant	23,400	472	83
2	Intermediate stenographer	8,904	473	6
0.5	Temporary help	2,000	473	7

Industrial Relations

Item 185

Department of Industrial Relations—Continued

Summary of Recommended Reductions—Continued

Division of Fair Employment Practices—Continued	Amount	Budget	
		Page	Line
Operating Expenses			
General expense -----	1,500	473	21
Printing -----	5,000	473	22
Subtotal -----	\$49,408		
Grand total -----	\$136,949		

GENERAL SUMMARY

The Department of Industrial Relations is in some aspects the State's parallel to the Federal Department of Labor. The statistical program established with the creation of the Bureau of Labor Statistics in 1883 in fact predates the federal government's program by a year.

As presently organized, the Department of Industrial Relations dates from 1927 in which year seven independent labor-serving agencies were brought together into one department for general administrative purposes. Since that year, four additional divisions have been established. The organic acts supporting these divisions are found in the Labor Code.

In broad terms the Department of Industrial Relations is a federation of semiautonomous line activity units each serving a part of the general purpose of administering and enforcing a wide variety of state labor laws which seek to protect, promote and develop the welfare of wage earners, to improve their working conditions, and to advance their opportunities for profitable employment. Departmental activity ranges from preliminary job training to prevention of discrimination in employment, to safety regulation and inspection, to settlement of labor disputes, to the provision of industrial injury insurance and disability compensation, to the correction of improper working conditions, to wage collection and to the collection, analyzing and reporting of labor statistics.

Two of the department's 11 divisions were created by administrative order. A third, the State Compensation Insurance Fund, is a public service enterprise which is financed entirely through its own operation as a workmen's compensation insurance carrier and its proposed annual expenditures therefore do not appear in the Budget Bill.

One division is operated by a commission. Four others contain Governor-appointed advisory committees. Two divisions are headed by civil service chiefs, the remainder by Governor-appointed chiefs.

We said in our Analysis of the 1961 Budget Bill at page 390, "The large number of appointees in this department results in some confusion of lines of authority and responsibility, tends to emphasize divisional autonomy and largely limits the director's effective control over the various divisions to so-called housekeeping matter. Attempts to introduce efficiencies through consolidation or redistribution of responsibilities, functions and physical facilities are, therefore, more than ordinarily hampered." This condition still obtains and should, we believe, be corrected by changes in law.

Department of Industrial Relations—Continued

It is our recommendation that attention be given to the general problem of money handling, money control and internal auditing in this department.

We have in previous analyses recommended that the activities of the Division of Industrial Welfare and the Division of Labor Law Enforcement be consolidated. We renew that recommendation in this analysis.

We call attention to the transition problem which is facing the Division of Housing, a problem generated by changing concepts of service and of specific duties.

Our purpose in these comments and recommendations is to increase efficiency of service and by the elimination of duplication, effect some economies for the General Fund.

Workload in this department bears a direct relationship to the size of the State's work force and its growth, which in turn is related to population growth in California. For this reason, realistic workload measurements and formulas assume special importance with reference to both technical and clerical personnel in the department. Several of the divisions in the department in past years have employed carefully devised workload formulas as the basis for added positions in budget requests. We have encouraged all divisions to formulate such measurements.

ANALYSIS

Expenditures proposed by the Department of Industrial Relations for the budget year 1963-1964 total \$14,979,022, an increase of \$1,154,705, or 8.4 percent, over estimated expenditures for the current year.

Personal Services

Wage, salary, retirement and health and welfare expenditures proposed for fiscal year 1963-1964 amount to \$12,191,853, an increase of \$840,057, or 7.4 percent, over estimated expenditures for these purposes in the current year. The personal service expenditure represents 81.3 percent of the proposed cost of this department to the General Fund in the budget year.

New positions proposed for the several divisions total 100.5 as compared to the 90.6 requested at the beginning of the current year. The requested 100.5, however, is to be reduced by 22.8 for salary savings purposes leaving a net increase of 77.7 new positions.

Operating Expenses

Operating expenses scheduled for the department for the budget year total \$2,827,409, which is an increase of \$255,669 or 9.9 percent over estimated operating costs for the current year.

A large portion of operating expenses is for rent for offices and building space and this amounts to \$1,127,912, or 39.8 percent of the proposed operating expenses for the budget year. The proposed expenditure for rent divided by the anticipated net authorized positions shows a proposed office space cost of \$792 per employee.

Department of Industrial Relations—Continued

Equipment

Equipment expenditures proposed in total by the department for the budget year amount to \$159,095, for all divisions. This is an increase of \$53,541 over estimated similar expenditures for the current year.

Revenue

The department, through certain of its divisions, collects annual revenues which are deposited in the General Fund. This revenue is derived primarily from fees which provide portions of the support of these divisions by the public in return for inspections and licensing acts performed. There is also some miscellaneous income. Total estimated revenue for the budget year is \$464,800.

Division of Administration

GENERAL SUMMARY

Included within the Division of Administration is the office of the director, the office of the supervisor of workmen's compensation self-insurers, and administrative staff assistance including personnel, business, accounting, duplication, purchase and supply services for the entire department. The division pays the rent bill for all facilities housing the department's main office and its branch offices in 26 cities and meets the costs of certain other operating expense items, such as specialized training, which are common to all divisions.

In addition to its more than \$13 million in estimated annual expenditures from the General Fund for its normal operations, this department collects fees, acts as collector and trustee for wage earners and expresses opinions as to the solvency of business firms who are permitted to be self-insurers under the law. These activities involve considerable money handling and careful accounting. Fees estimated to be collected and paid into the General Fund for all purposes during fiscal year 1963-1964 amount to \$464,800. Trust moneys collected and disbursed for and to wage earners in fiscal year 1959-1960, the most recent period for which we have complete figures, amounted to \$1,884,794 in collections and to \$1,853,731 in disbursements. These funds pass through the hands of various division employees in departmental branch offices. As to the solvency of self-insurers whose books may be audited by the State under Section 15403 of Title 8 of the Administrative Code, opinions are largely based on forms completed and submitted to the department. No company audits have been made. It is to the credit of the self-insurers that they have not defaulted in providing required benefits for their injured employees, since the State does not test the validity of the company reports.

Recent audit reports of the department made by the Department of Finance and by the Auditor General have called attention to deficiencies which exist in money handling and related procedures. *We recommend that the department give attention to these problems with the objective of insuring that there will be proper fiscal control of all funds entrusted to or subject to the review of the department at all times.*

Department of Industrial Relations—Continued

ANALYSIS

Expenditures proposed for the Division of Administration for fiscal year 1963-1964 amount to \$2,014,323 which is an increase of \$289,586 or 16.7 percent over estimated expenditures for the current year.

Personal Services

Proposed new positions

1 Administrative assistant I (budget page 465, line 17).....	\$7,080
1 Intermediate clerk (budget page 465, line 18).....	4,242

The administrative assistant position is proposed to assist the administrative officer and the personnel officer in handling budgetary, personnel and administrative activities. The proposed clerical position would be added to the duplicating unit in the headquarters offices.

We recommend approval of these positions as budgeted.

The proposed position of administrative assistant will serve to correct in part one deficiency in the top staff of the department. Currently, employees must be detached from their normally assigned duties to assist in meeting workload which rests upon the assistant to the director and upon the personnel officer. We do not approve of such practice except in emergencies or where top administrative workload is cyclical.

We have reviewed workload in the duplicating unit. The unit has been operating shorthanded because of the increase in its responsibility growing out of department growth.

Proposed Rehabilitation Section

The budget includes a request to staff and begin the operation of a new section in the Division of Administration which is to be given the responsibility of reviewing all serious industrial injury cases to determine vocational rehabilitation needs. Initial requirements as proposed are for \$75,000 and for 6.5 positions. The proposed program contemplates that cases will be investigated; that injured workers will be advised; that cases which lend themselves to rehabilitation will be selected and that the section will assist the designated workers to effectuate vocational rehabilitation. The program is presented as a pilot operation. It appears unusual to us that the budget is being used in this case as the legislative vehicle rather than a bill to assign new functions and responsibilities and to establish a new operation within the department.

1 Chief rehabilitation specialist (budget page 465, line 21)---	\$10,968
2 Rehabilitation specialist (budget page 465, line 22).....	15,600
0.5 Rehabilitation medical consultant (budget page 465, line 23)	7,350
1 Medical social worker (budget page 465, line 24).....	6,120
1 Senior stenographer (budget page 465, line 25).....	4,788
1 Intermediate typist-clerk (budget page 465, line 26).....	4,242

Justification of the need for the above various positions is not supplied by the department. We assume that the group of positions is to be a review team.

Department of Industrial Relations—Continued

We recommend the deletion of one rehabilitation specialist, the medical consultant, one medical social worker and one intermediate typist-clerk for a saving of \$25,512.

There is controversy as to whether or not needs for vocational rehabilitation are now being met and, if they are not, what method should be employed to meet them. The problem was before the Legislature in the 1961 General Session in Assembly Bill 278, for example, as to whether or not vocational rehabilitation should be established as a part of the workmen's compensation program as has been done in some other states. That bill was not enacted.

It appears to us that there are a number of determinations which must be made before the program can become operative—for example: How many serious cases are there? How will the cases be selected for study? By what statutory authority may insurers be required to cooperate in this program? When is vocational rehabilitation to begin—after medical rehabilitation is completed or before? Will subsistence or maintenance payments be needed to assist a rehabilitation trainee in the support of his dependents? From studies made by the State Department of Education for the Legislature, there is indication that the eventual program workload might amount to about 0.62 percent of work loss injuries, a showing of 1,026 cases out of 165,531 work loss injuries in fiscal year 1959-1960.

It appears to us that until this area of activity can be measured and systems and procedures established, a team of 6.5 positions is larger than is necessary. A chief, an assistant and a secretary would seem adequate to carry forward the exploratory work. After procedure determinations are made, the department may then seek such added staff as appears necessary and on a firm rather than upon a conjectural basis.

Operating Expenses

Printing (budget page 465, line 41)----- \$12,846

The division proposes to spend \$12,846 for printing during the fiscal year 1963-1964 which is an increase of \$7,954, or 162.5 percent, over actual printing expenditures during 1961-1962 the most recently completed fiscal year. The department has not supplied complete justification for this item.

We recommend the deletion of \$3,000 from this item to reduce it to \$9,846.

The department has supplied us with material which appears to justify a printing expenditure of \$9,846 for the budget year. This amount, as we have analyzed it, provides for a price rise in printed material and for printing of the department's biennial report. The lump sum addition of \$3,000 is not explained or justified by the department and is out of trend when compared with past experience in this division.

Division of Conciliation

GENERAL SUMMARY

The Division of Conciliation is composed of the State Conciliation Service which reports through its civil service supervisor directly to the department director. The objectives of this division are to promote

Department of Industrial Relations—Continued

sound union-employer relationships and to prevent work stoppages through mediation or arbitration. Normally the service enters a labor dispute at the request of a party but it may offer its services under certain conditions. The division is given specific statutory responsibilities to determine collective bargaining units and to conduct representation elections for several transit districts.

Workload in this division has remained approximately level for the last few years. The division's recent activity appears to be 73 percent conciliation, 9 percent elections, 5 percent arbitration and 13 percent investigation and consultation. This is the smallest division in the department and has conciliators stationed in San Francisco, Los Angeles, Fresno and San Diego.

ANALYSIS

Expenditures for fiscal year 1963-1964 are scheduled at \$233,647 by the Division of Conciliation which is an increase of \$13,661 or 6.2 percent over estimated expenditures for the current year.

Personal Services

Proposed new position

1 *Intermediate stenographer (budget page 466, line 7)*----- \$4,452

The department seeks this proposed position to relieve the clerical burden in the headquarters office.

We recommend approval of this proposed position as budgeted.

We have reviewed the clerical workload in the headquarters office and the proposed new position appears to be justified.

Division of Industrial Accidents

GENERAL SUMMARY

The Division of Industrial Accidents contains the Industrial Accident Commission and its staff of referees and other specialists. The seven-member commission is appointed by the Governor who also designates one member to serve as chairman and administrative officer. The commission is a court whose jurisdiction is limited to the passing of judgment in industrial accident cases presented to it under provisions of the workmen's compensation law. Currently, it is estimated that approximately 25 percent of the disabling industrial work injuries incurred in the State reach the commission because of controversy, special benefits to be awarded or for other technical reasons.

This is the largest division in the department. Referees and related staff are currently stationed in 18 California cities.

ANALYSIS

Expenditures proposed for the Division of Industrial Accidents during fiscal year 1963-1964 total \$4,737,302, an increase of \$404,040 or 9.3 percent over estimated expenditures for the current year.

The number of disabling work injuries continues to rise though the injury rate per thousand employees has remained relatively constant for the last two years. In the 1961-1962 fiscal year 70,980 applications

Department of Industrial Relations—Continued

for action by the commission were filed. The commission informs us that the rate of filing continues to accelerate.

The division several years ago developed a workload formula which relates the need for additional referees to the number of dispositions made as a means of reducing the volume of pending cases. That formula is not being used to measure workload at the present time.

Personal Services

Proposed New Positions

10 Referee (budget page 466, line 56)-----	\$133,320
1 Permanent disability rating specialist II (budget page 466, line 57)-----	7,800
10 Hearing reporter (budget page 466, line 59)-----	74,280
10 Intermediate typist-clerk (budget page 466, line 60)-----	42,420
10 Senior legal stenographer (budget page 466, line 61)-----	50,280

The above positions, which constitute 10 referee teams, together with the one permanent disability rating specialist II are sought on a workload basis for fiscal year 1963-1964. The following table shows commission workload in reference to the number of filings, dispositions and pending matters which have been handled by the commission in recent months.

I.A.C. Compensation Bureau Monthly Report

Month	Total filings	Total dispositions	Total pending
1962			
July-----	6,400	6,330	15,572
August-----	6,651	6,232	16,029
September-----	5,888	4,933	16,943
October-----	7,178	6,694	17,426
November-----	6,496	6,137	17,728

We recommend approval of the 41 requested positions as budgeted at a cost of \$308,100.

It should be understood that the addition of these positions is not a large enough increment of staff to insure the disposition of all cases within the statutory time limits imposed and it appears likely that the commission will continue to have an unduly large pending caseload during the budget year.

Operating Expenses

Contractual medical examinations (budget page 467, line 8)--- \$5,000

The commission has the authority under the Labor Code to enter into agreements under which private physicians will make examinations of applicants and report their findings to the commission. This procedure is used in localities not covered by the commission's own medical examining staff. The item is budgeted on an "as required" basis.

We recommend the deletion of \$1,000 to reduce this item to \$4,000.

The amount we have recommended represents an increase of 50 percent over the actual \$2,669 expenditure for these purposes during fiscal year 1961-1962. The commission's own estimate is for an increase of 30 percent in new cases over the last complete year. If such estimate

Department of Industrial Relations—Continued

is to be taken as valid, the number of instances for the use of local physicians can be expected to increase in somewhat the same ratio. The amount we have recommended would appear to be adequate to cover not only the instances when local physicians are used but also to cover recently increased medical fees allowed by the commission.

Division of Industrial Safety

GENERAL SUMMARY

The Division of Industrial Safety includes the Industrial Safety Board which consists of the department director as chairman and four other members appointed by the Governor. The primary function of this division is the reduction of work injuries in employment and places of employment, secured through the promulgation and enforcement of safety orders, investigations, inspections and safety education program. The division operates through seven technical sections with offices located in 20 California cities. New programs recently added to the division's activity involve work in the fields of ionizing radiation and of noise control.

ANALYSIS

The Division of Industrial Safety proposes to spend for its operations during fiscal year 1963-1964 the sum of \$2,624,499 which is an increase of \$90,660 or 3.5 percent over estimated expenditures for the current year.

Personal Services

8 Safety engineer (budget page 467, line 59)	\$62,400
3 Intermediate typist-clerk (budget page 467, line 60)	12,726

The division seeks authorization for three safety engineers—elevator section and one each for the construction, electrical and industry sections for a total of six positions. It also requests two clerical positions in support of the technical positions. This group of positions is requested on a workload basis in accordance with formulas which take into account the number of inspections or the number of employers and the number of employees in the State. The formulas have been in use for a number of years.

Two safety engineer positions and one clerical position were authorized administratively in the current year to provide inspection services of establishments using licensed radiation-producing devices. This workload has developed as the result of radiation control legislation enacted in 1961. The three positions are to be supported out of reimbursement made by the Department of Public Health from license fees collected.

We recommend approval of the eight engineer and three clerical positions requested.

We are familiar with the workload formulas which this division employs to determine the need for additional technical personnel in its operating sections and they appear adequately to define such need.

The cost of the radiation inspection activity is financed out of license collections and does not represent a final charge against the General

Department of Industrial Relations—Continued

Fund. It is shown in the budget proposed for this section as a reimbursement item.

Operating Expenses

General expense (budget page 467, line 74)----- \$13,742

The item of general expense contains a subitem of tabulating supplies at an estimated cost of \$1,000 which represents an increase of \$597 over actual expenditures for the base year of 1961-1962. Actually involved in this item is the printing of identifying headings on tabulating paper.

We recommend the deletion of \$550 to reduce the item to \$13,192.

In its supporting materials, the division shows a 1961-1962 actual base year expenditure of \$403 for tabulating supplies. In the current year this item is increased to \$1,000. The increase is explained as providing for printed headings on tabulating paper for industrial section territory books. This increase of 148 percent is not further explained or justified. Our recommendation increases the base year expenditure by approximately \$40 to provide for staff growth and an increase in printing costs.

Printing (budget page 467, line 75)----- \$23,314

Printing expenditures proposed by this division for fiscal year 1963-1964 amount to \$23,314 which is an increase of \$13,274, or 132.2 percent, over actual expenditures for this purpose in fiscal year 1961-1962, the most recent completed fiscal year. The division states that with reference to many of the individual printed items, purchases were made just prior to fiscal year 1961-1962 and costs are therefore not reflected in the base year.

We recommend the deletion of \$4,800 to reduce this item to \$18,514.

It appears that the printing list for this division consists of a large number of small items for which orders are repeated on an approximate annual basis. We have compared expenditures by this division for the last four completed years. It appears to us that with allowances for staff and printing cost increases added to an average expenditure the reduced amount we have recommended should be adequate for printing in the budget year.

Division of Industrial Welfare

GENERAL SUMMARY

The Division of Industrial Welfare contains the Industrial Welfare Commission whose five members together with the division chief are appointed by the Governor. The division is responsible for the enforcement of state laws dealing with wages, hours and working conditions of women and minors and the enforcement of wage orders promulgated by the commission after public hearings.

Offices are maintained by the division in 20 California cities. The commission in 1961 promulgated two new wage orders and revised one existing order relating to women working with growing crops and with agricultural products after harvest both on the farm and in the packing sheds. Attempts to enforce these orders ran into technical difficulties which have resulted in current year restudy and amend-

Department of Industrial Relations—Continued

ment of these orders. The commission's other wage orders are also opened for review and possible amendment during the current year.

In previous analyses we have called attention to the opportunity for savings which a merger of the Division of Industrial Welfare and the Division of Labor Law Enforcement would produce. The Labor Commissioner's office was established in 1883. The Industrial Welfare Division was established in 1913 to give special attention to needs of working women and minors. Continued changes by legislation have brought these two divisions into such close parallel that it is sometimes a matter of chance as to which division will handle a given problem.

Both divisions enforce laws regulating hours, wages and working conditions. Both issue licenses for several purposes. Both collect wages for employees. Operational procedures are similar.

We therefore renew our previous recommendation that the activities of these two separate divisions be consolidated.

ANALYSIS

The division proposes expenditures for fiscal year 1963-1964 in the amount of \$718,158 which is a decrease of \$36,271 or 4.8 percent from estimated expenditures for the current year.

Personal Services

Proposed New Position

0.5 Intermediate stenographer (budget page 468, line 56)_____ \$2,172

The half-time position is proposed to bring the existing authorized half-time position in the Santa Rosa office to a full-time basis as the result of increasing workload.

We recommend approval of the requested position as budgeted.

Operating Expenses

Printing (budget page 468, line 69)_____ \$20,836

Printing expenditures by this division are scheduled at \$20,836 for fiscal year 1963-1964, an increase of \$14,313 or 219.4 percent over the \$6,523 expenditure for this purpose in the last completed fiscal year of 1961-1962. It appears from the material submitted in support of the request that the division had only a limited amount of printing done in the base year of 1961-1962.

We recommend deletion of \$2,000 to reduce this item to \$18,836.

While it appears from the supporting information that a part of the printing bill results from the need to publish the commission's wage orders it further appears that the division is proposing extensive duplication of its print order in the budget year for items being printed in substantial quantity during the current year. The reduced amount recommended accounts for growth and price increases and should provide printed materials at current levels of service.

Division of Labor Law Enforcement

GENERAL SUMMARY

This division is headed by the State Labor Commissioner who is appointed by the Governor. The division is responsible for the enforcement of all labor laws, not specifically delegated to other agencies.

Department of Industrial Relations—Continued

Permits are issued for the employment of minors and licenses are issued to private employment agencies and to farm labor contractors. A substantial portion of the workload of this division consists of complaints for failure to pay wages and which often involve investigations and hearings. The division maintains offices in 18 California cities.

As we noted in our analysis of the Division of Industrial Welfare that division and the Division of Labor Law Enforcement have now become closely parallel in fields of activity. There no longer appears to be any serious impediment to a merger of their operations. In our view, such a consolidation could well result in significant savings to the General Fund.

ANALYSIS

Expenditures proposed for the division during budget year 1963-1964 total \$1,560,089, an increase of \$130,455, or 9.1 percent, over estimated current year expenditures.

Personal Services

4	Deputy labor commissioner (budget page 469, line 42)-----	\$31,200
3	Special investigator (budget page 469, line 43)-----	18,360
7	Intermediate typist-clerk (budget page 469, line 44)-----	29,694
0.5	Temporary help (budget page 469, line 45)-----	2,214

The 14 requested positions are proposed on a workload basis.

We recommend approval of the 14.5 positions as requested.

We have had the opportunity to observe the field operation of this division and to take a sampling of its workload. The deputy labor commissioners requested are sought on the basis of the current caseload and the special investigators are within the current ratios between deputies and investigators. Supporting clerical help is at a slightly higher level than present ratios but appears justified by reason of an increasing clerical workload.

Operating Expenses

	Printing (budget page 469, line 60)-----	\$21,164
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The division proposes to spend \$21,164 for printing during fiscal year 1963-1964 which is an increase of \$13,040 or 160.5 percent over actual expenditures for this purpose during fiscal year 1961-1962. The reason cited for the sharp increase is that a changeover in forms has been made and that stock was not reordered during the base year.

We recommend the deletion of \$8,900 to reduce this item to \$12,264.

We have looked back into the amounts actually spent for printing by this division for the last three completed years. An average of the amounts including estimates for the current year related to the number of authorized deputies shows a substantially lower rate of increase in printing expenditure than is indicated by the requested amount. The reduced figure maintains current levels of expenditure and accounts for staff and printing cost increases over the base year with a substantial amount for the printing of new forms.

Department of Industrial Relations—Continued

Division of Apprenticeship Standards

GENERAL SUMMARY

The division administers the Shelley-Maloney Apprentice Labor Standards Act of 1939. The department director is ex officio Administrator of Apprenticeship. The division includes an Apprenticeship Council consisting of six employers, six employees and two public members appointed by the Governor and two ex officio members—the department director and a vocational education representative of the State Department of Education. The division is charged with fostering, promoting and developing apprentice welfare and accomplishes its objectives largely by co-ordinating and supervising local joint apprenticeship committees. The division co-operates closely with the Federal Bureau of Apprenticeship and Training.

Chapter 1892 of the 1961 General Session of the Legislature added a new "other than apprenticeship" training program to the work of this division. Provision is made by this new program for retraining journeymen, training prospective workers in nonapprenticeable occupations or retraining workers displaced by technical or economic changes. All programs are carried by a field force working out of 16 offices in the State.

ANALYSIS

The Division of Apprenticeship Standards proposes to spend \$1,246,594 during the 1963-1964 budget year which is an increase of \$25,412, or 2 percent, over estimated expenditures for the current year.

Personal Services

Proposed New Positions

2 Apprenticeship consultant (budget page 470, line 27) ----- \$15,600
 1 Intermediate stenographer (budget page 470, line 28) ----- 4,427

The above three positions are requested by the division to reinforce its consultative services in the field of equal opportunity for the entry into apprenticeship of qualified persons without regard to race, creed or national origin.

According to information published by the division, it currently sponsors, as a part of its regular program of apprenticeship promotion, a statewide equal opportunity for minority groups committee and local committees are formed for the same purpose in San Francisco and Los Angeles.

We recommend deletion of the three proposed positions for a saving of \$20,027.

It is our view that the division is now adequately staffed to handle its responsibility in the field of equal opportunity for the entry of all qualified individuals into apprenticeship. Entry into apprenticeship training requires a qualified person, the need in an apprenticeable occupation for more journeymen, a willingness on the part of employers or labor organizations or both, to provide and supervise on-the-job training for apprentices.

The active control of apprenticeship programs rests primarily in the hands of local and statewide committees representing labor and em-

Department of Industrial Relations—Continued

employers which conduct their own programs. The apprenticeship consultant sees that programs are operated in accordance with the law and serves as stimulator and advisor to the committees within his jurisdictional area.

The division and the Apprenticeship Council have devoted considerable space to the minority apprenticeship problem in their publications. Their consultants in the field have such problems before them in their daily work.

Our recommendation is based upon the following points.

(1) The division is already at work on the problem of equal opportunity. (2) Because of the interwoven programs in this area of service an apprenticeship consultant must handle all matters in his territory, including that of equal opportunity. (3) Specialists in the equal opportunity program—one north and one south—could maintain contacts with but a limited number of the more than 600 local committees. (4) The desired results could better be secured by increased emphasis by the present consultants upon the necessity of assuring equal opportunity to all qualified apprenticeship applicants. (5) It is essential that the workload in this problem area be estimated and programmed realistically before special staffing is requested. (6) In the event that it is felt that more consultants are needed, that need should be measured under the established division formula.

Operating Expenses

Printing (budget page 470, line 43)----- \$8,839

The division requests an expenditure of \$8,839 for printing during the budget year 1963-1964 which is an increase of \$3,591 or 68.4 percent over actual expenditures for this purpose during 1961-1962, the most recently completed fiscal year.

From a review of the schedules supporting the division's request it appears that relatively less printing was purchased in the base year than normally. During the current year, printing purchases have increased and now these purchases are to be duplicated in the budget year.

We recommend deletion of \$1,000 to reduce this item to \$7,839.

No suggestion is offered by the division that its operations and services were impaired by the lack of a full printing order schedule during the base year. The reduced amount we recommend provides for staff and price increases over the base year together with an added amount which should prove adequate to cover any unanticipated additional printing which might be desirable in the budget year.

Division of Housing

GENERAL SUMMARY

This division is given broad powers by the Labor Code to study the operation and enforcement of housing laws; to inspect buildings and public records; to conduct investigations; to gather evidence, hold hearings, institute prosecutions; to encourage city planning, require reports; to call housing conferences and to furnish information.

Department of Industrial Relations—Continued

In addition, the division is charged with the responsibility of supervising the administration and enforcement of state laws regulating housing used for human habitation, in particular the State Housing Law (apartments, hotels, dwellings), the Mobilehome and Mobilehome Parks Act (trailers and trailer courts), the Auto Court and Resort Act (motels), and the Earthquake Protection Law. In the event that local agencies do not assume the task of enforcing these acts, the responsibility falls directly on the division. Most of the acts mentioned carry fee schedule provisions which are designed to make it possible for the enforcing agency to recover costs.

The division enforces code sections providing occupancy standards for and the registration of farm labor camps.

Legislation in 1961 abolished the former Commission on Housing in this division and substantially revised the major acts enforced by the division to the extent that the field staff is being called upon as much for advice as it is for law enforcement inspections. The division operates out of area offices located in five cities. The presale inspection of trailer coaches occupies a heavy proportion of the division's staff time in Southern California. This latter program is also based on fees collected from manufacturers or sellers.

It is quite obvious from close observation that this division is in a state of transition to a still uncertain future. Originally conceived as an agency to be concerned with the problem of insuring adequate housing for working men or economically depressed families, the agency now finds itself largely in the business of building inspection in the areas of the State which make no provision for such function or in the business of setting standards and advising local officials with reference to the enforcement of these standards.

Since housing problems are now investigated and commented upon by other agencies and since building inspection and the enforcement of regulations is by custom a local rather than a state function, it may well be that this division will shortly have reached the end of its useful purpose. It would appear that one more year will provide sufficient time within which to determine whether or not the division should be continued, or in the alternative, merged with some other agency.

ANALYSIS

The Division of Housing requests approval of expenditures totaling \$664,464 for budget year 1963-1964 which is an increase of \$31,171, or 4.9 percent, over estimated expenditures for the current year.

Operating Expenses

Printing (budget page 471, line 19) ----- \$27,177

Printing expenditures proposed by the division for fiscal year 1963-1964 amount to \$27,177, an increase of \$15,990 or 142.9 percent over the actual 1961-1962 fiscal year expenditures for this purpose.

Supporting information for this request indicates a lack of printing purchases in the 1961-1962 base year. However, because of a number of new programs established within this division by the Legislature, the printing budget for the current year was approved at a level of \$23,770.

Department of Industrial Relations—Continued

We recommend that \$1,900 be deleted from this item to reduce it to \$25,277.

No information has been supplied to us which indicates a need for a higher level of printing expenditure for this division than is being maintained during the current year. We have adjusted the currently approved budget figure upward for slight increases in staff and costs and the reduced amount will maintain the currently approved level of service.

Division of Labor Statistics and Research

GENERAL SUMMARY

The Division of Labor Statistics is directed to collect, compile, and publish a wide variety of labor statistics and to perform statistical functions for the department. The division chief has civil service status. The principal categories of statistics which the division compiles and analyzes are employment payrolls, industrial relations, work injuries, and the cost of living. The division does all statistical work for the department including internal administrative statistical work for several of the divisions. All activity is contained within the San Francisco office.

ANALYSIS

The division proposes to spend \$710,226 for its operation during fiscal year 1963-1964, an increase of \$93,296 or 15.1 percent over estimated expenditures for the current year.

Personal Services

Proposed New Positions

4 Assistant research technician (budget page 472, line 9)_____	\$28,320
1 Senior typist-clerk (budget page 472, line 11)_____	4,788
2 Senior clerk (budget page 472, line 12)_____	9,576
1 Intermediate clerk (budget page 472, line 13)_____	4,242

Four of the positions above are requested on a workload basis for the work injury section which compiles statistics relative to industrial accidents. Four positions are requested for the employment and payroll section for the purpose of bringing the reporting sample up to date and maintaining it in that condition; to improve the reports with reference to smaller metropolitan areas; and to develop data with reference to industrial growth.

We recommend the approval of four assistant research technician positions, one senior typist-clerk position, two senior clerk positions, and one intermediate clerk position as requested.

Because of the character of its products and services, the personnel needs of this division are not related to an objective workload measurement. The statistical reports required grow as the labor force in the State grows. The administrative workload grows as the number of employees within the department grows.

This division received its last increment of new positions in the 1960-1961 fiscal year. Since that time the volume of work injuries has increased about 2 percent and employment about 3 percent. During the

Department of Industrial Relations—Continued

same period including the current year the number of employees in the department increased approximately 9 percent. It, therefore, appears that the authorization of the eight positions is justified on a workload basis.

1 Associate research technician (budget page 472, line 8)-----	\$8,604
1 Junior research technician (budget page 472, line 10)-----	5,832
0.5 Temporary help (budget page 472, line 14)-----	2,916

Two and one-half positions are requested by the division for the specific purpose of keeping the "budget for a self-supporting working woman"—popularly referred to as "Minnie's budget"—up to date and on a current basis.

We recommend the deletion of one associate research technician position, one junior research technician and 0.5 man-years of temporary help for a saving of \$17,352.

The Division of Industrial Welfare is given authority in the Labor Code to investigate from time to time and to make findings as to whether wages paid to women are adequate to meet "the cost of proper living." If the division finds wages need adjustment, it appoints wage boards to consider the matter and may then, after required procedures, issue wage orders. It is in this process that the current minimum wage budget becomes useful. This so-called "Minnie's budget" has been compiled periodically and used as a guide in the formulation of minimum rates of pay to be included in commission wage orders. The division does not contemplate the revision of any wage orders for 1963-64.

It has been the custom to budget and staff the minimum budget study on a temporary basis when required. Such an item, for example, was included in the 1960-1961 Budget Act for this purpose and the resulting new minimum budget was published approximately a year and a half ago.

The request for the authorization of positions in the division to work on this project on a continuing basis appears to us to amount to a new departmental program rather than a workload extension of existing authorized activity. No justification is presented in support of the establishment of this new continuing program.

Operating Expenses

Traveling—in-state (budget page 472, line 31)-----	\$7,055
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The division has scheduled the expenditure of \$7,055 for in-state travel during fiscal year 1963-1964, an increase of \$3,026, or 75 percent, over actual expenditures for this purpose during the last completed fiscal year of 1961-1962.

We recommend deletion of \$1,500 to reduce this item to \$5,555.

While the division seeks to justify the increase in travel costs requested, it appears to us that the estimates for the budget year are over generous and provide a budget that reflects choices and contingencies rather than specific areas of required travel by designated employees.

Department of Industrial Relations—Continued

Our recommended reduction still leaves a travel amount which includes adjustment for staff growth and for meal, lodging and automobile operation price increases. The reduced figure provides an amount which should maintain travel at current levels. This division does not maintain a large staff of technicians who must travel extensively to discharge their responsibilities.

Division of Fair Employment Practices

GENERAL SUMMARY

This division includes the five-member Fair Employment Practices Commission which together with the division chief is appointed by the Governor. Protection of the right and opportunity of all persons to seek, obtain and hold employment without discrimination on account of race, religious creed, color, national origin or ancestry is the objective assigned to this division. The division is directed, where possible, to accomplish its objective through conference and conciliation. The commission is empowered to appoint advisory agencies and conciliation councils. The division's operations are conducted out of offices in San Francisco and Los Angeles.

In our analysis of the 1961-1962 Budget Bill we observed that our projection of workload indicated, for that fiscal year, a consultant caseload of about 48 cases per work year per consultant. The November 1962 report of the director of the department states that from the effective date of the act creating the division through the month of October 1962, the division received 1,974 complaints alleging discrimination. The period encompassed 779 working days. The number of complaints divided by the number of working days shows that, in total, the two offices received between them 2.5 new cases a day. Our calculations based on the report show that 1.8 cases were completed each day. Every third case filed is reported to have contained evidence of discrimination in employment.

New cases filed averaged 632.5 per year (249 working days per year). This total divided by the number of consultants authorized (13) results in an annual workload figure of 48 which was the same workload projected for each consultant in fiscal year 1961-1962. This amounts currently to less than one new case for each consultant each work week.

ANALYSIS

The Division of Fair Employment Practices proposes to spend \$468,946 during the budget year 1963-1964 which is an increase of \$111,921, or 31.3 percent, over estimated expenditures for the current year.

Personal Services

Proposed New Positions

1 Assistant education officer (budget page 472, line 82)-----	\$8,604
3 Fair employment practice consultant (budget page 472, line 83)-----	23,400
2 Intermediate stenographer (budget page 473, line 6)-----	8,904

Department of Industrial Relations—Continued

The division requests the above six positions at an estimated total cost of \$30,900 to staff a new program to safeguard equality of opportunity and to promote nondiscrimination in publicly financed housing which program is contingent upon the passage of enabling legislation during the current general session of the Legislature. Unsuccessful attempts were made at the 1961 General Session in such bills as Assembly Bill 801 to extend the jurisdiction of this division to include the problems of discrimination in publicly assisted housing. A number of other states, notably New York and New Jersey, Colorado and Washington, have commissions against discrimination whose jurisdiction extends to discrimination problems in housing. Whether or not the division's jurisdiction is to be extended to include the new program is a policy decision for the Legislature.

We recommend the deletion of the requested position of assistant education officer and one requested position of fair employment practice consultant for a saving of \$16,404.

It is our view that consultants in this division, with one new case a week added to individual workload have a smaller workload per individual than many other technical positions in this department. It appears to us that in the event enabling legislation is enacted and problems of discrimination in housing are added to the portfolio of this division, the remainder of the requested positions, including one consultant and clerk in the northern office and one consultant and clerk in the south assigned specifically to this problem, assisted by the presently authorized consultants, should be sufficient to implement the program for the first year and until this program can accumulate workload experience.

2 Fair employment practice consultant (budget page 472,
line 83) ----- \$15,600

Two additional consultants are requested to undertake the process of establishing local community advisory councils whose task it will be to look into local employment practices in search of possible areas of discrimination in employment.

We recommend the deletion of two requested fair employment practice consultant positions for a saving of \$15,600.

The Fair Employment Newsletter published for July and August 1960 announced on page one the employment of the division's special representative whose "main duty will be to develop community advisory committees throughout the State." We are not supplied with information as to what the special representatives assignments have been since his appointment and do not know of the organization or existence of any such advisory committees or councils as yet. It appears to us that until there is more concrete evidence of workload requiring the requested additional staff, it would be premature to increase authorized positions for this purpose in the budget year.

2 Intermediate stenographer (budget page 473, line 6) ----- \$8,904
0.5 Temporary help (budget page 473, line 7) ----- 2,000

Department of Industrial Relations—Continued

The clerical positions requested are for the purpose of augmenting staff on the basis that at higher levels, the present staff is inadequate to meet the demands of a growing program.

We recommend deletion of two requested positions of intermediate stenographer and 0.5 requested man-years of temporary help for a saving of \$10,904.

In its budget request for the current year, the division sought two senior stenographers to serve higher staff positions. The Legislature denied the request. In the presently authorized number of positions in this division, there are currently 12 secretaries serving a combination of seven top eschelon and 13 consultant positions, a secretarial ratio of three to five which appears to us to be adequate.

Operating Expenses

General expense (budget page 473, line 21)----- \$12,200

The division proposes to spend \$12,200 for general expense during fiscal year 1963-1964, an increase of \$1,673 or 15.8 percent over estimated expenses for the current year. This item includes office supplies, various services and general miscellaneous costs of office operation.

We recommend the deletion of \$1,500 to reduce this item to \$10,700.

Estimated general expense for this division for the current year is more than double that of fiscal year 1961-1962 which was the third year of operation by this agency.

The division estimated its general expense for the 1961-1962 budget at \$12,710 and actually spent only \$5,198 for this purpose during that year. Estimated expense for the current year includes among other items, the addition of substantial sums for exhibits and displays, administrative procedure hearings, and witness and mileage fees. Most estimated costs in this item are proposed to be continued on a higher level in the budget year. We have been supplied with no information as to reasons for increasing the level of service in the budget year over that of the current year.

Printing (budget page 473, line 22)----- \$18,215

Printing expenditures requested for the budget year total \$18,215, an increase of \$7,104, or 63.9 percent, over estimated expenditures for this purpose for the current year and would amount to nearly five times the actual printing expenditure for the budget base year of 1961-1962.

We recommend the deletion of \$5,000 to reduce this item to \$13,215.

The division proposed in the 1962-1963 budget to spend \$5,884 for printing during the current year but now estimates its expenditure at \$11,111 for this purpose during the current year. Three booklets published by the division account for much of the increase in the current year printing bill over that of the cost of printing in the base year. The division now proposes to reprint these booklets in the same or increased number of copies for the budget year. We are supplied with no information as to current inventory or stocks on hand of these booklets which were published in substantial quantity and no justification for an increased level of service over that of the current year.