

State Treasurer—Continued

3,118,172; the actual amount was 2,657,127. Temporary help for 1964-65 was 0.7 man-years less than the original estimate. The agency did not submit workload estimates for the current or budget years.

No change in personnel for the program is anticipated for the current or budget years.

We recommend approval of the item as budgeted.

HEALTH AND WELFARE AGENCY ADMINISTRATOR

ITEM 161 of the Budget Bill

Budget page 596

FOR SUPPORT OF THE HEALTH AND WELFARE AGENCY ADMINISTRATOR FROM THE GENERAL FUND

Amount requested -----	\$203,989
Estimated to be expended in 1965-66 fiscal year -----	171,414
	\$32,575

Increase (19 percent) ----- \$32,575

TOTAL RECOMMENDED REDUCTION ----- None

GENERAL PROGRAM STATEMENT

The Administrator of the Health and Welfare Agency supervises and for the Governor coordinates the Departments of Mental Hygiene, Public Health, Rehabilitation, Social Welfare, the Citizens Advisory Committee on Aging, the Office of Atomic Energy Development and Radiation Protection, and the Mental Retardation Program. Chapter 4, Statutes of 1965, Second Extraordinary Session, also made the administrator responsible for the administration of the state's new health care program, effecting a basic change in the statutory agency administrator concept. Details concerning the administrative staff for this function are not available at the present time but will be submitted to the Legislature in a separate addendum to the budget. One consultant position was administratively established in 1965-66, and is proposed to be continued in the budget year for the purpose of coordinating the poverty programs in the state. The administrator is also requesting one additional position to assist in handling the increasing administrative responsibilities in the agency.

ANALYSIS AND RECOMMENDATION

The agency administrator proposes a total expenditure of \$397,889 in 1966-67. This amounts to an 8.9 percent increase over the estimated level of expenditure in 1965-66. Included in this figure is \$203,989 of General Fund money and \$193,900 of federal grant support. The agency administrator is currently authorized 12.5 positions and is requesting a staff increase of 1.3 positions to assist the agency in its administrative responsibilities. Of these 13.8 requested positions, 5 will be involved in activities in the agency administrator's office and 7.8 are being requested as a continuation of the mental retardation program, established by the Statutes of 1965. The other position of special consultant does not work in the agency administrator's office although paid from this budget. The position is assigned to the Governor's office to coordinate the federal-local economic opportunity program.

Health and Welfare Agency Administrator—Continued

This budget does not include \$546,000 appropriated to this agency by Chapter 4, Statutes of 1965, Second Extraordinary Session, for the purpose of developing and administering the state's new health care program. Approximately 6 positions are located in this agency at the present time for this purpose. There are also approximately 95 positions temporarily located in mental hospitals, paid for out of this appropriation, for the purpose of qualifying mental patients for welfare assistance under this new legislation. There will be permanent staff located in the agency for the purpose of implementing this new medical program and that staff along with the \$546,000 appropriated for administration should be accounted for in this budget in the future regardless of the final decision with regard to budgeting for the medical care program itself.

We recommend approval as budgeted.

CITIZENS ADVISORY COMMISSION ON AGING

ITEMS 162 and 163 of the Budget Bill

Budget page 599

FOR SUPPORT OF CITIZENS ADVISORY COMMISSION ON AGING FROM THE GENERAL FUND

Amount requested	\$124,722
Estimated to be expended in 1965-66 fiscal year	80,171
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Increase (55.6 percent)	\$44,551
Increase to improve level of service	\$39,470

TOTAL RECOMMENDED REDUCTION..... None

GENERAL PROGRAM STATEMENT

The Citizens Advisory Committee on Aging was established in 1956 with the purpose of advising the Governor on action necessary to meet the needs of older persons in California; to work with local communities in developing programs for the well-being of the aged; and to act as an information center for all interested individuals and organizations.

ANALYSIS AND RECOMMENDATION

The Citizens Advisory Commission on Aging proposes to expend a total of \$421,722 in the budget year. This includes \$297,000 of federal funds, \$85,252 from the General Fund for continuing operations and workload increases, and \$39,470 of program augmentation from the General Fund. This is an increase of General Fund expenditures of \$44,551 or 55.6 percent over the current fiscal year.

The advisory committee is currently authorized 5.1 positions, three of which are filled, and is requesting a total of 6.4 new positions or a staff increase of 125 percent. Three of the requested positions are the result of a workload and administrative adjustment concerned with this committee's responsibility to act as the administrative agency for implementing the Older Americans Act under Public Law 89-73. The remaining 3.4 positions are being requested as staff in the southern California area office, the establishment of which was approved by the Legislature in the last general session. The southern California office represents a step in the direction of implementing a state plan which

Citizens Advisory Commission on Aging—Continued

has been developed pursuant to the provisions of the Older Americans Act. The cost of these 6.4 positions is to be partially offset by approximately 75 percent federal funds.

In 1964-65 the committee's total expenditure was \$73,678 and it was authorized 5.1 positions, all of which were filled. Those expenditures and positions supported the same general type of activities as are contemplated for the budget year, with the exception of the federal program, and were conducted from a single office in Sacramento.

We recommend approval as budgeted.

OFFICE OF ATOMIC ENERGY DEVELOPMENT AND RADIATION PROTECTION
 ITEM 164 of the Budget Bill Budget page 602

**FOR SUPPORT OF THE OFFICE OF ATOMIC ENERGY
 DEVELOPMENT AND RADIATION PROTECTION
 FROM THE GENERAL FUND**

Amount requested	\$55,253
Estimated to be expended in 1965-66 fiscal year	53,162
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Increase (3.9 percent)	\$2,091
TOTAL RECOMMENDED REDUCTION	None

GENERAL PROGRAM STATEMENT

The atomic energy development and radiation protection program provides advice to the Governor and the Legislature in the area of atomic energy development and radiation protection, coordinates the activity of state and local public agencies having responsibility in the field of atomic energy and radiation protection, acts as a liaison to other states and various agencies of the federal government and disseminates information to the public and governmental agencies.

ANALYSIS AND RECOMMENDATIONS

Total support of \$55,235 is proposed for this office for fiscal 1966-67. This is \$22,497 more than the \$32,738 which was actually expended in fiscal 1961-62, or an increase of 69 percent over a five-year period. The proposed 1966-67 budget includes \$1,250 in contractual services to obtain technical consultation for the development of a prototype of an X-ray technician training program.

The program will continue to act as the state's intervenor and participant in U.S. Atomic Energy Commission nuclear powerplant licensing hearings. The Atomic Energy Committee will be further encouraged to locate the proposed new national accelerator laboratory at one of the proposed sites in California. Liaison is to be continued relative to the agreement whereby the Atomic Energy Commission transferred to the state a part of the commission's radioactive material licensing and inspection program. This transfer was effected as of September 1, 1962. Information will continue to be exchanged with other states relative to matters of common interest such as the operation of radioactive waste burial sites. The program will continue to assist in such industrial applications of atomic energy as the siting of nuclear power facilities.

Office of Atomic Energy Development and Radiation Protection—Continued

Activity of this office during 1964-65 included assistance to an industry which proposes to fabricate wood-plastic combinations through a process which involves the impregnation of woods with monomers and the subsequent irradiation of the entire mass. Work was also carried on in the siting of nuclear reactors to be used in the generation of power. The program also acted as the state's intervenor and participated in U.S. Atomic Energy Commission licensing hearings on nuclear power facilities which were proposed to be located at various sites in California.

We recommend approval as budgeted.

**Department of Mental Hygiene
SUMMARY**

	Budget page 604
Proposed total program 1966-67-----	\$225,000,598
Estimated to be expended in 1965-66 fiscal year-----	215,053,891
Increase (4.6 percent) -----	\$9,946,707

GENERAL PROGRAM STATEMENT

The Department of Mental Hygiene has primary responsibility for the state's tax-supported programs for prevention of mental illness and the care and treatment of persons suffering from mental illness as well as for the major tax supported programs of prevention, care and treatment of mental retardation. To meet this responsibility the department operates hospitals with related preadmission and aftercare services, conducts research and training programs including the operation of two neuropsychiatric clinics for research into causes and cures of mental illness and mental retardation and the training of psychiatrists and related staff, and supervises the operations of, and subvention of state funds for the support of, community mental health facilities.

The operations and activities of the department are divided into four major programs for the purposes of this analysis:

1. Program for the mentally ill.
2. Program for the mentally retarded.
3. Research and training.
4. Community mental health program.

The department is requesting a total budget of \$225,000,598 for fiscal 1966-67. This is \$68,918,572 more than was expended in 1962-63 or an increase of 44.2 percent in a five-year period. If this same rate of growth in expenditures is maintained for the next five years, costs in 1970-71 can be expected to be \$325,320,399. The average daily resident population of all hospitals in 1962-63 was 46,346 while admissions were 27,047 and releases were 26,989; comparable figures for 1966-67 are estimated to be: average daily population, 39,929; admissions, 29,650; releases, 31,472. Average population has decreased by 6,417 patients or 13.8 percent. Admissions have increased by 2,603 or 9.6 percent and releases by 4,483 or 16.6 percent. These figures indicate that while more individuals have entered or reentered state hospitals, the average

Department of Mental Hygiene—Continued

length of time spent in the hospital has been reduced for a substantial number of patients resulting in many fewer patient days of care being provided. During this same period of time, the average per capita cost of care has risen from \$2,884 in 1961-62 to \$4,253 in 1966-67 for mentally ill patients and from \$3,253 to \$4,178 for mentally retarded patients.

The decline in the quantity of service provided during this period has not been reflected in a decrease in cost. This can be attributed to the increased levels of service which have been provided. Among these are lower patient-employee ratios, special staffing, increased post-hospital care, and a substantial increase in the utilization of partially state supported community oriented facilities for mental health care. Two of the most important factors in the overall reduction in average residential population have apparently been the availability and increasing use of social welfare assistance programs to support released mental patients who otherwise might have remained in the hospital, and the increased availability of and reliance placed on tranquilizing drugs as an aid to releasing patients sooner and more successfully.

These factors, the welfare programs and the increased use of drugs, are not directly responsible for substantial cost increases in the mental hygiene program. Some growth of the bureau of social work related to cases placed on the welfare rolls and the increased cost of additional drugs purchased are the only direct costs and constitute a minor part of the overall increase in program costs cited above. While improvements in the quality of services which have resulted from the increased expenditures for this program have undoubtedly played a part in the improvement experienced in terms of numbers of patients hospitalized and the length of time of hospitalization, it is not generally possible at this time to assess the value of specific activities. In the absence of such critical assessment the tendency has been to continue to do everything that has been done before, and only seek to add new untried activities which hold forth some promise of effectiveness. It would appear to be desirable to direct some of the research evaluation and planning capability of the department into a reassessment of current practices and procedures.

ANALYSIS AND RECOMMENDATIONS**Mentally III**

The program for the mentally ill provides care and treatment for patients in 10 state hospitals with related preadmission screening and aftercare services. Its objective is the treatment of mental illness with a view to restoring the individual to an acceptable level of function in the community if possible, and protecting and caring for the patient during such period of time as he is unable to protect and care for himself. The program includes the provision of food, clothing and shelter as well as diagnostic, medical, psychiatric, psychological, social and rehabilitative therapy. To the extent of their resources patients pay an average cost for their care; however, reimbursement to the state for

Department of Mental Hygiene—Continued

this purpose constitutes only a small part of the total cost of the program. In 1964-65 such collections amounted to \$14,013,444 and are estimated at \$16,808,000 for 1966-67.

The department is requesting a total of \$123,834,834 to support this program in the budget year. Expenditures in 1964-65 are estimated at \$112,667,457. This is an increase of 9.9 percent. Actual average mentally ill resident population in 1964-65 was 30,518 and is estimated to be 25,955 in 1966-67. Admissions, including readmissions, for 1964-65, were 27,252 and are estimated to be 28,250 in 1966-67, while releases were 29,640 and are estimated to be 30,200. The decrease in volume of care provided, as measured by average resident population, is not reflected by a reduction in personnel. In fact additional staff is being requested over the level of both 1964-65 and 1965-66. The retention of authorized staff and the addition of new staff, while resident population is declining, results in increasing the level of service provided. It is true that the increased rates of admissions, including readmissions, and increased release rates do constitute a significant change in activity within the hospitals which has required a change in staffing requirements. Much of this has been met by increasing the direct treatment staff concerned with admissions and releases, and much has been met by retaining staff formerly required by the larger resident population. This trend has continued since 1959 when resident population peaked at 37,489. By 1964-65 it had declined to 30,518 or by 18.6 percent. Resident population is expected to decline in both the current and budget years and to average 25,880 for 1966-67. This will reflect a total decline of 11,609 or 31 percent from 1958-59.

First admissions to the hospitals grew from 13,927 in 1958-59 to 15,152 in 1964-65 (8.8 percent), readmissions grew from 6,257 to 9,800 (56.6 percent) and court observations from 1,160 to 2,300 (98.3 percent). Combining all types of admissions for the period, 21,344 in 1958-59 have grown to 27,252 in 1964-65.

To date there is no factual basis upon which to equate the increased cost of new admissions and readmissions with the declining costs of average residential populations. The department is currently doing some work directed toward isolating certain cost factors involved in the intensive treatment aspects of new admissions. When this is completed it may be possible to make a more meaningful analysis of the financial aspects of the changed patient characteristics which are reflected by the foregoing statistics. Without such cost factors however, it is still possible to draw some conclusions concerning the ever-mounting total and unit costs of this program.

The decrease in average residential population has been reflected in reductions in total costs of such items as food and clothing; however, associated overhead costs of space, utilities, supervision, maintenance, staff, communications, personnel and financial accounting, and all activities such as these which can be directly related to services for patients, have either remained constant or increased. This is mainly attributable to the fact that the department is continuing to operate 10 hospitals for the mentally ill in 10 separate locations, and to the

Department of Mental Hygiene—Continued

departmental policy of converting decreasing staff requirements (on the basis of existing standards) to higher standards. Each separate location requires a separate establishment of the overhead factors described above, which cannot be diminished in proportion to resident population decreases. Under these circumstances the costs of providing hospital care and treatment for the mentally ill in California will not decrease, despite the concurrent emphasis on and expanding cost of community-oriented treatment as an alternative to hospital care.

The department is requesting augmentations to its regular budget at a projected cost of \$1,387,615. Of this amount \$1,185,800 is primarily for the mentally ill. These items include:

An increase of \$73,000 to increase the average daily dosage of tranquilizing drugs from 472 to 500 milligrams for 50 percent of the resident population.

An increase in the medical care allotment to provide an allowance of \$5 per mentally ill patient at the time of admission for such things as general drugs, hospital and surgical supplies, clinical and x-ray laboratory supplies, physical therapy and prosthetic device supplies. This will cost \$141,250 which will be in addition to the present allotment based on average resident population.

An amount of \$344,622 is requested to establish an adolescent treatment center at Napa State Hospital similar to the center authorized at Camarillo State Hospital in the 1965-66 budget. This will provide additional staffing and expenses for a special program including intensified psychiatric, psychological, social, rehabilitative and educational services for approximately 50 patients between the ages of 16 and 20, in addition to the regular services provided on the basis of the entire hospital population.

An increase in the medical and surgical treatment level for approximately 100 patients at Stockton State Hospital to a level acceptable to the San Joaquin County Hospital will be made so as to provide psychiatric hospital training for residents and interns of the county hospital. Specifically, increased nursing staff, supportive staff (janitors and food service personnel) and medical supplies, equipment, drugs and services are to be provided. San Joaquin County General Hospital will supply four interns, three residents and visiting teaching and supervision staff. Cost is estimated at \$344,622 for the budget year for the first phase of the program, with an estimated full-year program cost of \$635,137.

A request for \$452,555 for tranquilizing drugs for leave-patients at the current average daily dosage of 300 milligrams will provide for an additional 39 percent of the leave-population. This will provide drugs for a total of 50 percent of the leave-population when added to the present allotment.

A chief of volunteer services and a chief of educational services, to coordinate all departmental activities in these areas are proposed for addition to the central office activity. While these positions will relate to both mentally ill and mentally retarded activities we have included them in this program as a matter of convenience. Their combined cost is \$44,632.

Department of Mental Hygiene—Continued

In addition to the separate augmentations listed above the department is requesting a total of 67.5 new positions for 1966-67. These include 35 positions for the hospital trust offices of all of the hospitals for the mentally ill, 7 positions to staff a remodeled treatment unit and enlarged visiting and rehabilitation therapy unit at Atascadero, 1 additional supervising psychiatric social worker I for Camarillo, and new aftercare and preadmission screening units at Chico and Riverside to be staffed by a total of 24.5 positions.

The conversion of day treatment centers and outpatient clinics to preadmission screening and aftercare units directed by the Legislature in 1965-66 and their transfer from departmental administration to the jurisdiction of certain of the mental hospitals results in the inclusion in this program of a substantial number of positions which were formerly charged to the community mental health program.

The department in 1965-66 had proposed the transfer of 175 psychiatric technician positions from the mentally ill hospitals where the reduction in average resident population had resulted in an enrichment of the patient-staff ratio, to the mentally retarded hospitals to equalize patient-staff ratios between the two programs. This budget now proposes to transfer these positions only among mentally ill hospitals. This change of policy results in the addition of 178 psychiatric technician positions to this program. Other transfers not involving numerous positions are also proposed. In total, all transfers have the net effect of increasing staffing for this program from the level contemplated by the 1965-66 budget by 292 positions, in addition to the 67.5 new positions.

8 *Patients' estates and account specialist*
 (budget page 632, line 56)----- \$59,424

27 *Intermediate typist-clerk (budget page 632, line 57)*---- 120,204

These 35 positions are requested on the basis of workload increases and backlogs in processing patients accounts as well as on the premise that increased reimbursement to the General Fund would result from increased activity in relation to patients' accounts.

We recommend the deletion of \$59,424 for 8 patients' estates and accounts specialists and \$120,204 for 27 intermediate typist-clerks for a total reduction of \$179,628.

The staffing standard upon which this request is based is 620 work units for each clerk and 4,000 work units for each specialist. The total work units to be accomplished is taken to be the combined total of admissions, indefinite leaves, returns from leave, transfers, deaths, and direct discharges on the theory that these patient movements generate workload for the trust account sections of the hospitals. Work units are estimated to increase to a total of 74,955 in 1966-67, an increase of 2,599 or 3.6 percent from the 72,356 work units recorded in 1964-65. The department had an actual staff of 91 clerks and 11 specialists in 1964-65, and asked for and was allowed 1 additional clerk in 1965-66 for a total staff of 92 clerks and 11 specialists.

Department of Mental Hygiene—Continued

Rounding the percentage increase in workload since 1964-65 to 4 percent and applying this percentage increase to existing staffing results in a justifiable increase of 4 clerks. While the percentage increase in workload would not in itself justify an additional specialist, we are recommending one such position in the interest of maintaining a balanced staff and in recognition of what may be a small backlog problem. The backlog data submitted by the department has questionable validity. In large part it appears to be based on estimates by the hospitals of what may well be work in process rather than true backlog. The backlog (or work in process) is expressed as individual items of activity and cannot be translated into the work units which are used for the staffing standard. Thus it is not possible to determine how many man-years of staff time may be involved in any true backlog which may exist. While the revenue to the General Fund from the activity of this unit is estimated in the budget to increase by \$1,209,000 from 1964-65 through 1966-67, it should be pointed out that such revenues actually declined from \$15,855,082 in 1963-64 to \$14,693,567 in 1964-65. Whether an upward trend in income can be reestablished in the light of the recent court decision limiting the liability of responsible relatives is questionable, and until that question is resolved it does not appear that a substantial additional investment of staff time is warranted.

2	Chief psychiatrist—mental health clinic (budget page 632, line 76) -----	\$43,440
3	Staff psychiatrist (budget page 632, line 77)-----	57,240
2	Staff psychologist (budget page 632, line 78)-----	23,020
2	Supervising psychiatric social worker (budget page 632, line 80)-----	20,552
7	Senior psychiatric social worker (budget page 632, line 81)-----	64,595
2	Senior stenographer (budget page 632, line 82)-----	11,676
5	Intermediate stenographer (budget page 633, line 6)-----	27,879
1	Intermediate typist-clerk (budget page 633, line 7)-----	5,280
0.5	Janitor (budget page 633, line 8)-----	2,280

These positions are requested to staff two new preadmission screening and aftercare units, one at Chico and one at Riverside.

We recommend deletion of the above requested positions for a total of \$255,932.

The department will operate clinics at Chico and Riverside until June 30, 1966, under the current budget, which directs their conversion to the Short-Doyle program or they cease to operate. The department is now proposing to continue their operation beyond June 30, 1966, merely changing the function of the clinics to preadmission screening and aftercare. These clinics would provide these hospital related services in the areas served by two state hospitals. Both DeWitt and Patton State Hospitals currently provide such services to their respective areas and this proposal would result in increasing the level

Department of Mental Hygiene—Continued

of service provided. DeWitt's resident population is estimated to decline by 95 and Patton's by 248 during the budget year. Additional admissions are estimated at 30 for DeWitt and 60 for Patton. Increased releases are estimated at 49 for DeWitt and 4 for Patton. Thus admissions and releases, the population movement factors relating most directly to the workload of preadmission screening and aftercare will only increase minimally. Such increases do not even justify increases in staff in the existing hospital services function, much less a doubling of staff. During the current year the psychiatric clinic at Sacramento is being converted to a preadmission screening and aftercare unit by direction of the Legislature and assigned to the DeWitt Hospital service area by the department and the same is occurring with the San Diego clinic. It is possible because of the large geographic area served by DeWitt that better service can be provided by a preadmission and aftercare unit located at Chico. If this is the case we suggest that the benefit of better service can be achieved by transferring all or part of the Sacramento service already authorized to Chico, rather than increasing the level of service provided. No geographic problem can be solved by the establishment of a preadmission and aftercare screening unit at Riverside, which is located within 20 miles of Patton State Hospital in San Bernardino, and this hospital will operate a clinic in San Diego. The need for additional preadmission screening and aftercare facilities for these areas should be justified on the basis of the workload involved, i.e., the percentage of active assigned leave of absence cases requiring aftercare services and the rates of preadmission screening cases to the population at risk, based on experience, rather than expansion depending on the fortuitous circumstance of the termination of departmental clinic services to the general public in these areas. A uniform policy should be established, based on demonstrable need for the service, and applied uniformly throughout the state.

7 Supervising psychiatric social worker (budget page 614, line 59)-----	\$47,322
42 Senior psychiatric social worker (budget page 614, line 64)-----	245,700
20 Intermediate stenographer (budget page 614, line 68) --	69,936

These positions are requested on a workload basis to provide continuing psychiatric social services to persons in the active leave of absence caseload which is estimated to be a total of 24,170 in the budget year, an increase of 2,483 from the estimated total for the current year.

We recommend the deletion of 4 supervising psychiatric social workers, 21 senior psychiatric social workers, 10 intermediate stenographer positions, for a total reduction of \$187,548.

On the basis of established workload standards these positions would be justified. However, as we have pointed out in two prior analyses of the budget, a portion of this caseload (6,800 as of July 1, 1965) are receiving some form of public assistance (ATD, OAS, AB) and, as public welfare recipients, are carried in the caseload of social workers in county welfare departments, and are counted by the counties in

Department of Mental Hygiene—Continued

determining the numbers of social workers needed to discharge the county welfare departments' responsibility under the welfare programs. As such public welfare recipients, these patients are entitled to, and in most instances do receive, the same services from the county welfare worker as other persons in the welfare caseload who are not post-mental-hospital cases. At the same time these same persons are carried in the caseload of psychiatric social workers employed by this department to assist them in adjusting to community life after being released from the hospital, and are counted in these caseloads by the department, in determining how many psychiatric social workers are needed, in the same manner as persons in the program who do not have any other social service available to them. Thus the workload of either the psychiatric social worker or the county social worker or both is not as great in relation to a case which is in both caseloads as it is in relation to a case which is only in one or the other caseloads.

It would appear to be desirable to establish a higher caseload ratio for both county and state social workers to compensate for the reduced workload per case resulting from this situation, for both kinds of social workers and we have suggested that the two departments concerned work out this problem between them. However, to date no such agreement has been entered into, and no reduction in these duplicating costs is reflected in either the budget of the Department of Mental Hygiene or of the Department of Social Welfare which reflects the local costs of administration of the welfare programs. In the absence of any proposal by either of the departments concerned we have recommended the above reduction in the additional positions requested by this department which reflects an increase of one-third in the case per worker ratio for the welfare portion of the caseload only. This is the result of calculating the psychiatric social worker and related staff required for the caseload served by both kinds of social workers at a caseload ratio of 85 cases to 1 worker. A more refined and perhaps more equitable ratio could be worked out by the department on the basis of its knowledge and experience with the respective areas of responsibility of the two groups; however, after two years they have evidenced no inclination to eliminate this source of duplicate costs. During these two years the Department of Social Welfare has conducted a special project to assist county social welfare workers to become better able to serve released mental patients. We believe that our calculation as expressed in this recommendation is conservative in that it does not lessen the availability of county social services and only cuts departmental social services by one-third. Empirically it would appear that a cut of one-half of each kind of service could be justified. Experience with this ratio however should perhaps be gained first before further adjustments are made.

Medical and surgical program, Stockton State Hospital
(budget page 609, line 20)----- \$344,622

This program would increase the level of service and standard of medical and surgical treatment services for approximately 100 patients at this hospital to incorporate a training function into the care and

Department of Mental Hygiene—Continued

treatment program. Residents and interns from San Joaquin County General Hospital would be assigned to this unit of Stockton State Hospital for the purpose of giving them a meaningful training experience. A total of 49 new positions, nursing, janitorial and food service, are requested as the first phase of the proposed improvement to cost \$344,622. Full implementation of the proposal is projected at an annual cost of \$650,000.

We recommend disapproval of the proposal and the deletion of \$344,622.

This proposal raises several important policy considerations. Among them are the appropriate role of state mental hospitals in the development and training of medical personnel, the problem (frequently cited by the department previously) of providing a double standard of service to patients, and the question of what the future role of state mental hospitals will be in the broad general area of mental health in California.

Currently the department has an extensive residency and intern training program incorporated into its regular care and treatment program. This program involves a total of 151 career residents in both the psychiatrist and physician-surgeon classification. These residents are being trained at the state hospitals within the standards of medical and surgical treatment provided at those hospitals. In addition through the neuropsychiatric institutes at the University of California medical schools at San Francisco and Los Angeles, the department provides training facilities for an additional 62 residents and 4 interns.

The upgrading of this hospitals' medical-surgical care standards to a teaching level will result in a higher standard of care being provided at this hospital than is available to patients at the other nine hospitals for the mentally ill, and can only lead to future requests for improvement of standards at all other hospitals to the same level, without necessarily relating such standards to the primary criterion of therapeutic results in hospitals of this kind.

Consequently it is important initially to decide whether the level of care to be provided at state hospitals is to be the equivalent of that provided at institutions whose primary function is the training of professionals in this field. To the extent that the objective of the proposal is to increase the training capability of the state, it would appear to be preferable to increase that capability at the university hospitals and at the neuropsychiatric institutes where training standards of care are already in effect. As a matter of fact, plans and proposals to increase the training capability of both of the neuropsychiatric institutes have already received approval. It is true that both the California Medical Association survey team report and the Joint Commission on Accreditation report were critical of certain aspects of the medical-surgical program at the Stockton hospital, but these criticisms and recommendations did not necessarily imply raising standards to a teaching level. In any event, it is extremely doubtful that either the CMA survey team or the inspector for the joint commission took into account the entire state program of medical-surgical and psychiatric training in commenting on this one state hospital.

Department of Mental Hygiene—Continued

In the last several years, the federal government has enlarged the area of its interest in and support for medical training programs. This factor should be taken into account in the consideration of whether and under what circumstances the state should enlarge and improve its training programs.

If the present trend in the treatment and prevention of mental illness continues, the role of the state hospital will continue to diminish both in terms of the relative number of patients cared for and in the relative importance of hospital care in the armamentarium of professional treatment personnel. The value of psychiatric hospital training in terms of the real needs of future practitioners may not be as great as for training oriented to local or community prevention and treatment.

In this connection it should be noted that the department is opening a new clinic for training in community psychiatry in Los Angeles to supplement the efforts of the present clinic in Berkeley. Thus it would appear inadvisable at this time to increase the in-hospital training capability of the department through the approval of this augmentation.

1 Chief of volunteer services (budget page 610, line 28)_____ \$22,839

This position is requested to provide leadership and encouragement of volunteer services provided in all of the hospitals.

We recommend the deletion of \$22,839 for this position.

Each hospital has its own volunteer program which depends, for its community support, upon the efforts of the individual hospital personnel and the relationships they develop with the community. All 14 of the hospitals and 1 of the neuropsychiatric institutes have coordinators of volunteer services who devote full time to the program. All hospitals provide additional direction to volunteer services on the basis of part time responsibility of management personnel. The success of individual hospital programs in large part reflects the interest of local hospital management and the importance assigned to the program by that level of management. It does not appear that one position in the central office can do much to change local management attitudes on a continuing basis that cannot now be done by headquarters management staff, and there has been no real showing made that the existing full-time positions are inadequate.

1 Chief of education services (budget page 610, line 54)_____ \$21,793

This position is requested for the central office to coordinate the educational programs conducted in 12 hospitals, in which 127 teachers are employed, to provide liaison with the Department of Education, and with local school districts.

We recommend the deletion of \$21,793 for this position.

In addition to the 127 teachers in the system there are 2 superintendents of educational instruction, 4 school principals and 4 superintendents of academic instruction. All of these are at a sufficiently high enough management level to be able to coordinate with the Department of Education, local school districts, and other departmental school facilities, also to standardize and upgrade curricula and interpret the code as it may apply to their activities.

Department of Mental Hygiene—Continued

Educational activities at the individual hospitals vary to some extent in direct relationship to the needs of the particular hospital populations being served. Consequently the emphasis and direction of these programs diverge from accepted norms or standards for educational activities. The imposition of a new layer of central direction over these various programs could result in their being less responsive to the needs of individual patient students and the individual hospitals than they now are. These educational activities are and should be a part of the treatment program for the mental illness which is the reason the patients are in the hospital. To standardize the activity through additional central direction, with particular emphasis on conforming it to the policies and standards contained in the Education Code, beyond the ability of the school professionals already in charge of these programs to do so, appears to be an entirely unnecessary expense and, in fact, may well have the effect of defeating the program's main purpose, which is the treatment of the patient's illness.

Laundry (budget page 633, line 43) \$327,059

This operating expense item represents the costs other than salaries and wages of providing laundry services to the 10 mentally ill hospitals. We recommend a reduction of \$70,286 in this item.

The actual cost of this item in 1964-65 was \$221,802. The request for the budget year represents a 48.2 percent increase.

These laundry costs are in large part related to the size of populations to be served. The 1966-67 budget estimates that there will be 998 more hospital admissions than in 1964-65 and 4,563 less average residential population. On the assumption that admissions require approximately four times as much laundry as resident population, it can be concluded that population changes have roughly offset each other and therefore laundry requirements for the budget year should approximately equal those of 1964-65.

During the budget year it is proposed to cease laundry operations at Camarillo State Hospital and contract such services from the Department of Corrections. This change is based on a Department of Finance study which concluded that it would be approximately as economical for Corrections to do Camarillo laundry as to continue the operation of the laundry at Camarillo, and would have the added benefit of providing much needed work for Corrections inmates. As a result of this change 17 laundry positions are being abolished effective April 1, 1967, for a cost reduction of approximately \$25,000. This reduction is scheduled in the budget to coincide with the increase in contractual services and should be added to laundry costs because of this change. The Department of Finance in its budget instructions advises that laundry costs should be budgeted at 2 percent per year over 1964-65 costs.

When \$25,000 for contractual services offsetting the reduction in salaries and wages at Camarillo is added to the actual laundry cost for 1964-65, and this figure is adjusted upward by 2 percent for both 1965-66 and 1966-67, the resulting estimate for the budget year should be \$256,773 or \$70,286 less than the \$327,059 requested in the budget.

Department of Mental Hygiene—Continued

POLICY OPTIONS

178 *Psychiatric technician-trainee*
 (budget page 631, line 52) ----- \$873,704

These positions are proposed for transfer among hospitals for the mentally ill for the purpose of equalizing nursing staffing ratios in these hospitals. In the 1965-66 budget the department proposed to transfer 175 psychiatric technician positions from the mentally ill hospitals to the mentally retarded hospitals for the purpose of equalizing nursing staffing ratios between the two kinds of hospital services. This proposed action was approved by the 1965 Legislature. The department has now revised its position and is proposing to staff mentally ill hospitals at relatively higher standards than have existed heretofore, and to continue to staff mentally retarded hospitals at the same ratios as before. At the same time it is proposing to equalize staff among the various hospitals within each of the two categories of institutions. This transfer of staff among mentally ill hospitals is possible because of an excess of positions resulting largely from the decline in resident populations which occurred continuously over the past 6 years and which is projected to continue in the current and budget years. During this time none of the positions authorized on a hospital population ratio basis have been abolished despite the decline in workload reflected by the decline in resident populations.

Two reasons have been advanced for this policy of not decreasing staff to reflect decreasing workload. First, it has been argued that the decrease in workload related to resident population has been more than offset by the increase in workload related to increasing admissions, and, secondly, that even with the higher staff-patient ratios resulting from the retention of these positions, staffing generally was still below a level which received legislative approval in 1952.

No factual analysis of the relative workload values of admissions and resident populations has been made and the actual extent to which declining residential population workload has been offset by increasing admissions workload is not known. During the same time substantial increments of staff specifically related to admissions workload have been added, and specifically the nursing staff associated with admissions workload has been increased because of the lower patient-employee ratio authorized for receiving and initial treatment wards. Whether and to what extent the retention of nursing staff which otherwise could be considered as excess to needs has contributed to the continuing decline in resident populations has also not been the subject of a factual analysis. Other factors which have contributed to the decline would appear to have had at least as important, if not greater, influence in releasing more patients faster from the hospitals. These factors are the increased reliance on psychotropic drugs, availability of welfare for post-hospital support, and the additions of specialized staffing in the areas of psychiatric, psychological, rehabilitative, social case work and community level treatment.

It is true that the department has never achieved 100 percent of the staffing standard approved by the Legislature in 1952 because the

Department of Mental Hygiene—Continued

Legislature has never appropriated funds for that purpose. It is equally true that the average resident population of the hospitals for the mentally ill has declined by 11,609 or 31 percent since 1958-59 without the benefit of 100 percent of the 1952 standard. There has been no factual showing that increased staffing standards particularly for psychiatric technicians, have been an important factor in the improvement in the hospital program which is reflected by the decreases in populations. It is generally accepted that development of psychotropic drug therapy and the availability of welfare support for mental patients on leave from psychiatric hospitals are the two major factors in decreasing hospital populations. For these reasons it appears to be possible to eliminate the excess staff proposed by the department for interhospital transfer without detriment to the welfare of patients and with substantial benefit to the taxpayers.

Alternatively, the Legislature may wish to have this excess staff assigned to the mentally retarded hospitals, as was proposed by the department last year and approved by the Legislature.

The net effect of this reduction of staff on the mentally ill hospitals would be to allow some increase in staffing standards over those in effect when hospital populations began to decline, but to achieve some reduction in costs as a result of the substantial decrease in workload in these hospitals.

Modesto State Hospital (budget page 604, line 25) ----- \$7,494,613

The 1965 session of the Legislature directed that this hospital be utilized as a hospital for geriatrics who essentially need a nursing home level of service. The department states in the budget that it has complied with the directive as nearly as it can by reducing the service area for the admission of general psychiatric patients from a 10-county area to a 4-county area and continuing to accept geriatric admissions from the 10-county area. At the same time the total staffing and re-estimated cost of operating this hospital during the current year remains at about the same level (except for price adjustment) during the 1966-67 budget year despite the apparent reduction in workload which should result from the reduced general psychiatric service area.

The effect of the departmental policy change on hospital population statistics is shown in the following table.

	1963-64 *	1964-65 *	1965-66 †	1965-66 ‡	1966-67 ‡
Resident population	2,168	1,975	1,739	1,808	1,540
Admissions -----	904	1,056	890	600	600
Net releases -----	1,220	1,098	1,040	903	900

* Actual.

† Estimated in the 1965-66 Budget.

‡ Reestimated in 1966-67 Budget.

It is apparent that workload at the hospital over the two-year period from the end of 1964-65 through 1966-67 will reduce substantially, with resident population declining 22 percent, admissions declining 43 percent and releases 18 percent. That these decreases are not reflected in reduced costs is primarily the result of the departmental policy of converting decreasing workload requirements into improved levels of

Department of Mental Hygiene—Continued

service. The decline in workload would be still larger if the department had followed the legislative directive in the 1965-66 Budget to confine this hospital to the treatment of geriatrics at nursing home levels of service. Savings from either the department's policy with regard to this hospital or from the legislative directive cannot be achieved, however, unless there is a reversal of the departmental policy of converting the staffing gained from reduced workload into improved levels of service.

One of the improved services proposed by this year's budget for this hospital is the transfer in of 42 psychiatric technicians from other hospitals which have lower patient-employee ratios than Modesto. Another is the transfer of a psychologist, a psychiatrist and a clerk to staff a new aftercare facility being established at the hospital.

An important basis for the legislative action in the current year was the fact that this hospital was going to have the highest per capita cost in the mental hygiene system for 1965-66 at \$4,190 and the lowest patient-employee ratio of all 10 of the mentally ill hospitals at 2.1 to 1. It is estimated that for 1966-67 per capita costs will be \$4,867, the second highest in the system, and its patient-employee ratio at 1.8 to 1 will, with Mendocino State Hospital, represent the lowest.

There would appear to be several alternative actions which the Legislature could take in the present situation. Among these are:

1. Close Modesto State Hospital effective July 1, 1966, and provide for the transfer of the estimated 1,688 patients as of that date to other appropriate hospitals in the system. This could result in savings of approximately \$2,000,000 in the budget year.

2. Reiterate the action taken last year by directing the department to operate the hospital only for geriatric patients and to provide the level of care generally associated with nursing homes for the elderly, with due regard for the fact that general medical care including psychiatric care must be available to these patients in relation to their needs even as it must be provided to residents of private nursing homes in relation to their needs. Specifically this would include reductions in the level of nursing care now contemplated for the hospital and the elimination of general psychiatric services for the four-county area now intended to be served. This alternative could also be effective July 1, 1966, and could result in a reduction of costs of perhaps as much as \$750,000. If this alternative were adopted, the department should be required to submit a detailed plan to the Legislature for the changes to be made in time to permit a firm appropriation figure to be included in the budget.

3. An amount of \$50,000 was provided in the 1965-66 budget to finance the planning of the future of this hospital site. This report was to have been submitted by January 1, 1966. It has not been received to date. Presumably it will be available for consideration with this budget and may provide the basis for a solution to this problem.

4. A target date for the closing of this hospital might be established based on population decline, with a cessation of all new admissions,

Department of Mental Hygiene—Continued

and the decision to transfer the remaining patients when population declined to a predetermined figure such as 1,000.

Closing Mentally Ill Hospital

In line with our discussion of population cost developments in this program commencing on page 499 of this analysis, the Legislature can give consideration to the closing of at least two complete hospitals for the mentally ill, and the redistribution of their patient populations among the remaining eight. An example of the effect of this action might be found in considering the closing of the two highest per capita cost and smallest population hospitals. These are Modesto with a 1965-66 per capita cost of \$4,148 and a June 30, 1966, population of 1,690, and Mendocino at \$4,526 per capita and 1,580. These hospitals would have a combined population of 3,270 to be distributed among eight other hospitals for the mentally ill which will have a total population of 23,660 in space with a rated capacity, according to currently approved standards, of 30,107, and which will have an excess capacity of 6,447 beds. Such a move would still leave excess capacity of 3,177 beds, an ample margin to prevent overcrowding. Savings from the elimination of the overhead associated solely with continuing the operation of separate institutions may well approach \$5,000,000 annually on a continuing basis. Such a move would have the effect of disrupting the present conditions under which patients and staff are living and being treated or working, and new conditions with essentially similar standards of care and employment would have to be accepted. It does appear that \$5,000,000 a year continued on to an indefinite future date is a high price to pay to avoid a one-time dislocation of this kind. Other combinations of hospital closings can be worked out within the limitations of available excess capacities as of June 30, 1966, within the system. By June 30, 1967, excess capacity will have grown by approximately another 2,000 to a total of 8,397.

Mentally Retarded

Two of the organizational divisions of the department participate in this program which provides for the diagnosis, care, treatment and followup of the mentally retarded patients in the hospitals and institutions of the state. These services are rendered through four hospitals whose total patient populations are mentally retarded, and in three hospitals at which only a portion of the patients are mentally retarded and four centers maintained for the evaluation and referral of the mentally retarded. In the current year the program reflects the implementation of additional hospital services, in the form of approximately 650 beds for the mentally retarded and severely physically handicapped and mentally retarded at Agnews and Sonoma State Hospitals.

The objective of this program for the mentally retarded through residential care and hospital treatment is training and rehabilitation to develop maximum potential of the patients as useful citizens.

In the budget year the department proposes an expenditure of \$63,209,060 in support of this program. This represents an increase of

Department of Mental Hygiene—Continued

\$11,405,962 or 22 percent over the estimated amount expended in fiscal year 1964-65. Included in the budget year proposal is a request for augmentation in the total amount of \$201,815 apportioned as follows: \$125,000 for placement of an additional 120 mentally retarded patients in private institutions, \$54,942 for staff to render the associated placement services and \$21,873 for a psychologist and supporting costs.

During the last actual expenditure year 1964-65, the average mentally retarded patient load was 12,893 and is estimated to be 13,727 in the budget year. Likewise, admissions were 1,270 in 1964-65 and estimated as 1,400 in 1966-67, while releases were 1,057 in 1964-65 and estimated as 1,272 in 1966-67. Admissions are estimated to exceed releases by 946 over this two-year period, and total average population will increase by 834.

An augmentation is proposed for the purpose of placing an additional 120 mentally retarded patients in private institutions. This activity is supported in the current year by a \$500,000 appropriation and a staff of four nurses and two clerical positions with supporting costs of \$54,942. Total cost for the budget year will be \$734,884 and the objective will be to have placed 360 mentally retarded patients in private institutions by June 30, 1967. The cost in fiscal 1967-68 will amount to \$859,884 for a continuing year-round total placement figure of 360.

This budget also reflects the full-year costs of the expansion of the mentally retarded program in the current year in two other areas, a continuation of the increase in mentally retarded beds at Agnews State Hospital to a total of 512 and the newly opened unit for the severely handicapped at Sonoma State Hospital. The expansion at Agnews was directed by the Legislature at the 1965 General Session.

Administratively the department has assigned the operational costs of all four evaluation and referral centers for the mentally retarded to adjacent hospitals for the retarded in lieu of their operation from Sacramento headquarters. An evaluation of the results of this shift of operational responsibility will not be possible until budget year 1967-68.

The department has changed its former position of equalizing the workloads of staffs of the mentally ill hospitals and the hospitals for the mentally retarded by transfers of positions based on patient load, and as a result the budget shows a loss of positions from mentally retarded hospitals that never actually performed duties therein. It is in fact a paperwork adjustment to reflect the nullification of transfers proposed and approved by the Legislature in the budget of the current year. In lieu of this approach to equalize workload 175 positions will be retained in hospitals for the mentally ill and 29 positions will be shifted within this program.

The Legislature at the 1965 General Session enacted legislation which has the effect of creating services and responsibilities for the mentally retarded among three state departments, Mental Hygiene, Public Health and Rehabilitation.

The Department of Public Health has established two regional diagnostic and service centers on a contract basis for the mentally retarded, one each in San Francisco and Los Angeles. The budgeted cost of this

Department of Mental Hygiene—Continued

program within the Department of Public Health budget for 1966-67 is \$1,620,388, of which \$1,513,000 is for the contractual operation of the two diagnostic centers. The Department of Rehabilitation is planning a residence-type treatment, orientation and achievement center to be located in close proximity to Agnews State Hospital. At present it is planned to provide space for 22 retarded students within each of 23 cottages. The operating staff is planned at 130 positions. The estimated capital outlay cost of the rehabilitation facility is \$7.5 million.

There has also been established within the Health and Welfare Agency Administrator's Office a position titled Coordinator of Mentally Retarded Programs, with responsibility for the coordination of mentally retarded activities and for the establishment of standards for services provided by the two new public health centers and for private care. No attempt has been made in this program analysis to reflect a state total of expenditures for mentally retarded activities. It should be noted, however, that there has been a recent increase in federal interest in, and support for, mentally retarded programs which will probably be reflected in increased local activities within the next several years.

Psychologist, Bureau of Retardation Services
(budget page 611, line 35)----- \$21,873

A psychologist in the Bureau of Mental Retardation Services is requested on the basis that (1) at present there is but one such position in the department to supervise the administration and development of psychological service in all the hospitals (seven for the mentally ill, four for the mentally retarded, and three for a combined patient load), (2) the expansion of programs for the mentally retarded as well as the growth of the mentally retarded population, and (3) this position is needed to provide for increased coordination and development of psychological services for the mentally retarded.

We recommend deletion of this position.

The position of psychologist authorized at present at the departmental headquarters level as chief of the Bureau of Psychology administers and coordinates the development of psychological services through the clinical psychologist III positions established in each of the 14 hospitals. The department has not indicated in what way this policy guidance and coordination of activities in the psychological field is unsatisfactory at this time.

Community Mental Health

This program provides support, coordination, and supervision of local community mental health programs. Its principal activity is the subvention of support moneys to local agency operated mental health services under the Short-Doyle Act. A subsidiary activity is the licensing and inspection of privately operated psychiatric facilities. These activities are carried out through a headquarters office and three area offices. A new area office is proposed to be located in Fresno in the budget year. Because of the fourth quarter reimbursement requirement for the subvention under the Short-Doyle program, actual state

Department of Mental Hygiene—Continued

costs will be \$24,632,270. This includes \$5,272,335 for new and expanded services in local programs. Provision is made in the budget for offsetting the state cost of local agency programs by \$1,079,044 for reimbursement from federal funds through the vocational rehabilitation cooperative services program, and \$3,616,113 of unallocated savings.

It is anticipated that four new local programs may come into the Short-Doyle program during the budget year, and that services offered by existing programs may include 14 new psychiatric outpatient clinics, 209 beds for psychiatric patients, 4 psychiatric day-treatment services, 2 mentally retarded centers, 7 psychiatric rehabilitation services, 4 mental health consultation services, and 6 mental health education and information services.

The provision that the state would support 75 percent of the cost of new or expanded services under the Short-Doyle Act, which had been due to expire on October 1, 1965, was extended until October 1, 1967, by the 1965 Legislature. Currently it can be estimated that Short-Doyle services are available in jurisdictions in which approximately 90 percent of California's people live. All of these programs do not offer the entire range of services contemplated by the legislation; however, substantial progress is proposed by the budget toward making them more comprehensive. Now that the effect of community oriented mental health care, treatment and prevention has become more widespread, it would be desirable to make some effort to assess the impact this program may have had on the changing characteristics of mental hospitals. Inherent in the concept of local treatment is the idea that it should substitute for hospital care. So far virtually no data on the extent to which this program may have prevented hospitalization is available. Such information will become more essential in the near future when some consideration may have to be given to the extent to which this program should be expanded and what benefits are to be expected from such expansion. These questions may well become more critical if the hospital programs continue to become more costly even though they are concerned with a smaller part of the total problem of mental health.

Research and Training

Through this program the department conducts all the research and training activities of the 14 hospitals and through the division of Research and Training exercises operational control of the two neuropsychiatric institutes, develops and analyzes biological statistics, and operates the training centers in community psychiatry in Berkeley and Los Angeles.

The objectives of the program as stated by the department are: (1) research in the cause, nature, prevention and treatment of mental illness and mental retardation, (2) training of staff members and other professionally qualified individuals in all the aspects of treatment techniques relating to mental illness and mental retardation, (3) achievement of the long-range plan of the department to provide each hospital

Department of Mental Hygiene—Continued

with an adequate research staff, and (4) participation in special project activities, funded by federal grant, the nature of which are research, training and hospital improvement.

Support of the program for the budget year is proposed at \$13,244,158, an increase of \$1,444,529 or 12.2 percent over the 1964-65 fiscal year. Included is a request for 4 new positions at departmental headquarters (\$23,796) and 17 new positions in the field (\$178,128) with a total first-year salaries and wages cost of \$201,924.

Research activities are supported by federal grants from the National Institute of Mental Health as well as from state funds. The state funding of this activity, which was initiated in 1957 with a \$200,000 appropriation, has now grown to a proposed appropriation of \$1,234,447 in the budget year, an increase of \$33,447 (2.8 percent) over the appropriation for the current year.

This state appropriation is augmented by an estimated \$1,137,263 from federal sources for research in special project activities. Thus the proposed expenditure for research in the budget year is \$2,371,710. In addition, other special projects in hospital improvement and training are reimbursed by federal sources in a total amount of \$1,456,735, a portion of which is granted as overhead charges.

The budget presentation indicates that the overhead charges on federal research grants of the various types range from 8 percent to 20 percent. Using an average of 10 percent these overhead charges would amount to approximately \$260,000 in the budget year. This practice of using the overhead charges levied on federal research contracts to support state sponsored research projects has been the department's method of increasing the amount of funds available for state supported research for a number of years.

We recommend that the total overhead charges which accrue to the department by its participation in research projects funded by the federal government appear as a separate reimbursement line item.

Under the present practice of showing the total reimbursement for federally funded research for special projects it is not possible to determine what portion of the total is granted for overhead and, how, in turn, the department may then arrive at an estimate of overhead support expenditures derived from these reimbursements.

We further recommend that state appropriations for research by this department continue to be made in the same manner as in Item 157 of the Budget Act of 1965, thus limiting the availability of the appropriation to the year for which it was budgeted.

We note that the funding of research projects from federal sources has been fully detailed in the budget presentation since fiscal year 1964-65 on a routine and regular basis. No such detail is available in the budget on the disbursement of the state appropriation for these same purposes.

We recommend the annual budget presentation of the department include a section detailing the expenditures of state appropriated funds for research projects, as approved by the Research Advisory Committee, in a manner similar to that used for federally supported projects.

Mental Hygiene

Items 165-167

**Department of Mental Hygiene
PROGRAM AUGMENTATION**

ITEM 165 of the Budget Bill

Budget page 608

**FOR SUPPORT OF DEPARTMENT OF MENTAL HYGIENE,
PROGRAM AUGMENTATION FROM THE GENERAL FUND**

Amount requested ----- \$1,387,615

Increase to improve level of service ----- \$1,387,615

TOTAL RECOMMENDED REDUCTION ----- \$411,127**Summary of Recommended Reductions**

	Amount	Budget	
		Page	Line
Medical and surgical program Stockton State Hospital	\$344,622	609	20
Chief of volunteer services	22,839	610	28
Chief of education services	21,793	610	54
Psychologist, bureau of retardation services	21,873	611	35

This item is discussed in both mentally ill and mentally retarded in the mental hygiene summary in this analysis.

**Department of Mental Hygiene
DEPARTMENT ADMINISTRATION**

ITEM 166 of the Budget Bill

Budget page 612

**FOR SUPPORT OF DEPARTMENTAL ADMINISTRATION
FROM THE GENERAL FUND**

Amount requested ----- \$11,814,011

Estimated to be expended in 1965-66 fiscal year ----- 12,980,984

Decrease (9 percent) ----- \$1,166,973

TOTAL RECOMMENDED REDUCTION ----- \$187,548**Summary of Recommended Reductions**

	Amount	Budget	
		Page	Line
4 Supervising psychiatric social worker	\$27,963	614	59
21 Senior psychiatric social worker	122,850	614	64
10 Intermediate stenographers	36,735	614	68

This item is discussed in the summary of mental hygiene in this analysis.

**Department of Mental Hygiene
FAMILY CARE**

ITEM 167 of the Budget Bill

Budget page 620

**FOR SUPPORT OF FAMILY CARE FROM
THE GENERAL FUND**

Amount requested ----- \$4,164,420

Estimated to be expended in 1965-66 fiscal year ----- 3,698,016

Increase (12.6 percent) ----- \$466,404

TOTAL RECOMMENDED REDUCTION ----- None

This item is recommended for approval as budgeted.

**Department of Mental Hygiene
CARE AND TREATMENT OF MENTALLY RETARDED PERSONS
IN PRIVATE MEDICAL FACILITIES**

ITEM 168 of the Budget Bill

Budget page 620

**FOR SUPPORT OF CARE AND TREATMENT OF MENTALLY
RETARDED PERSONS IN PRIVATE MEDICAL FACILITIES
FROM THE GENERAL FUND**

Amount requested	\$500,000
Estimated to be expended in 1965-66 fiscal year	500,000
Increase	None
TOTAL RECOMMENDED REDUCTION	None

This item is discussed under mental retardation in the mental hygiene summary of this analysis.

**Department of Mental Hygiene
RESEARCH**

ITEM 169 of the Budget Bill

Budget page 620

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

Amount requested	\$1,234,447
Estimated to be expended in 1965-66 fiscal year	2,124,911
Decrease (41.9 percent)	\$890,464
TOTAL RECOMMENDED REDUCTION	None

Summary of Recommended Needed Administrative Improvements

	<i>Analysis page</i>
Budgeting of reimbursements for overhead charges	515
Budgeting of expenditures of state appropriation for research in manner similar to federal research process	515

This item is discussed under research and training in mental hygiene summary of this analysis.

**Department of Mental Hygiene
NEUROPSYCHIATRIC INSTITUTES**

ITEM 170 of the Budget Bill

Budget page 627

**FOR SUPPORT OF THE NEUROPSYCHIATRIC INSTITUTES
FROM THE GENERAL FUND**

Amount requested	\$8,174,088
Estimated to be expended in 1965-66 fiscal year	8,027,113
Increase (1.8 percent)	\$146,975
TOTAL RECOMMENDED REDUCTION	None

This item is discussed under research and training in mental hygiene summary of this analysis.

Mental Hygiene

Items 171, 172

**Department of Mental Hygiene
HOSPITALS FOR THE MENTALLY ILL**

ITEM 171 of the Budget Bill

Budget page 629

FOR SUPPORT OF THE HOSPITALS FOR THE MENTALLY ILL FROM THE GENERAL FUND

Amount requested	\$122,041,272
Estimated to be expended in 1965-66 fiscal year	118,179,680
Increase (3.2 percent)	\$3,861,592
TOTAL RECOMMENDED REDUCTION	\$505,846

Summary of Recommended Reductions

<i>Positions</i>	<i>Amount</i>	<i>Budget Line</i>	
8 Patients estates and accounts specialist.....	\$59,424	632	56
27 Intermediate typist-clerk	120,204	632	57
2 Chief psychiatrist	43,440	632	76
3 Staff psychiatrist	57,240	632	77
2 Staff psychologist	23,020	632	78
2 Supervising psychiatric social worker.....	20,522	632	80
7 Senior psychiatric social worker.....	64,595	632	81
2 Senior stenographer	11,676	632	82
5 Intermediate stenographer	27,879	633	6
1 Intermediate typist	5,280	633	7
0.5 Janitor	2,280	633	8
Operating expense			
Laundry	70,286	633	43

Summary of Policy Options

	<i>Analysis page</i>
Deletion of 178 psychiatric technician	508
Modesto State Hospital, close, or operate as geriatric hospital	509
Closing of mentally-ill hospitals	511

This item is discussed in mentally ill in the mental hygiene summary of this analysis.

**Department of Mental Hygiene
HOSPITALS FOR THE MENTALLY RETARDED**

ITEM 172 of the Budget Bill

Budget page 635

FOR SUPPORT OF THE HOSPITALS FOR THE MENTALLY RETARDED FROM THE GENERAL FUND

Amount requested	\$48,585,745
Estimated to be expended in 1965-66 fiscal year	47,285,439
Increase (2.7 percent)	\$1,300,306
TOTAL RECOMMENDED REDUCTION	None

This item is discussed under mentally retarded in the mental hygiene summary in this analysis.

Department of Public Health
SUMMARY

Budget page 638

EXPENDITURES FOR PUBLIC HEALTH

Amount requested	\$90,723,749
Estimated to be expended in 1965-66 fiscal year.....	85,985,592
<hr/>	
Increase (5.1 percent).....	\$4,738,157

GENERAL PROGRAM STATEMENT

The Department of Public Health has the responsibility of working with local health departments in the prevention of disease and the provision of a healthful environment for the people of California. To meet this responsibility the department maintains five major public health programs, which are further subdivided into 19 subprograms. These programs are analyzed in the following order:

(1) Environmental control, which is comprised of the following six subprograms: air sanitation, water sanitation, food and drug, occupational health, radiological health, and vector control.

(2) Preventive medical services, which is comprised of the following four subprograms: communicable diseases, chronic diseases, dental health, and maternal and child health.

(3) Medical care, which is comprised of the following four subprograms: alcoholism, mental retardation, crippled children services, and other specialized medical care.

(4) Health facilities development and services, which is a major public health program.

(5) General assistance and services to other agencies and individuals, which is comprised of the following four subprograms: assistance to local health departments and other community agencies, miscellaneous services to other agencies, training, licensing and certifying and personnel, and vital statistics registration.

Special projects are analyzed as a single program in order to aid the Legislature in assessing the impact on the department of this rapidly growing program. We are also including a section to cover those recommendations which have an impact on a number of programs and thus cannot be analyzed as part of any one program.

The department proposes to expend \$90,723,749 in fiscal 1966-67. This is \$46,422,923 more than the \$44,300,826 which was actually expended in fiscal 1961-62, or an increase of 105 percent over a five-year period. The major part of this rapid increase in public health costs during the past five years can be attributed to the rapid expansion and development of new federal public health programs and the aggressiveness of the State Department of Public Health in maximizing the use of special project and other federal funds.

Major shifts in public health activity which are not otherwise discussed in our analysis include the elimination of the prevention of blindness program as of July 1, 1965, and the proposed termination of the neurological and sensory disease program as of June 30, 1966.

Department of Public Health—Continued

New public health activity which is not otherwise discussed in our analysis includes mandatory diagnostic tests for phenylketonuria as a result of Chapter 1329, Statutes of 1965, and initial planning under Chapter 1988, Statutes of 1965, for the development of dialysis services for persons suffering from chronic kidney conditions. Also initiated during the current year is a \$542,100 program which is supported by federal funds for the development and extension of home health services in California. A federal grant of \$126,700 was also received for the purpose of assisting local health agencies in the development of laboratory facilities for the treatment of cardiovascular diseases.

The Department of Public Health is also responsible for assisting in the implementation of Title XVIII of the federal Medicare Act, Public Law 89-97. Planning is presently underway for the services to be provided under this program. The details of this planning activity, to be fully reimbursed by federal funds, had not been completed in time for inclusion in the 1966-67 budget. This is also true of the department's new responsibilities related to the public assistance medical care program under Title XIX, Public Law 89-97, and Chapter 4, Statutes of 1965, Second Extraordinary Session.

The budget advises that a supplemental administration proposal will be submitted to the 1966 Budget Session of the Legislature to provide for public health services as a part of a broad new program of services to areas of poverty and racial tension in California.

	<i>General fund</i>	<i>Federal</i>	<i>Budget</i>		<i>Analysis</i>
			<i>Page</i>	<i>Line</i>	<i>page</i>
A. Environmental Control					
1. Air Sanitation					
a. Air Pollution Control ----	\$200,000	--	639	26	522
b. Equipment					
1 Spectrophotometer ----	22,825	--	647	28	523
1 Optical cell -----	6,600	--	647	28	523
2. Water sanitation					
Ground water study -----	100,000	--	639	24	524
4. Occupational health					
a. Bureau of occupational Health					
Salaries and wages, 15 posi- tions -----	144,408	--	649	25	526
b. Transfer to Department of Industrial Relations (Item 185)					
1 chief -----	20,688	--	649	25	526
1 Public health medical officer III -----	19,468	--	649	25	526
1 Public health medical officer II -----	18,768	--	649	25	526
3 Senior industrial hygiene engineer -----	43,569	--	649	25	526
2 Associate industrial hygiene engineer -----	23,664	--	649	25	526
3 Industrial hygiene engineering associate --	36,192	--	649	25	526
1 Senior stenographer ----	6,276	--	649	25	526
4 Intermediate stenographer -----	22,148	--	649	25	526
1 Intermediate typist-clerk	5,280	--	649	25	526

General Summary

Public Health

Department of Public Health—Continued

	<i>General fund</i>	<i>Federal</i>	<i>Budget Page</i>	<i>Line</i>	<i>Analysis page</i>
c. Related services -----	71,172	--			526
This involves the following organizational units:					
Division of administra- tion -----	--	--	641	27	
Division of community health services -----	--	--	645	5	
Division of laboratories----	--	--	648	29	
Division of research -----	--	--	652	48	
5. Radiological health					
1 Combustion apparatus for carbon-14 and titium -----	3,850	--	648	24	528
6. Vector control					
Assistance to local agencies for gnat control (Item 346) -----	50,000	--	1094	70	529
Transfer \$50,000 to Univer- sity of California (Item 107) -----					
Contractual services—Uni- versity of California-----	145,814	--	646	49	530
Transfer \$145,814 to Univer- sity of California (Item 107) -----					
C. Medical Care					
3. Crippled Children Services					
Assistance to counties for care of crippled children (Item 342) -----	446,506	--	1092	35	533
Assistance to local agencies for the treatment of physically handicapped children (Item 347) ----	362,415	--	1095	51	534
D. Health Facilities Development and Services					
1. Hospital and nursing home workload positions:					
1 Consultant in hospital administration -----	9,480	--	649	45	535
1 Architectural assistant---	8,604	--	649	46	535
2 Hospital field repre- sentative -----	15,600	--	649	47	535
1 intermediate typist-clerk -----	4,452	--	649	48	535
2. Hospital and nursing home inspection -----	50,946	--	640	6	536
3. Assistance to local and non- profit agencies for hos- pital construction (Item 350) -----	3,770,866	--	1097	27	536
E. General Assistance and services to other agencies and individuals					
1. Assistance to local health departments and other community agencies					
a. Temporary help -----	2,350	--	644	60	538

Public Health

General Summary

Department of Public Health—Continued

	<i>General fund</i>	<i>Federal</i>	<i>Budget Page</i>	<i>Line</i>	<i>Analysis page</i>
b. Statistical consultation ---	--	\$33,589	640	20	538
c. Local health officer manpower pool -----	--	43,586	640	45	539
d. Assistance to counties with- out local health depart- ments (Item 344)					
1 Health education con- sultant II -----	8,604	--	1093	49	539
4. Vital statistics registration equipment -----	7,802	--	642	18	540
G. Not identifiable by program					
1. 2 intermediate typist-clerk---	--	8,904	641	54	544
2. Los Angeles branch public health office and laboratory					
a. Operating expenses—build- ing space and rent -----	55,811	--	642	5	545
C. Equipment -----	36,361	--	648	23	545

ANALYSIS AND RECOMMENDATIONS

Environmental Control

The environmental control program is comprised of six subprograms with a total proposed 1966-67 program expenditure of \$7,528,377, including the cost of special projects. This program initiates and implements those services and controls which are deemed necessary to the provision of a healthful environment.

The following is a summary of the proposed cost and proposed activity of each of these six related subprograms:

1. Air Sanitation

Air sanitation involves the protection of the public from polluted air, reduction of air pollution, determination and measurement of the nature, causes and extent of air pollution, determination of the effects of air pollution on humans, plants and animals and prevention of air pollution in areas now free from air pollution, at a cost of \$1,981,270. This includes a proposed program augmentation in the amount of \$200,000 to support a series of studies dealing with the concentration of pollutants that produce effects on humans. This represents an increase of \$702,692, or 55 percent, over the amount of \$1,278,578 actually expended in the 1964-65 fiscal year. During 1964-65 this program maintained the Motor Vehicle Emissions Laboratory and the statewide air monitoring system, and assisted eight air pollution control districts serving 13 counties and local health departments which are engaged in the evaluation and control of local air pollution problems.

Air pollution control (budget page 639, line 26)----- \$200,000

The budget proposes a program augmentation of \$200,000 to support a new series of studies dealing with the concentration of pollutants that produce effects on humans. The results of these proposed studies would be used to refine California's air quality and motor vehicle emissions standards.

Department of Public Health—Continued

We recommend a reduction of the entire amount of \$200,000 requested to carry out a new air quality standards study.

The budget proposal would support various studies, on a contractual basis, dealing with the long-term effects of oxides of nitrogen and the role of various pollutants in the smog reaction process. These studies would also explore new methods of controlling air pollution. This proposal has many elements of the medical air pollution studies program which the 1963 session of the Legislature removed from the department's budget. The department sought, but was refused, authorization to reinstate the medical air pollution studies program in the public health budget which was considered by the 1964 session of the Legislature.

The University of California is, in our opinion, the proper focus for air pollution research and any necessary research should be performed either directly or by contract with the University of California.

It is important to note that the state receives a two-fold return from state financed research which is carried out by the university. The first return is in the research results which accrue from having this research carried out by the highly qualified staff of the university and the second return results from the fact that at the same time the academic and teaching functions of the university are also being served.

Equipment (budget page 647, line 28)----- \$50,065

The budget proposes \$29,425 for the purchase of one spectrophotometer and one optical cell to replace existing equipment.

We recommend a reduction of \$29,425 in equipment for the purchase of one spectrophotometer and one optical cell.

The equipment request of \$50,065 for the budget year is some \$22,664 more than the current year's estimated equipment expenditure of \$27,401.

Due to the possibility, which is discussed under our analysis of the motor vehicle pollution control board (Item 177), that the federal government has preempted the field of pollution control device installation on 1968 model vehicles and later, it may be appropriate to initiate a phasing out of California's motor vehicle pollution control program, including the motor vehicle emissions facility, effective with the 1967-68 fiscal year. We therefore cannot recommend the expenditure of \$29,425 for replacement purchase of equipment which might not be needed after the 1966-67 budget year.

The department indicates that the existing spectrophotometer is over 10 years of age and is considered to be obsolete. The existing optical cell was designed for use with the present spectrophotometer and therefore should be replaced in conjunction with the spectrophotometer. The department contends that the outlook for the existing spectrophotometer is more gradual deterioration and more extensive service time. We have balanced the additional cost of service time against the equipment proposal of \$29,425 and have concluded that more extensive and expensive service time is warranted when balanced against the cost of replacing the spectrophotometer and optical cell.

The budget also proposes \$5,500 for the purchase of one aldehyde analyzer for the motor vehicle emissions facility.

Department of Public Health—Continued

We recommend approval of \$5,500 in equipment for the purchase of one aldehyde analyzer subject to the approval of a recommendation made later in this analysis for the discontinuance of the Los Angeles branch laboratory.

Aldehyde measurements are currently carried out by the Los Angeles branch laboratory and therefore we would not ordinarily support the proposal for an aldehyde analyzer for the motor vehicle emissions facility. However, if our recommendation for the discontinuance of the branch laboratory is accepted, it will be necessary to authorize an aldehyde analyzer for the motor vehicle emissions facility.

2. Water Sanitation

Water sanitation provides for the delivery of a safe, wholesome and potable water supply from community water utilities and the collection, treatment, reclamation and disposal of sewage or other liquid waste without hazard to public health, at a cost of \$1,579,868. This includes a proposed program augmentation in the amount of \$100,000 to provide initial support for a four-year ground water study to determine what changes in standards, policies and procedures are necessary to provide safe ground water. This represents an increase of \$251,133, or 19 percent, over the actual amount of \$1,328,735 expended in the 1964-65 fiscal year.

Ground water study (budget page 639, line 24)----- \$100,000

The budget proposes a program augmentation of \$100,000 to study ground water conditions and causes of waterborne gastrointestinal outbreaks in California. The proposal would support nine positions which would be involved in the first year of a four-year study which would require a total expenditure of approximately \$400,000.

This proposal is occasioned by the recent Riverside epidemic which epidemiologists have concluded was a waterborne epidemic.

The department believes that this outbreak raises serious questions as to existing domestic water supply practices and the adequacy of the program of the department with regard to ground water sources of domestic water supply. The department proposes a study plan involving field investigation, engineering analysis and evaluation, laboratory and data processing support. The main elements of this proposed study involve:

1. A comprehensive inventory of wells, both new and those previously inspected.
2. Intensive investigation of selected representative wells to determine the cause of bacteriological contamination.
3. Evaluation of public health safety of ground water basins receiving substantial quantities of artificial recharge water.
4. Evaluation of the adequacy of present bacteriological monitoring systems of domestic water supply systems, and the development of a method of alerting operators of water systems when contamination reaches a dangerous level.

Department of Public Health—Continued

5. An estimate of the costs of updating California ground water supplies for increased public health protection, including the cost of reconstruction, increased buffer zones and the control of water utilities and necessary treatment of well water.

This ground water study may be followed by a surface water study and a third and concluding study which would involve a reassessment of public health protection in the distribution of domestic water supplies. On the basis of the ground water study proposal, these two additional studies would take an additional eight years at an additional General Fund cost of \$800,000.

We recommend the deletion of the entire budget request of \$100,000 to carry out a ground water study.

The proposal would establish a ground water study as a result of the epidemic in Riverside, this in spite of the fact that this epidemic is the only significant outbreak of its kind in California since 1924. The department should continue to research this matter to identify more accurately the full nature of the Riverside incident and its relation to ground water, including the use of available federal funds, to determine if the Riverside situation actually has statewide implications which should lead to a statewide ground water study. The research should, to the fullest extent possible, be carried out on a cooperative basis with the University of California at Riverside.

In respect to the delay, which would be incurred by this more thorough examination of the implications of the Riverside epidemic, it should be emphasized that the state presently has an extensive water surveillance activity which is carried out by the Bureau of Sanitary Engineering (staffed with 62.8 authorized positions, including 52 engineering and inspection) to assure that all community water utilities with over 200 connections deliver a safe, wholesome and potable water supply. An estimated 29.8 man-years are assigned to this activity during the current year. The Department of Public Health additionally has 22 sanitarians employed in 15 counties under 40,000 population which are provided with contract public health services through the department's Bureau of Public Health contract services.

The department can also take advantage of the existing resource of 917 sanitary engineers and sanitarians, excluding industrial hygienists and milk inspectors, who were budgeted in 41 recognized county and city health departments in 1964-65 and serve a very large percentage of the state's total population.

The department can also review the extensive ground water records of such agencies as the State Department of Water Resources, Metropolitan Water District, and the Los Angeles City Department of Light and Power. There is presently no evidence that the Riverside incident has any direct applicability to the adequacy of the existing program of surveillance, and we think this should be made clear before initiating a major project of this broad scope.

Department of Public Health—Continued

3. Food and Drug

The food and drug subprogram involves licensing, inspection, enforcement, investigations, consultation and laboratory studies, at a cost of \$1,453,382, an increase of \$99,740 or 12 percent over actual expenditures in the 1964-65 fiscal year.

This assures that food is safe, wholesome, produced under sanitary conditions, conforms to prescribed standards and is properly labeled, advertised and served.

4. Occupational Health

Occupational health provides investigative, consultative and advisory services in connection with industrial health hazards, at a cost of \$598,436.

Occupational health carried on its activities in the 1964-65 fiscal year, at a cost of \$576,567.

Bureau of occupational health (budget page 649, line 25) — \$378,540

Related Services

Division of administration (budget page 641, line 27) division of community health services (budget page 645, line 5), division of laboratories (budget page 648, line 29), division of research (budget page 652, line 48) ————— \$94,895

The department proposes to continue an occupational health program with a total expenditure of \$598,436 during the budget year. This includes \$378,540 for the support of the existing 32-man staff in the bureau of occupational health, \$125,001 for the support of the 10.5-man staff, actual and proposed in the industrial hygiene segment of the air and industrial hygiene laboratory and \$94,895 as the cost of related services provided by the divisions of administration, community health services, laboratories and research.

We recommend that the bureau of occupational health be abolished for a total reduction of \$378,540 in salaries and wages, operating expenses and equipment and that the occupational health responsibility of the bureau be transferred to the division of industrial safety, Department of Industrial Relations. We also recommend a transfer to Item 185, the support item of the Department of Industrial Relations, of \$196,053 in salaries and wages, plus related operating expenses and equipment, to support 17 positions including one chief, one public health and medical officer III, one public health medical officer II, 3 senior industrial hygiene engineers, 2 associate industrial hygiene engineers, 3 industrial hygiene engineer associates, 1 senior stenographer, 4 intermediate stenographers and 1 typist-clerk and related operating expenses and equipment.

We also recommend a reduction of \$71,172 in related services provided by the divisions of administration, community health services, laboratories and research.

The approval of this recommendation will result in a net reduction of \$215,580 after transferring \$196,053 in salaries and wages to the Department of Industrial Relations.

Department of Public Health—Continued

Although the Department of Public Health is restricted to an advisory and consultative role in the occupational health area and the division of industrial safety, under statutory authority, promulgates and enforces its own occupational health safety orders, a certain amount of inevitable overlap and duplication of activity occurs among the related activities of the bureau of occupational health in the Department of Public Health and the division of industrial safety in the Department of Industrial Relations. This occurs despite the existence of a joint agreement, dated November 22, 1948, titled "Plan of Integration and Definition of the Responsibilities of the Department of Industrial Relations and Public Health with Respect to the Health and Safety of Industrial Workers in California."

Our recommendation is based on the contention that the division of industrial safety is the logical agency to carry on all of the state's occupational health or industrial hygiene activity except for related laboratory activity. The recommendation allows for the expansion of the existing nine-man environmental engineering unit staff in the division of industrial safety, including 6 professional positions to a 26-man unit, including 17 professional positions. The activity of the 225 division of industrial safety engineers who are located throughout the state is related to occupational health and the transfer will serve to improve the individual effectiveness of these 225 industrial safety engineers who are responsible for assuring that California's labor force is employed under safe working conditions. It should also serve to improve the programs of such state agencies as Agriculture, Fish and Game and Water Resources and local health departments who have occupational health as part of their responsibility.

Local health departments have developed an increased capability in the occupational health field and some 14,208,500 or 76 percent of California's July 1, 1965, estimated population of 18,756,000 currently reside in the 10 counties in the state which each have populations in excess of 500,000 and are served by local health departments which maintain active occupational health programs. The maintenance of these programs is required under a recent amendment to the "Standards for State Aid for Local Health Administration," Section 1276J, Title 7, California Administrative Code.

An additional 1,595,800 or 9 percent of the state's population reside in seven counties, each of which have populations of less than 500,000 and are served by local health departments which maintain active occupational health programs.

The remaining 2,951,700 or 15 percent of the state's population reside in the remaining 41 counties with populations which are normally substantially under 500,000 and have little industry. These residents are either served by local health departments which maintain little or no active occupational health activity or health services are provided under the Department of Public Health's contract county program.

Thus a substantial part of California's population, 85 percent, resides in 17 counties with local health departments which maintain active occupational health programs. The occupational health activity of these

Department of Public Health—Continued

local health departments will be enhanced by the availability of an active program of consultation from the expanded environmental engineering unit in the division of industrial safety.

Consultation would also be provided, on an as needed basis, to the remaining 15 percent of the state's population who reside in the 41 counties with local health departments which have little or no occupational health activity or are served under the contract county program.

The industrial hygiene segment of the Air and Industrial Hygiene Laboratory, which would be supplemented by a chemist in the budget year, should be continued as part of the Department of Public Health's comprehensive complex of laboratory services. This industrial hygiene segment would continue to provide laboratory services to the division of industrial safety, local health departments and other state and local agencies which carry out occupational health related activity.

Our 75 percent reduction for related services is based on our recommendation that the bureau of occupational health, which is proposed to be abolished, accounts for approximately 75 percent of the actual operating expenditures in the occupational health subprogram, \$378,540, while only 25 percent of the actual operating expenditures of the industrial hygiene segment of the Air and Industrial Hygiene Laboratory, \$125,001, are related to this subprogram. The recommendation continues related services for the industrial hygiene segment of the Air and Industrial Hygiene Laboratory at the budgeted level.

5. Radiological Health

Radiological health identifies sources of a magnitude of exposure to ionizing radiation, assesses and evaluates the public health significance of such exposure, and minimizes human exposure at a cost of \$868,530. This subprogram which included registration of X-ray machines, inspection of X-ray installations and regulation of radioactive material users actually expended \$793,521 in the 1964-65 fiscal year.

Equipment (budget page 648, line 24)----- \$125,419

The budget proposes \$3,850 for the additional purchase of combustion apparatus for carbon-14 and tritium.

We recommend a reduction of \$3,850 in equipment budgeted for the purchase of one combustion apparatus for carbon-14 and tritium.

This equipment is proposed to provide data on radionuclides which the department maintains can not be provided because of the absence of suitable equipment to prepare or count the samples. We are advised that as the public health effect of such bomb debris nuclides as strontium-90 decreases, the significance of carbon and hydrogen, both of which are totally incorporated in the body, increases. However, the recent approval of the test-ban treaty and the resultant current cessation of nuclear testing should tend to reduce the total demands on the radiation section of the Sanitation and Radiation Laboratory and any justification for the purchase of this additional equipment at this time.

Department of Public Health—Continued

6. Vector Control

Vector control works in cooperation with other agencies to provide consultation on methods to be employed in reducing vector-borne diseases at a cost of \$852,064. This includes \$50,000 for a gnat control subvention item to support gnat control research by the San Mateo County and Lake County Mosquito Abatement Districts. In the 1964-65 fiscal year vector control provided services of an advisory, investigative and consultative nature in conjunction with federal, state and local agencies who are active in the vector control field at a cost of \$868,483. This included \$125,317 for a mosquito control subvention item which was discontinued at the end of the 1964-65 fiscal year.

Assistance to local agencies for gnat control
(budget page 1094, line 70)----- \$50,000

The budget proposes an expenditure of \$50,000 under the assistance to local agencies for gnat control subvention (Item 346). This is the same amount which is estimated to be expended on this item during the current year.

Two gnat research programs are currently supported by this subvention. One program of research on the control of the valley black gnat has been conducted by the San Mateo County Mosquito Abatement District for the past seven years. The amount of state assistance to this program has remained fixed at the rate of \$10,000 annually for a total of \$70,000 over this seven year period.

The other program of research on the control of the Clear Lake gnat has been conducted by the Lake County Abatement District for the past 14 years. The amount of state assistance has ranged from \$10,000 annually to its current level of \$40,000 annually for a total of \$260,000 over this 14 year period.

We recommend a transfer of the \$50,000 which is requested for assistance to local agencies for gnat control to Item 107, the support item of the University of California.

The state has accepted a degree of financial responsibility for the support of research which will lead to the control of the valley black gnat and the Clear Lake gnat, however, we recommend that the support for this research be transferred to the University of California.

The basis for this recommendation is our belief that the long-term control of these gnats will be achieved at an earlier date under a university directed research program with its extensive back up of specialized staff and facilities than will otherwise be possible if these research programs are conducted within the confines of the San Mateo County and Lake County Mosquito Abatement Districts.

The 1965 session of the Legislature established a precedent for the transfer of the responsibility for vector control research to the university by directing that the mosquito control research responsibility be transferred from the State Department of Public Health to the University of California during the current year.

Department of Public Health—Continued

Contractual services (budget page 646, line 49)..... \$145,814

The budget proposes a continuation of the contract with the University of California for research, investigations and studies on California mosquitoes and their control in such areas as encephalitis and mosquito ecology, ethology, genetics and pathology.

We recommend a transfer of the \$145,814 which is requested for contractual services from Item 175, the support item for the Department of Public Health to Item 107, the support item of the University of California.

The 1965 session of the Legislature accepted the essence of our recommendation for a transfer to the University of California and the discontinuation of Department of Public Health staffed mosquito control research activity effective with the current year's budget. However, the financial support for the university's mosquito control research activity was left in the Department of Public Health's budget as contractual services—University of California. This recommendation is based on our understanding that the University of California would be better able to take advantage of changing research needs if this financial support was transferred from the support of the Department of Public Health to the support of the University of California.

Preventive Medical Services

The preventive medical services program is comprised of four subprograms with a total proposed 1966–67 expenditure of \$12,291,096, including special projects. This program provides the services for the prevention of disease.

1. Communicable Diseases

Communicable Diseases provides services for the control and prevention of communicable diseases at a cost of \$7,926,236. This includes \$3,168,857 for the support of the tuberculosis sanatoria subvention item. A decrease of \$242,341 from the current 1965–66 year's estimated expenditures for tuberculosis sanatoria is based on the estimated impact of Title 18 of PL 89-97 for persons 65 years of age and over who will receive 90 days of hospitalization under the Federal Medicare program.

The subprogram was carried on in the 1964–65 fiscal year with an expenditure of \$7,810,253. This included \$3,317,205 to support the tuberculosis sanatoria subvention item.

2. Chronic Disease

Chronic Disease provides services for the control and prevention of chronic diseases at a cost of \$3,591,988. This includes \$175,000 for the first full year of implementation of handicapped persons pilot project which was authorized under Chapter 1491, Statutes of 1965, to initiate and carry out a pilot project in two areas of the state for the purpose of determining the extent of the needs of severely handicapped persons of normal mentality for residential care and how these needs can be met.

This subprogram had an actual expenditure of \$2,539,002 in the 1964–65 fiscal year.

Department of Public Health—Continued

3. Dental Health

Dental Health provides educational and consultative services to improve and protect dental health at a cost of \$100,016. This program was reduced by approximately 50 percent during the current 1965-66 year and the proposed expenditure would continue this program at this reduced level.

This program was carried on with an actual expenditure of \$227,123 in the 1964-65 fiscal year.

4. Maternal and Child Health

Maternal and Child Health provides services for promoting the health of, and reducing illness and premature death among children and mothers at a cost of \$672,856 in the budget year. This subprogram had an actual expenditure of \$645,141 in the 1964-65 fiscal year.

Medical Care

The medical care program is comprised of four subprograms with a total proposed 1966-67 expenditure of \$19,284,949, including the cost of special projects. This program provides the medical care which is necessary for the treatment of disease. The following is a summary of the proposed cost and proposed activity of each of these four subprograms:

1. Alcoholism

The alcoholism subprogram was authorized by Chapter 1431, Statutes of 1965, and initiated in the current year to provide for the continuing development and maintenance of a statewide plan of programs to prevent, treat and control alcoholism and support the development of comprehensive community alcoholism programs at a cost of \$2,502,629. This includes \$1,867,092 for the community alcoholism program subvention item, including \$1,000,000 for the expansion of the local community alcoholism programs which are supported on a 75 percent state, 25 percent local matching basis.

This subprogram, including the support of eight community alcoholism clinics, was carried on with an expenditure of \$1,225,249 in the 1964-65 fiscal year.

Division of alcoholism (budget page 644, line 34) ----- \$532,335

Related services:

Division of administration (budget page 641, line 27), division of community health services (budget page 645, line 5), division of preventive medical services (budget page 649, line 79), division of research (budget page 652, line 48) ----- \$103,202

The department proposes to continue the alcoholism program which was authorized under Chapter 1431, Statutes of 1965, with a total expenditure of \$2,502,629 during the budget year. This includes \$532,335 for the support of a proposed 35.5-man staff in the newly created division of alcoholism, \$103,202 for related services from the divisions of administration, community health services, preventive medical

Department of Public Health—Continued

services and research, and \$1,867,092 for the local agencies alcoholism program subvention (Item 348).

The budget fails to note that Chapter 1431, Statutes of 1965, terminates March 1, 1967, and that this program must be continued by a new statute. It is clear that the termination date in Chapter 1431 was to require the agency to submit evidence as to real budgetary need and progress to date on the effect that implementation of this new program might be having on the problem of alcoholism.

In view of the termination of the program authorization and the failure of the department to submit any significant reporting on results to date, we are withholding a favorable recommendation on the one-third of the expenditures which are related to the support of the Division of Alcoholism subsequent to the termination date of March 1, 1967.

This amounts to a reduction of \$177,445.

Assistance to local agencies for alcoholism programs

(budget page 1096, line 5)----- \$1,867,092

The budget proposes an expenditure of \$1,867,092 under the new assistance to local agencies for alcoholism subvention (Item 348). This item furnishes the financial support to enable the Department of Public Health to enter contracts with local agencies which offer an approved program of comprehensive integrated community services for the prevention, treatment and control of alcoholism. This support, which is based on a matching basis of 75 percent state to 25 percent local support, was authorized under the provisions of Chapter 1431, Statutes of 1965. The budget proposal is an increase of \$1,000,000 or 115.3 percent above the \$867,092 which is available for alcoholism contracts during the current year.

We recommend that this item be considered in relation to the March 1, 1967, termination date in the basic legislation.

The proposed \$1,000,000 increase in contractual services is indicated in the budget as reflecting "the anticipated level of contracts for the 1966-67 fiscal year." However, as of the date of this analysis, the department has received \$5,000,000 in requests for contractual funds from 12 cities and counties to support comprehensive community alcoholism programs in the budget year. This is \$4,132,908 in excess of the amount which is available for this purpose during the current year and \$3,132,908 in excess of the amount which is proposed for the budget year.

If this augmented amount is approved the state will still be faced with a potential General Fund obligation, as of the date of this analysis, of \$3,132,908 to be financed in the 1967-68 or later fiscal years.

We suggest, as a possible alternative, that any expansion of community alcoholism programs be financed by a substantial increase in the current allotment of \$400,000 of federal vocational rehabilitation service funds which are available to assist in the prevention, treatment, and control of alcoholism. These funds were made available in the

Department of Public Health—Continued

current year through a cooperative agreement between the Department of Public Health and the Department of Rehabilitation. During the budget year 75 percent of the cost of such alcoholism services could be supported from federal funds and the remaining 25 percent of matching state or local funds could be obtained from existing alcoholic rehabilitation expenditures which qualify for such matching.

The budget proposal includes \$867,092 to continue the support of existing community alcoholism programs.

2. Mental Retardation

Mental retardation provides for the establishment of regional centers for the mentally retarded which was authorized by Chapter 1242, Statutes of 1965. These regional centers, which were initiated in the current year, offer comprehensive diagnosis, counseling and services to mentally retarded individuals and their families at a cost of \$1,993,836. This includes \$1,513,000 for a mental retardation services subvention item which provides for the support of contracts with community agencies for the operation of regional mental retardation centers. The budget provides for the continuation of a total case load of 500 mentally retarded on a full year basis. As of the date of this analysis, the Department of Public Health had entered into contracts with the San Francisco Aid to Retarded Children and the Children's Hospital of Los Angeles to provide services to mentally retarded individuals and their families.

The subprogram was carried out, on a limited basis, in the 1964-65 fiscal year with an expenditure of \$195,583.

3. Crippled Children Services

Crippled children services provide diagnostic services for all physically handicapped children and treatment services for physically handicapped children who are eligible because their parent or guardians are unable to finance necessary care at a cost of \$14,594,829. This includes \$10,665,900 for the crippled children services subvention item and \$2,209,850 for the physically handicapped children therapy subvention item.

The budget proposal includes a program augmentation of \$31,547 to support a public health medical officer and a public health social work consultant who would be responsible for an increased level of medical care and better case management of the crippled children's services subprogram.

The subprogram was carried on with actual expenditure of \$12,037,898 in the 1964-65 fiscal year. This included \$8,985,987 for the crippled children services subvention item and \$1,627,124 for the physically handicapped children's therapy subvention item.

Assistance to counties for care of crippled children
 (budget page 1092, line 35)----- \$9,519,610

The budget proposes an expenditure of \$9,519,610 under the assistance to counties for care of children subvention (Item 342). This is an increase of \$446,506, or 4.9 percent, above the \$9,073,104 which is esti-

Department of Public Health—Continued

mated to be expended on this item during the current year. The proposal is based on normal program growth.

We recommend a reduction of \$446,506 for assistance to counties for care of crippled children and approval of Item 342 in the reduced amount of \$9,073,104.

Our recommendation would continue state support for care of crippled children in the reestimated amount of General Fund support of this item during the current 1965-66 fiscal year.

During the 1965 session, the Legislature approved a Department of Rehabilitation budget proposal to make available \$1,000,000 in federal funds to provide rehabilitation services to young people in cooperation with the Department of Public Health's crippled children services program.

A maximum of \$200,000 of these federal rehabilitation funds will be used during the current year and it appears that no more than \$200,000 of these funds will be utilized during the budget year. The difference between the \$200,000 in federal funds which will be utilized to support this item during the budget year and the \$1,000,000 which was approved by the Legislature during the 1965 session or \$800,000 is available to and should be utilized by the department in any expansion of the crippled children services subprogram. The approval of our recommendation would maximize rather than minimize the use of the federal rehabilitation funds.

Another factor which has not been considered in the budget proposal is the impact of the Medicare program which should serve to reduce the amount of General Fund support of this program by some as yet indeterminable amount.

The department has overestimated the amount needed to support this item during the last two actual fiscal years. During the 1963-64 fiscal year the unexpended balance was \$3,491,936 and in 1964-65 \$2,949,536 for an average unexpended balance of \$3,220,776 over the last two fiscal years. This overestimate of expenditures during the last two years, for which actual figures are available, raises a question of the accuracy of the estimates upon which the budget proposal is based.

Assistance to local agencies for the treatment of physically handicapped children (budget page 1095, line 51)----- \$2,209,850

The budget proposes an expenditure of \$2,209,850 under the assistance to local agencies for the treatment of physically handicapped children subvention (Item 347). This is an increase of \$193,000 or 9.6 percent above the \$2,016,850 which is estimated to be expended on this item during the current year.

We recommend a reduction of \$362,415 for assistance to local agencies for physically handicapped children and the approval of Item 347 in the reduced amount of \$1,916,703.

The department has overestimated the expenditures needed to support this item and during the past three actual fiscal years, the unexpended balance has ranged from a low of \$149,943 or 10.9 percent in 1962-63 to a high of \$307,655 or 19.4 percent in 1964-65 for an average un-

Department of Public Health—Continued

expended balance of \$243,425 or 16.4 percent over these past three years. The recommended reduction of \$362,415 is based on the 16.4 percent average unexpended balance over the past three years. Actual expenditures for the past five fiscal years for this subvention item are shown below. As can be seen there has been a consistent pattern of over-budgeting.

	Total available	Actual expenditure	Unexpended balance
1960-61	\$1,436,987	\$1,158,809	\$278,178
1961-62	1,655,511	1,142,694	457,806
1962-63	1,609,574	1,373,408	149,943
1963-64	1,676,276	1,403,589	272,687
1964-65	1,934,780	1,627,125	307,655

4. Other Specialized Medical Care

The department proposes to continue the other specialized medical care program which consists of a four-year pilot project to determine the extent of the needs of severely handicapped persons of normal mentality which was authorized under Chapter 1491, Statutes of 1965, and initiated during the current year at a full year's cost of \$193,655.

Health Facilities Development and Services Program

The department proposes to continue the health facilities development and services program which promotes and endeavors to assure an adequate number of local properly staffed and equipped hospitals and related facilities. The 1966-67 budget proposes an expenditure of \$40,229,188 from state and federal funds to support this program. This includes the cost of special projects. The support of the hospital construction subvention item which provides joint state-federal financial assistance for the construction of community health facilities would continue as part of this program at a cost of \$37,727,730.

The health facilities development and services program was carried on with an expenditure of \$20,574,219, including the cost special projects, in 1964-65. This included \$19,259,615 of state and federal support of the hospital construction subvention item.

Hospital and nursing home inspection workload positions:

- 1 Consultant in hospital administration (budget page 649, line 45) ----- \$9,480
- 1 Architectural assistant (budget page 649, line 46) ----- 8,604
- 2 Hospital field representatives (budget page 649, line 47) 15,600
- 1 Intermediate typist-clerk (budget page 649, line 48) ----- 4,452

The budget proposes five positions on the basis of increased hospital and nursing home licensing and construction workload.

We recommend a reduction of \$38,136 in salaries and wages for five positions including one consultant in hospital administration, one architectural assistant, two hospital field representatives and one intermediate typist-clerk.

We have no mutually agreed upon workload standards upon which we can recommend approval of these positions. We should also point out

Department of Public Health—Continued

that the staff of the bureau of hospitals has grown rapidly during the past six years, increasing from 32.9 actual positions in 1960-61 to an actual staff of 60 and a proposed staff of 70 in the budget year. Only 7 of the 27.9 positions which have been added over the past six fiscal years can be attributed to new activities such as acting as staff to the newly created hospitals and related health facilities and services planning committee and implementation of the mental retardation facility and community mental health center construction program. The remaining 21.9 positions have been utilized in carrying on the existing functions of the bureau, including the added activity resulting from the transfer of the inspection function from the City and County of Los Angeles to the Department of Public Health.

Hospital and nursing home inspection
(budget page 640, line 6) ----- \$50,946

The budget also proposes a program augmentation of \$50,946 to support five positions and related operating expenses and equipment to improve hospital and nursing home inspection services.

We recommend a reduction of \$50,946 for hospital and nursing home inspection.

The proposal for an increased level of hospital and nursing home inspections is apparently the result of the concern which has been expressed by committees of the Legislature and the general public over the quality and efficiency of the department's hospital and nursing home services. The department should be able to take administrative action to strengthen its inspection, consultation and enforcement program within the limits of the 23-man hospital and nursing home licensing and inspection staff. The problem appears to be an internal one which should not be conditioned upon the approval of additional staff. The department's basic responsibility for licensing and inspection of hospitals and nursing homes can be met by working toward higher standards of licensure among substandard or marginal hospitals and nursing homes.

Assistance to local and nonprofit agencies for
hospital construction (budget page 1097, line 27) ---- \$18,863,865

The budget proposes an expenditure of \$18,863,865 under the assistance to local and nonprofit agencies for hospital construction subvention (Item 350). This is an increase of \$493,870 or 2.7 percent above the \$18,369,995, which the budget reestimate anticipates will be expended on this item during the current year.

We recommend a reduction of \$3,770,866 in assistance to local and nonprofit agencies for hospital construction and approval of Item 350 in the reduced amount of \$15,092,999.

The budget request is \$8,770,866 or 22.2 percent above the \$15,092,999 which the 1965 session of the Legislature actually approved to support this item during the current year.

Department of Public Health—Continued

Our recommendation would continue state support for hospital construction during the budget year at the same level as approved in the Budget Act of 1965 for the current year.

The 1965 session of the Legislature reduced the General Fund support for hospital construction in the amount of \$1,550,000 including \$50,000 to offset General Fund costs of administration of the program. The budget expresses a concern as to whether the action of the 1965 Legislature, in reducing hospital construction funds, was intended to be a program reduction or intended to postpone expenditures until 1966-67. Our 1965-66 recommendation and the subsequent legislative action was only concerned with the continued level of state support of this subvention item and had nothing to do with a postponing of expenditures. A postponing of expenditures to 1966-67 was not at issue when this matter was considered by the 1965 session of the Legislature.

The budget advises that although the federal appropriation for California for the two years 1965-67 was actually \$2,773,318 more than the 1965-66 budget had anticipated would be available for matching in the current year, the department was unable to allocate these added federal funds because state matching was not available in accordance with the provisions of Section 435.6 of the Health and Safety Code which provides that state assistance shall not exceed one-third of the cost of any construction project. It appears that the department is in error in its interpretation of Section 435.6, which does not preclude the State Department of Public Health from allocating federal hospital construction funds to public agency projects which meet state plans on a one-third federal, two-thirds public agency basis when such federal construction funds are in excess of matching state hospital construction funds. The department should move to carry out its responsibility in the current fiscal year to allocate this \$2,773,318 in unanticipated federal hospital construction funds on a one-third federal, two-thirds local basis.

The Legislature has annually provided an increased amount of hospital construction funds since the federal hospital construction program was instituted in 1947-48. The total State General Fund support to the hospital construction program over the interim from 1947-48 through 1965-66 is \$116,525,239. This level of state support is even more significant in view of the fact that California is the only state among the 54 states and territories that has fully matched federal hospital construction funds. While 12 of these 54 states and territories, including California, have some form of state matching program, it appears that California's total appropriations between the start of the program in 1947-48 and 1962-63, the latest fiscal year for which actual figures are available, exceeded the total amount appropriated by the 11 other states and territories which had some form of state matching program during this same period.

General Assistance and Services to Other Agencies and Individuals

The general assistance and services to other agencies and individuals program is comprised of four subprograms with a total proposed 1966-

Department of Public Health—Continued

67 program expenditure of \$12,110,355, including the cost of special projects.

This program is designed to work in close relationship with other states and local agencies involving consultation directed toward improving the level of performance of local health services; the provision of public health services to counties with less than 40,000 population; laboratory and other specialized services to other agencies; training, licensing and certification of health personnel and serving as the permanent central registry for vital records in California. The following is a summary of the proposed cost and proposed activity of each of these four subprograms:

1. Assistance to Local Health Departments and Other Community Agencies

Assistance to local health departments and other community agencies promotes and supports effective and efficient community health organizations, both official and voluntary, in an effort to assure high quality public health practices at all levels of government at a cost of \$10,044,499. This includes \$7,286,640 for a subvention item to assist financially the 43 recognized health departments and \$615,463 for a subvention item under which the Department of Public Health provides basic public health services, under contract, to 15 counties with populations of less than 40,000 each.

The subprogram was carried on with an actual expenditure of \$8,815,266 in the 1964-65 fiscal year. This included \$6,205,706 to support the local health departments subvention item and \$579,253 to support the counties without local health departments subvention item.

Temporary help (budget page 644, line 60)..... \$2,350

Professional and clerical temporary help in the amount of \$2,350 is proposed to administer the provisions of the nursing education scholarship program which was authorized by Chapter 1633, Statutes of 1963.

The 1964-65 and the current year's budget provided funds for temporary help in the bureau of nursing. In each instance approval was for the budget year only to assist in initiating the nursing education scholarship program which provides 10 nursing education scholarships per year to registered nurses who agree to teach or supervise in the clinical nursing area upon completion of the state-financed scholarship program.

We recommend a reduction of \$2,350 in salaries and wages for temporary help.

The workload following the initiation of this new activity should now be integrated into the regular ongoing program of the bureau. This program can be adequately administered by the 12 professional and 5 clerical employee staff of the bureau of nursing.

Statistical consultation (budget page 640, line 20)..... \$33,589

The budget proposes a statistical services program augmentation of \$33,589, to be financed from federal general health funds, to assist local health departments in developing their statistical reporting programs and in statistically evaluating their local programs. The pro-

Department of Public Health—Continued

posal calls for two statisticians to be added to the three regional field consulting teams responsible for consulting with local health departments on matters affecting the public health and a statistical clerk to relieve the field statisticians of routine statistical work of a clerical nature.

We recommend a reduction of \$33,589 for statistical consultation.

One statistician is presently assigned to provide statistical consultation on a rotating basis through the three regional teams. The request is largely based on an indicated need for assistance in analyzing and evaluating local statistical needs and programs. We are advised that the one field statistician cannot effectively operate on a statewide basis and is necessarily confined to meeting emergency requests.

This proposal does not appear to give full credit to the increased local capability in the statistical area. The 28 full-time statisticians and analysts who were budgeted in local health departments in the 1959-60 fiscal year had increased to a total of 40 in the 1964-65 fiscal year. This growth in local statistical capability should offset any additional need for statistical consultation from the state-employed staff.

Approval of our recommendation removes the justification for a statistical clerk to handle related routine statistical work and also makes \$33,589 in additional general health funds available to support local public health programs.

Local health officer manpower pool
(budget page 640, line 45)----- \$43,586

The budget proposes a program augmentation of \$43,586, to be financed from federal maternal and child health funds, to provide an adequate pool of recruits for training as local health officers.

This medical help would also meet medical needs which might arise from epidemics, disasters and other medical emergencies and assist the regional medical coordinators.

We recommend a reduction of \$43,586 in salaries and wages and related operating expenses for a local health officer manpower pool.

These federal funds should be used to support local maternal and child health programs which provide a direct service rather than to expand Department of Public Health staff. Approval of our recommendation will provide \$43,586 in additional support for local maternal and child health programs.

Assistance to counties without local health departments
(budget page 1093, line 73)----- \$515,463

The budget proposes an expenditure of \$515,463 for assistance to counties without local health departments (Item 344). This is an increase of \$28,754 or 5.9 percent above the \$486,709 which is estimated to be expended on this item during the budget year. The proposal would add an additional health educator to the contract county program staff.

We recommend a reduction of \$8,604 in salaries and wages for one health educator and approval of the budget for assistance to counties

Department of Public Health—Continued

without local health departments, Item 344, in the reduced amount of \$506,859.

The contract county program is designed to provide "basic health services" to the 15 counties in California with less than 40,000 population who do not wish to form their own local state-recognized health department.

One health education consultant presently is budgeted for this program and services should be made available, to meet peak needs, from the nine professional health education consultants who make up the bureau of health education. Any county with a population of less than 40,000 may form its own recognized health department if it desires a higher level of public health services such as health education. It should be noted that four counties with populations of less than 40,000, including Plumas, Inyo, Colusa and San Benito, with July 1, 1965, estimated populations ranging from 12,300 to 17,200, have formed their own recognized health departments.

The state presently supports approximately 10 percent of the total public health budgets of the 43 county, city and district health departments which are supported under the assistance to local health departments contrasted to state support of approximately 58 percent of the total public health budgets of the 15 contract counties which are covered under the assistance to counties without local health departments or contract county program.

2. Miscellaneous Services to Other Agencies

Miscellaneous services to other agencies perform various services for those local, state and federal agencies who do not have the specialized staff and laboratory capability which is available to the Department of Public Health at a cost of \$467,917. Those services, which are not within the responsibility of the department, are normally supported through reimbursement contracts. The subprogram was carried on with actual expenditures of \$219,591 in the 1964-65 fiscal year.

3. Training, Licensing and Certifying of Personnel

Training, licensing and certifying of personnel assures that certain categories of health personnel are properly qualified and in adequate supply, at a cost of \$724,875. Actual expenditures for this subprogram were \$506,422 in the 1964-65 fiscal year.

4. Vital Statistics Registration

Vital statistics registration maintains a permanent central registry of vital records including birth, death, marriage, divorce, annulment and other records which have some relationship to or impact on the resident of the state, at a cost of \$852,064.

The vital statistics registration subprogram was carried on with an actual expenditure of \$748,149 in the 1964-65 fiscal year.

Equipment (budget page 642, line 18)----- \$45,882

The department proposes to continue the existing vital statistics registration subprogram at \$852,064 during the budget year. This in-

Department of Public Health—Continued

cludes \$484,997 for the support of the existing 74.6 man staff of the bureau of vital statistics, including the 5.1 man-year divorce and annulment registry staff which was added to implement Chapter 1893, Statutes of 1965, and two additional clerical positions which are proposed to be added to the staff of the bureau during the budget year.

The remaining expenditure of \$367,067 includes the pro rata cost of related services provided by the divisions of administration and research and special project activities. The estimated expenditure of \$852,064 is partially offset by an estimated \$329,500 of revenue accruing to the state General Fund from the issuance of copies of vital statistics divorce registry receipts and reimbursement for services to other agencies for a net General Fund cost of \$522,564 to support the vital statistics registration activity.

We recommend that the Legislature direct the Department of Public Health to develop and submit a specific plan to the 1967 Regular Session of the Legislature for the development of a computerized electronic data processing system for carrying out the activity of the vital records registration subprogram.

This recommendation is based on the premise that the separate effort of the state and 75 local agencies in 58 counties results in the maintenance of a duplicate and in some cases triplicate registry of birth, death, marriage, divorce, annulment and adoption records and should be adapted to the latest advances in computer technology. The key element in this recommendation is that existing duplicate or triplicate state and local operations would be eliminated.

The State of California has maintained a vital statistics registry unit since 1905. During the first 57 years of this operation, some 18 million vital records were filed with this unit. However, it is anticipated that in the next 20 years of operation, another 18 million records will be filed. This growth is illustrated by the fact that some 750,600 certificates are anticipated to be filed during the budget year.

During 1964-65 total statewide revenue, primarily from the issuance of certified copies of vital records, was approximately \$2 million. Approximately \$1,840,000 of this revenue, or 92 percent, was received by local agencies with a vital statistics responsibility and \$160,000 or 8 percent of this revenue was received by the office of the State Registrar of Vital Statistics.

During 1964-65 statewide utilization of specific records or information from a specific record involved 1,121,500 cases. Approximately 975,700 of these cases or 87 percent were effected by local agencies and 145,795 cases or 13 percent were effected by the State Registrar of Vital Statistics.

The continued expansion of the state record handling operations of this unit recently required a move by the Sacramento headquarters office of the Bureau of Vital Statistics from a state-owned 11,838 net square feet facility to a more usable 13,578 net square feet facility with a lease cost of \$68,808 annually, and we will most certainly need a larger facility in the near future to house the increased staff and additional

Department of Public Health—Continued

equipment which will be needed if the existing system is not adapted to utilize the latest advances in computer technology.

It appears that a plan might be developed which would not exceed existing combined state and local vital statistic registry costs and should offer a potential for substantial future savings over the cost of existing combined state and local vital statistics operations. Local agencies should be expected to share a portion of any increased state costs from directly identifiable savings in local vital statistics registry programs. The Legislature should also express its intent, due to the direct concern of local government, that the department establish an advisory committee to assist in developing the plan which would be submitted to the 1967 Regular Session of the Legislature under this recommendation. This advisory committee would, at a minimum, include representation from local health officers, county recorders and county clerks.

Such a system could also offer the advantage of speeding up the registration procedure to permit entry of the normal record of vital events into a computerized filing system much more rapidly than is now possible. The use of a single state file could ultimately allow any person born in California to obtain a copy of his birth certificate locally regardless of county of birth. The use of a single state file would also eliminate the existing costly and time-consuming process which provides for a reallocation of births, between counties. It might be possible for birth and death certificates to be issued as part of a computer print-out and sent to the parents or next of kin, at the time of registration. This would provide for "proofreading" by recipients of the certificate and result in the early correction of many errors that often are not corrected until a copy of a birth or death certificate is needed for official purposes, which could be many years later. The correction of such information in a computerized system as opposed to the correction of the microfilm copy which is currently utilized offers yet another area for significant savings. Savings should also accrue from the use of a computer to carry out activity involving the utilization of specific records or requests for information as opposed to the existing largely manual method of carrying out such searches.

We recommend a reduction of \$7,802 for one microfilm camera and one film processor which are proposed for the Bureau of Vital Statistics for the budget year.

Any further major purchases of microfilm equipment which might well be outmoded as a result of this recommended study should be withheld pending the submission of the specific plan to the 1967 Regular Session of the Legislature.

Special Projects Program

The budget proposes to continue the special projects program involving research, investigations, demonstrations and special services which is intended to be of value to the development of California's public health program. These projects are proposed to be supported from federal and private foundation funds. The budget proposes an expenditure of \$8,609,186 to support 48 special projects during the

Department of Public Health—Continued

1966-67 budget year. This expenditure is reflected in the 1966-67 budget year program expenditures for each of the five preceding public health programs and should not be added to the total cost of these programs. Special projects have been developed as a separate program to assist the Legislature in its review of the total proposed special projects program.

The 1964-65 special projects program was comprised of 55 special projects which were financed by federal and private foundation funds and involved research, investigations, demonstrations and special services at an actual cost of \$6,134,829.

A. Total Special Project Expenditures

The budget reestimate for the current year 1965-66 anticipates a special projects expenditure of \$8,665,175 as opposed to the \$5,243,621 which the Legislature actually approved for this purpose for the current year. The budget reestimate for the current year, therefore, anticipates special project expenditures which are \$3,421,554 or 67 percent above the amount which the Legislature actually approved.

The 1966-67 proposal of \$8,609,186 is \$3,365,565 or 66 percent above the \$5,243,621 which the Legislature approved for this purpose during the current year.

The actual 1963-64 special project expenditures of \$2,969,821 should also be compared to the current 1965-66 budget reestimate of \$8,665,175. This is an increase of \$5,965,354 or 192 percent in a period of only two fiscal years.

B. Administered and Departmental Staffed Special Project Expenditures**1. Administered Special Projects**

The budget proposal of \$8,609,186 includes \$3,948,398 for six so-called "flow through" or administered special projects. These projects involve funds which the Department of Public Health largely passes on to local agencies. Administered projects during the current year alone increased from \$2,745,426 for the support of the three special projects which were approved by the 1965 session of the Legislature to a budget reestimate of \$4,190,006 for the support of seven special projects during the current year.

2. Departmental Staffed Special Projects

Our main concern is with the virtually unchecked growth in departmental staffed special projects. This is a matter which is within the control of the department. The budget for the 1965-66 year, as approved by the 1965 session of the Legislature, called for a total expenditure of \$2,498,195 to support 29 departmental staffed special projects which would be staffed by 193 positions. The budget reestimate for this same current year calls for a total expenditure of \$4,475,169, or an increase in total expenditures of \$1,976,974, to support 49 special projects, and a total staff of 282 positions.

The budget proposes an expenditure of \$4,660,788 for 40 departmentally staffed special projects during the budget year. This is an increase of \$2,162,593, or 87 percent, above the \$2,498,195 which the 1965 session of the Legislature approved for the current year.

Department of Public Health—Continued

We recommend that the Legislature direct the Department of Public Health to develop and submit to the 1967 session of the Legislature a master plan of priorities among departmental staffed special projects consistent with public health needs in California and the mission of the department, in an amount not to exceed \$5,000,000. The department should be authorized to apply for any available federal funds to support the preparation of such master plan.

We further recommend that the Legislature direct the Department of Public Health to limit expenditures for departmental staffed special projects to the budgeted amount of \$4,660,788 during the budget year.

Not Identifiable by Program

2 Intermediate typist-clerk (budget page 641, line 54)----- \$8,904

These two positions, to be financed from special project overhead, are proposed to handle the increased workload relating to special projects in the transactions unit of the bureau of personnel and training.

We recommend a reduction of \$8,904 in salaries and wages for two intermediate typist-clerks.

The current basis for staffing the transactions unit of any state agency, according to the Department of Finance, is one nonsupervisory clerk for each 225 positions in the agency. Even if we accept the Department of Finance formula we find that in this instance, on the basis of the formula, the department's approximately 1,700 employees would justify 7.5 nonsupervisory clerks in the transactions unit or only one-half man-year more than the existing seven nonsupervisory clerks who staff this unit.

The Department of Finance, however, has approved a special staffing formula to be applied to the more than 300 special projects positions in the department. Workload data indicate that while these special projects positions comprise only 18 percent of the total personnel, the transactions staff must spend about one-third of its staff time in processing documents relating to these positions. The newly adopted special projects staffing formula, therefore, provides that one special projects position is equivalent to three regularly funded positions in terms of staffing the transactions unit.

Workload related to regularly funded positions should be maintained at approximately the same level during the budget year as during the current year. The budget indicates that the current year's 1,375.4 authorized regularly funded positions will only be increased to a proposed 1,402.6 positions during the budget year. The proposed positions are not justified on the basis of an increase of only 27.2 regularly funded employees and the approval of certain of our recommendations will result in the establishment of less than 1402.6 regularly funded positions which are proposed for the 1966-67 budget year.

Workload related to special project employees should also be maintained at approximately the same level during the budget year. The budget indicates that the current year's 317 special project employees

Department of Public Health—Continued

will only be increased to a proposed 325.5 positions during the 1966-67 budget year. The proposed positions are not justified on the basis of an increase of only 6.5 special project employees.

On the basis of the foregoing it appears that the budget proposal represents an improved level of staffing in the transactions unit of the bureau of personnel and training. The budget proposes two additional positions for a total of 9.5 to carry out a transactions activity in the 1966-67 budget year for approximately the same number of employees which is being handled by 7.5 clerical employees during the 1965-66 current year.

Los Angeles Branch Public Health Laboratory

<i>Operating expenses—rent—building space</i>	
<i>(budget page 642, line 5)</i>	\$489,654
<i>Equipment (budget page 468, line 23)</i>	125,417

The budget proposes a net expenditure of \$55,811, including \$46,500 for the lease of a new 23,453-gross-square-foot Department of Public Health office and branch laboratory in Los Angeles for the last three months of the budget year. This new facility is based on an estimated lease cost of \$15,500 per month or \$186,000 per year on an annual basis. The budget also proposes \$36,361 in new and replacement equipment for this new laboratory.

This proposal raises the entire issue of public health laboratory facilities to serve the southern California area. The department presently leases a 6,075 net square foot facility in Los Angeles at a lease cost of \$835 per month or \$10,030 on an annual basis. However, this lease expires as of November 30, 1966, and has been renegotiated for an additional four months at a cost of \$2,950 per month or \$35,400 on an annual basis. The department considers that the existing facility is inadequate to meet its existing needs and in 1964-65 proposed a \$1,200,000 capital outlay item for land acquisition and construction of a one-story 15,000 net square foot facility in the Los Angeles area. We recommended the disapproval of this budget proposal at the 1964 session on the basis of the possibility of certain shifts of administrative units of the department to Sacramento, the use of air mail or air express to ship laboratory specimens to Berkeley and the possibility of a contractual arrangement for providing needed laboratory services in the Los Angeles area. The Legislature concurred with our recommendation and deleted this item from the budget.

We recommend a reduction of related operating expenses \$55,811 for building space rent and a reduction of \$36,361 or all of the equipment proposed for the branch public health laboratory and the laboratory field services aspect of the laboratory.

The approval of our recommendation would result in the discontinuance of funds for the lease of the Los Angeles branch public health laboratory as of June 30, 1966, and eliminate funds for new and additional equipment for the proposed new facility.

Our recommendation would continue the support for the existing 19-man staff at the Los Angeles branch laboratory in the amount of

Department of Public Health—Continued

the budget proposal or \$176,652 for salaries and wages and all related operating expenses with the single exception of \$55,811 for rental of building space.

Arrangements can be made to provide alternate facilities in the Los Angeles area for the five-man laboratory field services unit which is presently housed in the Los Angeles branch public health laboratory.

Our proposal envisions that those laboratory analysis which are without a time factor can be mailed or expressed to the main public health laboratories in Berkeley and all other laboratory analyses and activity can be carried out on a reimbursable contractual basis with the Los Angeles County Health Department, Department of Water Resources Laboratories in Riverside and San Bernardino or one or more private analytical laboratories in the greater Los Angeles area.

The department will have the opportunity to determine what part of the 19-man staff should be transferred to the main public health laboratories in Berkeley and which positions should be discontinued in order to fund the cost of laboratory analysis which would be performed on a contractual basis in the greater Los Angeles area.

Any problems of laboratory space in Berkeley should be eliminated by the completion of the new 38,120-square-foot Berkeley public health cancer research facility as of June 1966. The opening of this facility should provide substantial relief to the public health laboratories in Berkeley in that any laboratory activity which is related in the departments cancer research special project activity will be moved into the new facility. This will result in additional space and facilities being made available for any increased activity which might be occasioned by the discontinuance of the Los Angeles branch public health laboratory.

DEPARTMENT OF PUBLIC HEALTH

ITEMS 173 and 175 of the Budget Bill

Budget page 638

FOR SUPPORT OF THE DEPARTMENT OF PUBLIC HEALTH
AND IN AUGMENTATION OF THE DEPARTMENT OF
PUBLIC HEALTH FROM THE GENERAL FUND

Amount requested (Item 175)	\$11,778,432
Augmentation requested (Item 173)	350,946
Estimated to be expended in 1965-66 fiscal year	12,727,256
Decrease (4.9 percent)	\$597,878
Increase to improve level of service	\$359,850

TOTAL RECOMMENDED REDUCTION

\$1,082,128

These items are analyzed in our preceding analysis; however, it should be noted that the 1966-67 Budget proposes a total of \$3,380,000 in support of two new local assistance items: assistance to local agencies for alcoholism programs (Item 348) and assistance to local agencies for mental retardation (Item 349). These items were included in the department's support budget during the 1965-66 current year and if they had been continued for the 1966-67 budget year in the depart-

Department of Public Health—Continued

ment's support budget (Item 175) and program augmentation budget (Item 173), rather than in the local assistance budget, the total amount of the 1966-67 support budget would have amounted to \$15,509,470 for a total increase of \$2,782,214 or 21.9 percent rather than the decrease of \$597,878 or 4.9 percent shown in the budget.

**Department of Public Health
MOTOR VEHICLE POLLUTION CONTROL BOARD**

ITEMS 174 and 177 of the Budget Bill

Budget page 654

FOR SUPPORT OF THE MOTOR VEHICLE POLLUTION CONTROL BOARD AND IN AUGMENTATION OF THE DEPARTMENT OF PUBLIC HEALTH FROM THE GENERAL FUND

Amount requested (Item 177)-----	\$478,568
Augmentation requested (Item 174)-----	50,000
<hr/>	
Estimated to be expended in 1965-66 fiscal year-----	475,052
Increase (11.3 percent)-----	\$53,516
<hr/>	
Increase to improve level of service-----	\$50,000
<hr/>	
TOTAL RECOMMENDED REDUCTION-----	\$50,000

Summary of Recommended Reductions

	<i>Amount</i>	<i>Page</i>	<i>Line</i>
Air pollution control-----	\$50,000	639	65

GENERAL PROGRAM STATEMENT

The motor vehicle pollution control program is responsible for reducing vehicular-caused air pollution in California. This responsibility is carried out through the establishment by the Motor Vehicle Pollution Control Board of requirements for systems to reduce harmful emissions from automobiles and trucks. The devices which are subsequently developed to meet these requirements are tested to determine whether they meet these requirements, and certificates of approval are issued to successful applicants. Surveillance is also maintained to assure that these devices continue to meet the requirements established by the board. Total support of \$708,568 is requested from state and federal sources for fiscal 1966-67. This is \$231,098 more than the \$477,470 in General Fund support which was actually expended in fiscal 1961-62 or an increase of 48 percent over a five-year period.

The 89th Congress adopted the Clean Air Act (89-272) 42 U.S.C. 1857, et seq., which provides for the control of pollution from motor vehicles. As a result, 1968 model and later vehicles nationwide will be required to be equipped with exhaust and crankcase controls. The regulations, as published in the Federal Register by the Secretary of the Department of Health, Education, and Welfare, are similar to the requirements for standards of emissions and test procedures as required by the Motor Vehicle Pollution Control Board.

As of the date of this analysis, the Motor Vehicle Pollution Control Board has received preliminary legal advice indicating that the federal government will preempt the field of pollution control device installa-

Motor Vehicle Pollution Control Board—Continued.

tion on new vehicles. The individual states will retain authority for surveillance, enforcement, and control device installation on used vehicles. On the assumption that federal preemption is established, and there is still no exhaust device available for equipping used vehicles, it may be desirable to phase out the motor vehicle pollution control program of the Motor Vehicle Pollution Control Board in the 1967-68 fiscal year. Those functions which are still within California's prerogative could be assumed by existing state agencies such as the California Highway Patrol and the Department of Motor Vehicles.

ANALYSIS AND RECOMMENDATIONS

The motor vehicle pollution control program will continue to be directed towards reducing the emissions of harmful pollutants from automobiles and trucks at a 1966-67 cost of \$708,568. This includes \$478,568 for General Fund support of the board including a contract with the Department of Public Health Motor Vehicle Emissions Laboratory, a General Fund program augmentation of \$50,000 to test devices which give some promise of controlling exhaust emissions from used cars, \$160,000 from federal sources for an air pollution surveillance special project, and \$20,000 for two vehicle coordinators whose salaries and related operating expenses are fully financed from funds which support the California Highway Patrol. The following is a summary of the proposed activity of this program:

(a) Continued supervision of installation of crankcase control devices on used vehicles back to 1955 models at the time they are transferred. This is applicable only in the 10 metropolitan counties which have active control districts.

(b) Statewide installation of approved crankcase devices in 1963 and later models and exhaust control systems on 1966 and later model vehicles.

(c) Testing and approval of exhaust control systems for American cars (retesting required for 1967 models due to a law change); foreign cars (required by 1968); gasoline trucks (required by 1969); and diesel trucks and buses (to reduce smoke and odor).

(d) Testing and approval of exhaust controls for used American passenger cars and methods to control evaporative emissions and oxides of nitrogen. This testing will only occur if applicants are available.

The motor vehicle pollution control program was carried on with a 1964-65 expenditure of \$540,770. The following is a summary of the accomplishments of this program:

(a) Approval of an additional five crankcase controls for factory installation and five systems for used cars.

(b) Approval of six additional exhaust control systems for factory installation on 1966 models. These must be retested for 1967 models because of a law change. Other earlier exhaust certifications have been withdrawn on the basis of the 1965 legislation.

(c) Extensive field surveillance program to review public complaints and to insure continued compliance with state requirements for control systems. Responsibility, with the California Highway Patrol, for enforcing the proper installation of these devices and correct servicing.

Motor Vehicle Pollution Control Board—Continued

(d) Establishment of new requirements for emission control based on law revisions and new standards established by the State Department of Public Health.

Air Pollution Control (budget page 639, line 65) ----- \$50,000

The budget proposes a program augmentation of \$50,000 in contractual services to support the preliminary testing of those exhaust control systems or devices which might be submitted and show some promise of controlling exhaust emissions from used cars.

We recommend a reduction of the air pollution control budget request of \$50,000 in carrying out a program of preliminary testing of exhaust control systems and devices.

We are supporting a regular budget proposal to continue \$45,000 for contractual services. This amount has also been available during the current year. It appears that approximately \$15,000 of these contractual services funds should be available to support this highly contingent program of the preliminary testing of promising exhaust control systems or devices. This is based on the fact that only \$31,738 of the \$47,000 which was budgeted for contractual services or a difference of \$15,262 was actually expended in 1964-65, the last year for which actual expenditures are available.

**Department of Public Health
HANDICAPPED PERSONS PILOT PROJECT**

ITEM 176 of the Budget Bill

Budget page 654

**FOR SUPPORT OF THE HANDICAPPED PERSONS PILOT
PROJECT FROM THE GENERAL FUND**

Amount requested -----	\$175,000
Estimated to be expended in 1965-66 fiscal year -----	100,000
Increase (75 percent) -----	\$75,000
TOTAL RECOMMENDED REDUCTION -----	None

This item is analyzed on page 530 of our analysis.

**Department of Rehabilitation
SUMMARY**

Budget page 663

EXPENDITURES FOR REHABILITATION

Amount requested -----	\$30,128,310
Estimated to be expended in 1965-66 fiscal year -----	23,391,310
Increase (28.8 percent) -----	\$6,737,000

GENERAL PROGRAM STATEMENT

Rehabilitation activity is carried on through the Department of Rehabilitation, which was established by Chapter 1747, Statutes of 1963, and came into being on October 1, 1963. The department is responsible for intensifying services to physically and mentally disabled individuals, and attempts to reduce dependency through provision of a variety of restorative and retraining services to handicapped persons. The

Department of Rehabilitation—Continued

state's rehabilitation activity is carried on through five programs including vocational rehabilitation, prevocational and personal adjustment, training and employment, old age and survivors insurance disability certification and cooperative rehabilitation services.

Total rehabilitation expenditures of \$30,128,310 are proposed for fiscal 1966-67. This is \$18,196,196 more than the \$12,022,114 which was actually expended in 1963-64, the first full year for which comprehensive rehabilitation expenditures are available, or an expenditure increase of 151 percent over a period of three fiscal years. A major factor in this increase is the action of the 89th Congress in adopting Public Law 89-333 to provide for expanded rehabilitation services. This federal legislation amended the Vocational Rehabilitation Act and increased the percentage of federal sharing in continuing base rehabilitation programs from 51 percent existing in 1964-65 to 62 percent in the 1965-66 current year and 75 percent in the 1966-67 budget year. Certain portions of the remaining rehabilitation activity such as special programs are eligible for even a larger percentage of federal sharing, and other phases of the rehabilitation activity, such as the industries for the blind, may be eligible for little or no federal sharing.

Another major factor in this increase is the authorization of the cooperative rehabilitation services program by the 1965 session of the Legislature. This program provided for an expenditure of \$8,697,000 in federal funds in the current 1965-66 year and the budget proposes expenditure of \$8,197,000 of these federal funds in 1966-67. These funds are used to enter into cooperative agreements with other institutions and agencies wherein existing rehabilitation activity is identified and expanded through the matching of the funds which are available through the cooperative rehabilitation services program.

No valid estimates of the future growth of the rehabilitation activity can be made due to the distortion of the financial base as a result of the adoption of Public Law 89-333 and the implementation of the cooperative rehabilitation services program.

The budget proposes 26 positions in the Division of Departmental Administration to be fully financed from federal funds. The division is responsible for the general administration, fiscal and personnel services of the Department of Rehabilitation and this additional staff is occasioned by the cooperative rehabilitation services program and the expanded rehabilitation activity resulting from the adoption of Public Law 89-333.

A program augmentation in the amount of \$9,189,406, which will support the rehabilitation element of a new concept involving the establishment of state service centers, is briefly discussed in the rehabilitation budget. However, the details of this program augmentation will be included in a supplemental administration program which is scheduled to be presented at the 1966 Budget Session of the Legislature.

ANALYSIS AND RECOMMENDATIONS**Vocational Rehabilitation Program**

The vocational rehabilitation program which involves medical diagnosis, evaluation, vocational counseling, medical restoration, vocational

Department of Rehabilitation—Continued

training, job placement, follow-up and other services for vocationally handicapped persons and services to sheltered workshops will be continued at a 1966-67 cost of \$15,144,505. This includes a proposed program augmentation of \$20,550 to support a public information program which would disseminate information to the public, private industry and governmental agencies regarding the employability of handicapped workers.

The direction of this program is carried out through a central administrative unit in Sacramento and regional offices in Los Angeles and Oakland. The operational functions of this program are carried out through 11 district offices, 23 branch offices and offices in 9 state mental hospitals. Three new districts are to be established in the 1965-66 current year and an additional two districts are proposed for the 1966-67 budget year.

Major program workload staff increases include 9 additional rehabilitation counselors, 2 vocational psychologists and related clerical help who were established administratively to serve the increased population of the age group from 14-16. This is a direct result of the adoption of Chapter 1762, Statutes of 1965, which removed the restrictions on the minimum age of those who may be served by the department. These positions are proposed to be continued in the budget year. The budget also proposes five additional rehabilitation counselors on the basis of workload increases.

The improved level of federal support made possible under the terms of Public Law 89-333 has allowed the department to increase case service funds from \$25,000 to \$35,000 per rehabilitation counselor during the 1965-66 current year and this level of case service expenditures is proposed to be continued in the 1966-67 budget year. This increase in case service funds will make it possible to increase substantially the number of people served. The 1965-66 current year's budget also includes \$40,000 for program planning for the mental rehabilitation unit at Agnews State Hospital.

This program provides vocational rehabilitation services to California residents of age 14 or over, whose vocational potential is limited by the effects of physical or mental disability including behavioral disorders. The program proposes to rehabilitate an estimated 5,300 individuals, including 201 legally blind persons. Emphasis is given to providing services to those disabled persons whose needs are greatest and show a potential of benefiting vocationally from these services. Priority will also continue to be given to providing services to recipients of public assistance.

The program also supports special programs to provide rehabilitation services to the industrially injured, recipients of public assistance, provision of emergency and reconstructive rehabilitation services following a disaster, recipients of old age survivors and disability insurance benefits and public welfare recipients and to carry out a psychiatric followup study. Additional rehabilitation services will also be provided through fully reimbursable contractual arrangements with public and nonprofit agencies in a number of California communities.

Department of Rehabilitation—Continued

The vocational rehabilitation program provided a wide variety of restorative and retraining services to handicapped clients and services to sheltered workshops in 1964-65 at a cost of \$9,101,802.

Vocational rehabilitation services were provided to California residents of age 16 or over and 3,457 individuals were rehabilitated, including 161 legally blind clients. The program adhered to the policy which has been approved by the Legislature of serving those with the greatest need for vocational rehabilitation services. Special emphasis was given to providing services to those who were on the public assistance rolls.

Prevocational and Personal Adjustment Program

The prevocational and personal adjustment program will provide services to the adult blind and maintain the Orientation Center for the Blind residential training facility at a 1966-67 cost of \$704,700.

The field rehabilitation services for the adult blind activity which provides 27 teacher-counselors who will make a total of 20,040 home visits to 1,336 adult blind. These home visits may be spent in teaching braille or other prevocational or personal adjustment services.

This program also supports the Orientation Center for the Blind which is located in Albany. This is a residential facility which will assist 71 largely newly blinded students to become more self-sufficient and physically oriented to the world about them.

The prevocational and personal adjustment program served the adult blind and maintained the Orientation Center for the Blind at a 1964-65 actual expenditure of \$601,969.

Program accomplishments included 18,381 home visits which are made by teacher-counselors to serve 1,226 adult blind. A wide range of prevocational and personal adjustments services were provided during these visits.

The Orientation Center for the Blind served as a residential training facility for 56 blind students who were trained to become more self-sufficient and physically oriented to the world about them.

The budget proposes to terminate the existing State Department of Social Welfare prevention of blindness program as it relates to treatment to prevent blindness. It is anticipated that all persons will be accommodated within the new medical care program authorized by Chapter 4, Statutes of 1965, Second Extraordinary Session.

We recommend that the treatment to prevent blindness program be transferred to the Department of Rehabilitation (Item 179).

The budget estimates the cost of treatment to prevent blindness is at \$24,290 in the current year including \$23,000 in General Fund and only \$1,290 from federal funds.

If this treatment is provided under the new medical care program, 50 percent of this treatment should be eligible for federal support and would reduce the General Fund support to \$12,145 based on the current year's estimated expenditures.

If our recommendation is accepted, however, some 75 percent of this treatment to prevent blindness should be eligible for support from federal rehabilitation funds under the provisions of Public Law 89-333, and General Fund support would be reduced to \$6,123.

Department of Rehabilitation—Continued

Training and Employment Program

The training and employment program will provide on-the-job training and employment opportunities for blind and other disabled persons through work centers, workshops and business enterprise installations at a 1966-67 cost of \$1,311,283.

This includes a proposed program augmentation in the amount of \$23,040 from state and federal funds to support a rehabilitation resources specialist who is to advise departmental staff and the blind of the variety of services which are available for the blind.

This program includes the industries for the blind centers which will employ 274 full-time blind and handicapped workers at the three manufacturing centers which are located in Berkeley, Los Angeles and San Diego. This activity provides work evaluation, work adjustment, on-the-job training and the placement of qualified workers in private competitive employment outside of the centers.

The opportunity work shops are also operated in conjunction with this program. The three work centers or subcontract workshops which are located in Berkeley, San Jose and Los Angeles will provide employment to 132 blind and disabled persons who often are severely handicapped. This activity also includes work evaluation, work adjustment, on-the-job training and the possibility of placement in competitive employment outside of workshops.

The business enterprise activity will provide 300 vending stands, cafeteria and related locations to blind operators who will earn a net income of \$1,700,000. These blind operators will also employ 250 other handicapped persons.

The training and employment program provided employment and training opportunities for blind and other disabled persons in work centers, workshops and vending stands and other business enterprise installations at an 1964-65 actual expenditure of \$800,384.

The program accomplished the employment of 213 full-time blind and handicapped workers in its three centers. The opportunity workshops provided employment and training opportunities to 102 severely blind and disabled persons who often were severely handicapped. The business enterprise program provided 248 locations to blind operators whose net income from these locations was \$1,533,125. These operators also employed 190 other handicapped persons.

Industries for the Blind (budget page 687, line 17) ----- \$382,032

The 1966-67 budget proposes General Fund support of \$382,032 for the industries for the blind (Item 180). This is an increase of \$3,398, or 0.9 percent, above the \$378,634 which is estimated to be expended by the industries in the current year.

The Industries for the Blind consists of three manufacturing centers located in Berkeley, Los Angeles and San Diego and a central administrative office located in Sacramento and is supported from two sources; appropriations from the General Fund and income from the Industries for the Blind Manufacturing Fund.

Department of Rehabilitation—Continued

We recommend a reduction of \$35,642 and the approval of the remaining \$346,390 for support of the Industries for the Blind, Item 180.

At the 1963 General Session, the Senate Finance Committee directed, in part, that "the management of the California Industries for the Blind be directed to strive for the eventual operation of the centers without General Fund support." To achieve this end a comprehensive sales program was to be developed so as eventually to place the California Industries for the Blind on this self-supporting basis. We have expressed our concern as to the continued inability of this program to operate on a self-sufficient basis and have urged that an efficient production program be established and be directly related to a comprehensive sales program which will sell those goods which can be produced by the industries. Sales which had reached a previous high of \$2,725,234 in 1958-59 and low of \$2,129,845 in 1959-60 remained in the \$2,400,000 to \$2,500,000 range from 1961-62 through 1963-64 and reached a new high of \$3,003,478 in 1964-65, the last full year for which information is available.

This improvement in sales can be attributed to a number of factors including increased military and commissary sales as a result of the conflict in Vietnam, the development of new product lines with a built-in sales outlet such as the manufacture of drapes in the Los Angeles Center and a more positive sales program. A more significant factor than improvement in sales, however, was the increase in profit, expressed as a percentage of sales, from 1 percent in 1963-64 to 2.1 percent in 1964-65. This can be attributed to management efficiency, improved employee attendance, training programs and related factors.

Our recommendation for a reduction is based on the fact that the budget proposal does not reflect a truly effective approach towards the goal of developing the industries into a self-supporting operation in that it provides for increased support of \$3,398. Our recommended reduction of \$35,642 is made up of two elements. The first element is a reduction of \$3,398 which would maintain support at the estimated level of expenditure in the current 1964-65 fiscal year. The second element is an additional reduction of \$32,244 which represents the salaries and wages for the managers of the Berkeley, Los Angeles and San Diego Centers. The support of these salaries and wages would be transferred to the Industries for the Blind Manufacturing Fund under our recommendation. Although the second element of our recommendation provides for a decrease in General Fund support to the industries, it would not result in a decreased level of service as the three managers who have heretofore been supported from the General Fund would now be supported by the Industries for the Blind Manufacturing Fund. The 1965 Session of the Legislature approved our recommendation for a reduction of \$14,494 in the 1965-66 current year's budget to the level of expenditures in the 1964-65 fiscal year. The approval of our recommendation would be another step towards placing the industries on a self-supporting basis.

Department of Rehabilitation—Continued

Rehabilitation resources specialist (budget page 663, line 71) \$23,040

The budget proposes a program augmentation in the amount of \$23,040 including \$5,760 in state funds and \$17,280 in federal funds to support a rehabilitation resources specialist, related clerical assistance and operating expenses and equipment. These positions, to be located in the divisional office of the Division of Rehabilitation of the Blind would inform the staff of the department as well as blind clients of the range of services available to the blind.

We recommend a reduction of the program augmentation of \$23,040 for a rehabilitation resources specialist.

This position lacks adequate justification in that it proposes to provide the same type of communication and staff development services now carried out by the newly created position of assistant chief, division of the rehabilitation for the blind. This position was only authorized in the 1965-66 current year. The blind client information aspect of this position should be available through the proposed public information program augmentation which is included in the vocational rehabilitation program.

Old Age and Survivors Insurance Disability Certification Program

The old age and survivors insurance disability certification program, to be completely financed from the federal Social Security Trust Fund, will evaluate and make disability determinations on all social security disability claims filed in California at a 1966-67 cost of \$3,554,042.

This program will process an estimated 65,000 claims for disability benefits for the Social Security Administration.

During 1964-65 the old age and survivors insurance disability certification program accomplished the processing of 56,000 social security disability claims at a cost of \$2,971,312.

Cooperative Rehabilitation Services Program

The cooperative rehabilitation services program will improve and expand vocational rehabilitation services to the mentally ill and mentally retarded, disabled young people, disabled inmates, wards and parolees and disabled public assistance recipients with a 1966-67 expenditure of \$8,197,000 from federal rehabilitation funds. This program will also augment the rehabilitation element of such community-based activity as special education and Short-Doyle local mental health clinics and provide grants to public and private organizations and individuals who operate workshops or rehabilitation facilities.

This program was authorized by the 1965 Session of the Legislature for a two-year period and initiated during the current 1965-66 fiscal year. Although a maximum expenditure of \$8,697,000 in federal funds to develop cooperative rehabilitation agreements with other institutions and agencies was authorized, it was anticipated that two fiscal years would be required to fully implement the program. An estimated \$3,234,000 is estimated to be expended during the current year and the budget proposal of \$8,197,000 would provide for a continuance of the current year's expenditure, plus an additional amount of \$4,963,000. The program largely utilizes existing rehabilitation staff

Department of Rehabilitation—Continued

and resources of the cooperating agency in combination with additional vocational rehabilitation staff to provide coordinated rehabilitation services which are directed towards promoting the vocational functioning of the disabled individuals who are clients of these agencies.

The cooperative rehabilitation services program will extend vocational rehabilitation services to mentally ill and mentally retarded in cooperation with the State Department of Mental Hygiene at a cost of \$2,150,000. This includes augmented vocational rehabilitation units to serve 2,000 patients at any one time in the various state hospitals of mental hygiene, development of rehabilitation programs in cooperation with the department's community services program to provide continuity of services to 1,500 former patients at any one time who are returned to the community and rehabilitation services to be developed in cooperation with Short-Doyle community mental health clinics.

The budget contains reference (budget page 677, lines 51-55) to a residential rehabilitation center for the mentally retarded at Agnews State Hospital which will provide rehabilitation services to 500 mentally retarded individuals and which is requested as a capital outlay item in the budget. At the same time there is a request for \$750,000 in the cooperative services program for the existing mentally retarded program at Agnews. These are separate programs and should not be confused as they are in the budget.

Rehabilitation services will be made available to disabled young people at a cost of \$1,750,000. These services, to be developed in cooperation with such agencies as local school districts, will serve 1,100 disabled students at any one time. Regional diagnostic and treatment centers for the mentally retarded will provide services to 120 mentally retarded individuals at any one time. Services will also be developed in cooperation with state schools for the handicapped and other agencies and will serve another 500 disabled young people at any one time.

Rehabilitation services for the disabled will be developed in cooperation with the State Youth and Adult Corrections Agency at a cost of \$1 million. This will provide vocational rehabilitation services to 1,500 physically and mentally handicapped individuals at any one time while institutionalized and after release to the community.

A demonstration project which involves the use of industrial consultants and the development of shop manuals for use by workshops for the handicapped will be supported at a cost of \$47,000.

Staff development and training programs in connection with the cooperative rehabilitation service program will be conducted at a cost of \$100,000.

Grants in the total amount of \$2 million will be made to public and private organizations and individuals who operate workshops or rehabilitation facilities. This will support 20 to 35 grants, depending upon the size of the grant, to expand workshops or rehabilitation facilities, finance administrative support or develop cooperative programs within publicly operated rehabilitation facilities.

Support in the amount of \$400,000 will be given to rehabilitation services which are developed as part of the total alcoholic rehabilitation

Department of Rehabilitation—Continued

activity of community alcoholism clinics. Some 1,100 individuals will be provided with rehabilitation services at any one time.

The actual accomplishments and costs of the cooperative rehabilitation services program during 1964-65 cannot be measured as this program was approved and implemented during the current 1965-66 fiscal year.

**Department of Rehabilitation
GENERAL ACTIVITIES**

ITEMS 178 and 179 of the Budget Bill Budget page 663

**FOR SUPPORT OF THE DEPARTMENT OF REHABILITATION
AND IN AUGMENTATION OF THE DEPARTMENT OF
REHABILITATION FROM THE GENERAL FUND**

Amount requested -----	\$3,825,878
Augmentation requested -----	10,897

Estimated to be expended in 1965-66 fiscal year -----	\$5,123,329
Decrease (33.5 percent) -----	\$1,286,554

Increase to improve level of service ----- \$10,897

TOTAL RECOMMENDED INCREASE (General Fund) ----- \$363

Summary of Recommended Reductions

	<i>General Fund</i>	<i>Federal</i>	<i>Budget</i>	
			<i>Page</i>	<i>Line</i>
Augmentation for treatment to prevent blindness	+\$6,123	-	-	-
Delete rehabilitation resources specialist	5,760	\$17,280	663	71

ANALYSIS

The detailed discussion of this item is contained in the Summary of Vocational Rehabilitation programs.

**Department of Rehabilitation
INDUSTRIES FOR THE BLIND**

ITEM 180 of the Budget Bill Budget page 683

**FOR SUPPORT OF INDUSTRIES FOR THE BLIND
FROM THE GENERAL FUND**

Amount requested -----	\$382,082
Estimated to be expended in 1965-66 fiscal year -----	378,634

Increase (0.9 percent) -----	\$3,398
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TOTAL RECOMMENDED REDUCTION ----- \$35,642

Summary of Recommended Reductions

	<i>Amount</i>	<i>Budget</i>	
		<i>Page</i>	<i>Line</i>
Reduce support—Industries for the Blind	\$35,642	687	17

ANALYSIS

This item is analyzed on page 553 of our Analysis.

**Department of Rehabilitation
ORIENTATION CENTER FOR THE BLIND**

ITEM 181 of the Budget Bill

Budget page 687

**FOR SUPPORT OF THE ORIENTATION CENTER FOR THE
BLIND FROM THE GENERAL FUND**

Amount requested -----	\$80,007
Estimated to be expended in 1965-66 fiscal year -----	114,701
Decrease (30 percent) -----	<u>\$34,694</u>
TOTAL RECOMMENDED REDUCTION -----	None

This item is analyzed on page 552 of our Analysis.

**Department of Social Welfare
SUMMARY**

Budget pages 690 and 1099

Amount requested -----	\$1,610,636,727
Estimated to be expended in 1965-66 fiscal year -----	1,179,180,172
Increase (36.6 percent) -----	<u>\$431,456,555</u>

GENERAL PROGRAM STATEMENT

Social welfare is concerned with assisting, through the provision of money for food, clothing, housing and medical care, those dependent adults and children who are in need thereof, assistance to dependent persons so they may achieve and regain self-dependency, and the prevention of dependency by attacking its causes.

The social welfare programs in this state are carried out by the State Department of Social Welfare, the Health and Welfare Agency Administrator, and the 58 counties in California.

Under the supervision of the state department in 1966-67, it is estimated that nearly 1,400,000 persons will receive aid and assistance amounting to \$1,610,636,727 which includes federal, state, county and one private association social welfare improvement project. These expenditures are to be supported in 1966-67 with \$797,325,952 in federal funds, \$517,860,700 from the General Fund, \$295,428,700 in county funds, and \$21,375 from private association funds.

A total of 65.7 proposed new positions at a total estimated cost of \$507,082 is being requested by the department for support in the areas of direct operations, management support, and standardization and direction of services.

The department is requesting a total program augmentation of \$116,990 to enable the department to make a two-year study and evaluation of foster and boarding home licensing, and licensed adoption agency programs with 12 new positions to coordinate and direct these two activities. This program augmentation will be offset by \$61,340 of federal reimbursements.

Total proposed expenditures for a new activity, aid to victims of crimes of violence, is \$100,000. This program will be supported by \$67,500 from the General Fund and \$32,500 in county funds.

Summary

Social Welfare

General Program Statement—Continued

Following are two tables showing the total General Fund expenditures for social welfare and the total social welfare expenditures in California annually commencing in 1960-61. Both tables include administrative costs.

General Fund Expenditures for Social Welfare

<i>Fiscal year</i>	<i>Amount</i>	<i>Dollar increase from preceding year</i>	<i>Percentage increase from preceding year</i>	<i>Percentage increase from 1960-61</i>
1960-61 -----	\$220,618,239			
1961-62 -----	248,823,424	\$28,205,185	12.8	12.8
1962-63 -----	280,810,956	31,987,532	12.9	27.3
1963-64 -----	318,307,906	37,496,950	13.4	44.3
1964-65 -----	375,157,538	56,849,632	17.9	70.0
1965-66 (est.)	442,716,892	67,559,354	18.0	101.0
1966-67 (proposed)	517,860,700	75,143,808	17.0	134.7

Total Social Welfare Expenditures in California

<i>Fiscal year</i>	<i>Amount</i>	<i>Dollar increase from preceding year</i>	<i>Percentage increase from preceding year</i>	<i>Percentage increase from 1960-61</i>
1960-61 -----	\$542,487,674			
1961-62 -----	619,966,023	\$77,478,399	14.3	14.3
1962-63 -----	719,915,386	99,949,363	16.1	32.7
1963-64 -----	835,369,949	115,454,563	16.0	54.0
1964-65 -----	988,619,246	153,249,297	18.3	82.2
*1965-66 (est.)	1,179,180,172	190,560,926	19.3	117.0
1966-67 (proposed)	1,610,636,727	431,456,555	36.6	197.0

* Figure does not include county contribution for medical care.

The following table shows the total per capita costs for social welfare and General Fund expenditures for social welfare in California.

<i>Fiscal year</i>	<i>Per capita social welfare expenditures in California</i>	<i>Per capita General Fund expenditures in social welfare</i>
1960-61 -----	\$34.19	\$13.91
1961-62 -----	37.69	15.13
1962-63 -----	42.24	16.48
1963-64 -----	47.39	18.06
1964-65 -----	54.39	20.64
1965-66 (est.) -----	62.94	23.63
1966-67 (proposed) -----	83.43	26.82

There are three basic programs in the field of social welfare: (1) those activities which provide direct support for dependent persons and which meet specific needs such as food, clothing and housing; (2) those activities of a specialized social service nature directed toward improving the lives and capabilities of dependent persons, and alleviating dependency causing conditions, and (3) those activities concerned with medical assistance and health care services for welfare recipients and others who are considered medically indigent.

ANALYSIS AND RECOMMENDATIONS

Direct Support for Dependent Persons

The program of direct support for dependent persons amounts to \$985,839,432 or 61.2 percent of the total social welfare expenditures proposed to be spent in California in 1966-67. An estimated average of 1,101,398 cases per month will receive such support. This program provides grants to eligible persons to the extent necessary to provide a basic standard of assistance and is presented as seven separate activities with their proposed expenditures including administration costs.

Chapter 4, Statutes of 1965, substituted for the medical assistance for the aged and public assistance medical care programs, a single program for all health services to public assistance recipients and the medically indigent. This legislation directed that funds used for these programs be transferred to the Health Care Deposit Fund and the new program be assigned for administration to the Health and Welfare Agency. Consequently, this program of direct support for dependent persons does not include the medical care costs which have heretofore been associated with it.

Old Age Security

To provide an average assistance payment of \$101.09 to an average of 285,525 cases per month ----- \$371,560,965

Aid to Families with Dependent Children

To provide an average assistance payment of \$44.36 to an average of 681,480 family group persons per month and an average payment of \$92.78 to an average of 22,580 foster home children per month ----- \$453,851,064

Aid to the Blind

To provide an average assistance payment of \$127.40 to an average of 12,100 cases per month ----- \$20,718,061

Aid to the Potentially Self-supporting Blind

To provide an average assistance payment of \$164.40 to an average of 240 cases per month ----- \$473,700

Aid to the Needy Disabled

To provide an average assistance payment of \$108.30 to an average of 99,470 cases per month ----- \$150,562,061

Medical Assistance to the Aged

To provide administration by the state for the medical assistance program ----- \$1,073,581

Aid to Victims of Crimes of Violence

To provide financial assistance to needy children deprived of parental support via a crime of violence in which the parent was killed or incapacitated. To provide an average monthly payment of \$198.33 to an average of 42 cases during the year ----- \$100,000

Total ----- \$998,339,432

Public Assistance Program Savings ----- \$12,500,000

TOTAL ----- \$985,839,432

The program, direct support for dependent persons, is to be funded with \$485,734,172 in federal funds, \$355,676,560 from the General Fund, and \$156,928,700 in county funds. Based on the department's estimate of public assistance program savings, the federal funds will

Direct Support for Dependent Persons—Continued

be reduced by \$6,000,000, the General Fund will be reduced by \$5,000,000, and the county funds will decrease by \$1,500,000, so that the program is actually expected to cost \$479,734,172 in federal funds, \$350,676,560 from the General Fund and \$155,428,700 in county funds.

State-federal, and county-federal, administrative expenditures amount to \$7,364,344, and \$108,377,888 respectively or a total of \$115,742,232. This is 11.7 percent of the total 1966-67 expenditures for this program. The remainder, \$870,097,200, or 88.3 percent, is the amount proposed for the direct support for dependent persons.

Chapter 1549, Statutes of 1965, established the public assistance program of Aid to Victims of Crimes of Violence which will be financed by state and county governments. Eligibility requirements for the program are tied to the aid to families with dependent children program. The Legislature authorized up to \$100,000 in the current year for this program and \$65,000 made available under Section 32.5(g) of the 1965 Budget Act has been committed toward implementing the program in the current year. The program is proposed to be continued at the initially authorized maximum for 1966-67 under the aid to families with dependent children program.

In 1964-65 a total of \$974,387,684 was expended for the program of direct support of dependent persons, including public assistance medical care and medical aid to the aged. This amounted to 98.6 percent of the total social welfare expenditures in that year. An average of 913,527 cases per month received such support in 1964-65.

We have separated this program into the following activities which show the 1964-65 actual expenditures and services rendered including administrative costs.

Old Age Security

Provided an average assistance payment of \$97.85, to an average of 270,532 cases per month and an average medical care vendor payment of \$13.34 for an average of 270,847 cases per month----- \$386,369,008

Aid to Families With Dependent Children

Family group persons: provided average assistance payments of \$41.72 to an average of 522,036 persons per month; and an average medical care vendor payment of \$2.57 to an average of 542,452 persons per month.

Foster home care: provided average assistance payments of \$90.31 to an average of 18,978 children per month, and an average medical care vendor payment of \$3.96 to an average of 18,968 children per month ----- \$355,371,825.

Aid to the Blind

Provided an average assistance payment of \$118.49 to an average of 12,264 cases per month, and an average medical vendor payment of \$17.85 for an average of 12,283 cases per month----- \$22,079,135

Aid to the Potentially Self-supporting Blind

Provided an average assistance payment of \$162.90 to an average of 127 cases per month and an average medical vendor payment of \$10.63 for an average of 127 cases per month----- \$264,483

Aid to the Needy Disabled

Provided an average assistance payment of \$95.75 to an average of 61,843 cases per month, and an average medical vendor payment of \$16.79 for an average of 62,070 cases per month----- \$96,029,154

Social Welfare

Summary

Direct Support for Dependent Persons—Continued

Medical Assistance to the Aged

Provided average vendor payments of \$348.85 for an average of 26,009 inpatient cases per month and \$11.16 for an average of 1,344 outpatient cases per month----- \$113,969,228

General Assistance

Provided an average assistance payment of \$64.47 to an average of 394 cases per month (persons discharged from inpatient status in the MAA programs) ----- \$304,851

TOTAL ----- **\$974,387,684**

The total expenditure for this program in 1964-65 was supported by \$446,873,416 federal funds, \$365,353,296 state funds and \$162,160,972 county funds. The state-federal and county-federal administrative expenditures amounted to \$6,159,475, and \$96,188,393, respectively or a total of \$102,347,868, or 10.5 percent of the total expenditures for this program. The remaining 89.5 percent or \$872,039,816, is the amount expended for the direct support of persons.

Complaints and Inquiries

2 Social service consultant I (budget page 694, line 76)----- \$15,600
2 Intermediate typist-clerk (budget page 694, line 77)----- 9,348

Four new positions are requested on the basis of increases in complaints and inquiries. Yardstick information indicates a need for one and one-half positions based on established programs while an additional half of a position is being sought to meet estimated increases for the food stamps and crimes of violence programs.

We recommend the deletion of two social service consultants I and two intermediate typist-clerks for a savings of \$24,948.

In the two-year period from 1962-63 through 1964-65, there was an overall increase of 465 complaints and inquiries received. The department estimates that in the two-year period, 1964-65 through 1966-67 there will be an overall increase of 1,394 complaints and inquiries received, or three times as many. No reason has been advanced for complaints and inquiries to increase in the current and budget years at a rate three times that recorded in the last two actual years.

The food stamp program is an established program. Its extension into three additional counties should not generate many additional inquiries at the state level. The crimes of violence program will have been operative for approximately nine months when this budget goes into effect. It will not be a large program and the initial public interest which could be expected to generate additional inquiries will have subsided before the requested new staff could be made available to meet it.

In 1963-64 the department demonstrated its ability to handle a workload of 22,165 complaints and inquiries with five authorized positions. The department estimates that in 1966-67 there will be 20,200 complaints and inquiries, or nearly 2,000 less inquiries and complaints than in 1963-64. Since 1963-64 four positions have been added for a total of nine currently authorized. This should be adequate to handle

Summary

Social Welfare

Direct Support for Dependent Persons—Continued

the projected workload, even if the projection is accurate, with far less difficulty than was experienced in 1963-64.

Public Assistance Appeals

7 Social welfare board representative (budget page 694, line 83).....	\$76,776
4 Intermediate typist-clerk (budget page 694, line 85).....	18,696

Seven additional hearing officers are being requested on the basis of workload increases in the number of appeals from applicants denied public assistance grants. A considerable portion of this increase is attributable to the change to unemployability as the criterion for qualification in the ATD category.

We recommend the deletion of three social welfare board representatives and two intermediate typist-clerks for a savings of \$42,252, and the approval of four social welfare board representatives and two intermediate typist-clerks.

The department was authorized an average of 8.2 positions each year during the actual three-year period, 1962-63 through 1964-65. Each representative was concerned with an average of 289 appeals received during that three-year span. On this basis and using the department's estimate of workload, four additional hearing officers are required for the fiscal year 1966-67.

A new internal procedure for the evaluation of ATD cases has been implemented by the department for the purpose of reducing the number of appeal cases. Every potential denial is being deferred for a specialist workup and after receipt of the additional medical information the case will be reviewed by a second team before the certificate of disability is issued. This new procedure should help to reduce the number of ATD appeals and therefore, the increase in the public assistance appeals workload.

Funding

1 Governmental auditor III (budget page 695, line 24).....	\$9,948
3 Governmental auditor II (budget page 695, line 25).....	24,588

These four governmental auditor positions are requested on the basis of unaudited expenditures of state and federal funds at the county level.

We recommend the deletion of one governmental auditor III and three governmental auditors II for a savings of \$34,536.

This audit function is mainly one of ascertaining on a postaudit basis whether the division of the cost of welfare between the federal, state and county levels of government has been accurately accomplished through the accounting procedures and records. There is and has been for some time a question as to the value and necessity for audit operations in this area to the extent of the quality and depth requested by the department. On November 29, 1965, the Department of Finance Audits Division proposed a task force to study and determine the extent of audit coverage which is necessary and desirable. Such a study

Direct Support for Dependent Persons—Continued

should clearly define the objectives to be accomplished and suggest the most economical and efficient method of accomplishing those objectives, including consideration of alternative methods.

The present audit staff should not be enlarged until this entire program has been reevaluated and a determination favorable to its continuation has been made.

Reporting

6 Associate data processing systems analyst (budget page 695, line 27)-----	\$59,688
1 Intermediate clerk (budget page 695, line 30)-----	4,674

These six analyst positions are requested for assistance to the counties in reviewing county submissions for initial equipment and changes in the electronic data processing field. One clerical position is requested to meet workload generated by these positions.

We recommend the deletion of six associate data processing systems analysts, and one intermediate typist-clerk for a savings of \$64,362.

The primary responsibility for developing an electronic data processing system, analyzing and justifying the use of such a system and of utilizing the equipment to its maximum value rests with the counties who are using or proposing to use such equipment. It is the counties' responsibility to submit complete and correct justifications, programs, and reports for the purpose of securing federal matching funds. The state's role is, or at the most should be, only to interpret federal requirements to the counties and forward the county submissions to the federal government, after being satisfied that the requirements have been quantitatively complied with. The department's proposal is in effect to do the same job of evaluating the county material which the federal government proposes to do when it receives the material. It would appear to be an unnecessary duplication of effort for the state to first evaluate the county material and the federal government to evaluate it again, when federal approval is what is sought in the first instance. In the event that the federal review discloses inadequacies in the justification, there will undoubtedly be opportunity for the county to correct those before a final decision is made. The counties in these matters have access to substantial and competent assistance from the vendors of equipment.

1 Programmer II (budget page 695, line 32)-----	\$8,196
1 Computer operator (budget page 695, line 33)-----	5,832
4 Key punch operator (budget page 695, line 31)-----	19,128
1 Intermediate typist-clerk (budget page 695, line 29)-----	4,674

One programmer, one computer operator, three key punch operators and one intermediate typist-clerk are requested to meet the requirements of the quality control plan. One key punch operator is requested as an administrative adjustment because an optical scanner failed to work.

Direct Support for Dependent Persons—Continued

We recommend the approval—for one year only—of one programmer II, one computer operator, three key punch operators and one intermediate typist-clerk. We recommend the approval of one key punch operator requested as an administrative adjustment.

On the basis of federal regulations in the Handbook of Public Assistance which requires a quality control plan, we are recommending the approval of one programmer II, one computer operator, three key punch operators and one clerk for one year only. The quality control plan now in effect, to be further implemented by these positions, provides for each county in the state to match itself against a statewide average of applications approved. The counties have been advised that if that eligibility ratio is not matched the county procedure is probably lacking quality.

We suggest that the department explore other possibilities of determining quality which are more definitive than comparisons with the average. However, to insure compliance, the present plan cannot be abandoned. We recommend that all positions requested for the quality control program be approved for one year only and that the department rejustify its entire program in the next budget.

Food Stamps

1 Social service consultant II (budget page 695, line 39)----- \$8,604
 1 General accountant II (budget page 695, line 40)----- 8,196

The department states that a number of counties are planning to participate in the domestic agricultural food stamp program. These two positions are being requested to assist and advise these counties on stamp book handling, certification processes and program cost estimates.

We recommend the deletion of one social service consultant II and one general accountant II for a savings of \$16,800.

These two staff positions are requested for assistance and consultation to county welfare departments concerned with the food stamp program. While the department states that 15 counties will be involved in this activity the actual number will depend on the extent of federal allocations available for implementing this program, and that availability is not known at this time.

The initial work of planning and development for this program has been accomplished and three counties are presently involved in this activity. One new county is expected to be in operation by June 30, 1966. The continued expansion of this program should be a continuing responsibility of the existing personnel in area offices and the central office who have already done the work of planning, development and initiation of this program.

Program saving (budget page 1128, line 57) ----- \$5,000,000

The department is proposing to reflect reductions in caseloads and assistance costs below its estimates by the incorporation into its total

Direct Support for Dependent Persons—Continued

estimate of an unallocated savings factor of \$12,500,000 of which \$5,000,000 would represent the General Fund share.

These savings are expected to accrue as a result of the federal war on poverty and as the result of the extensive special services provided by the department to dependent persons.

We recommend that the Legislature incorporate into this budget a limitation on all expenditures for social welfare assistance, similar to the control sections which have been incorporated into the two most recent budget acts. The maximum limitation on expenditures should be the total of expenditures which reflect this \$5,000,000 savings factor so that this amount may be available either as General Fund surplus or for appropriation to other programs.

To accomplish this objective we recommend the following control language.

“Notwithstanding the provisions of any appropriation of state funds made in the Welfare and Institutions Code for the subvention of funds for public assistance programs, expenditures of state funds for such programs for the fiscal year ending June 30, 1967, shall not exceed in the aggregate the sum of \$350,676,560, however the Department of Social Welfare subject to the limit placed on aggregate expenditures by this section, may transfer funds between the programs without regard for the specific estimates made in the budget.”

POLICY OPTIONS

The Legislature could consider revising the present system of social welfare fiscal control by implementing closed-end appropriations, maximum average grants, and eliminating the duplicative cost of living increases by the federal government and the state.

This office has previously made these recommendations which are proposed in detail in the Legislative Analyst's report to the Joint Legislative Budget Committee in December 1962 entitled, "Cost Control Recommendations for Social Welfare Programs."

The implementation of these recommendations should have the result of permitting the Legislature to determine annually the social welfare needs of the state in relation to other program requirements, and to control the growth of welfare costs, as it sees fit, through budget review actions. The Legislature has taken action to impose some limitations on welfare expenditures in the last two budget acts, without detriment to the well-being of either welfare recipients or taxpayers. Although we are recommending a continuation of that approach, it would appear to be appropriate to consider establishing a continuing system of legislative control such as we have previously recommended.

Specialized Social Service Program

The Specialized Social Service Program amounts to \$40,995,895, or 2.5 percent of the total social welfare expenditures for 1966-67. These activities provide services directed toward promoting self-care, rehabilitation, economic independence and strengthened family life. The

Summary

Social Welfare

Specialized Social Service Program—Continued

1966-67 budget incorporates a new method of presenting information about specialized social services and projects. This presentation is a substantial improvement over prior budgets, in that for the first time comprehensive and detailed information on this important and expanding area of social welfare activity is made available through the budget. We hope that this manner of budgeting will be continued in the future. The following listing shows 1966-67 proposed expenditures including administration costs.

Specialized Social Services in Public Assistance

Sheltered Workshops

To provide vocational evaluation and work training center experience for 200 mentally retarded disabled recipients ----- \$120,000

Adult Protective Services

To provide support to the program of social services in county welfare departments encouraging the release of mentally ill persons ----- \$299,445

Special Project on Aging

To provide public welfare services to the aging by training professional staff in county welfare departments. This activity is entirely supported by a grant from the American Public Welfare Association ----- \$21,375

Work Experience and Training Program

To provide for training services, transportation and child care in county community programs ----- \$15,258,503

Pilot Social Service Programs

Self-direction, Self-care and Self-support Projects

To provide recipients of public assistance an opportunity to improve their social and economic potential ----- \$130,600

Family and Child Development

To improve parents' capacity for having an adequate home environment for their children ----- \$187,400

Welfare Dependency Project

To provide a detailed study of the patterns of low-income families adjusting to work and dependency. This activity is entirely supported by a federal grant from the Department of Health, Education and Welfare ----- \$8,140

Community Planning and Development

For county welfare department activities concerned with programs of community participation ----- \$282,100

Medical Care Resources and Utilization Project

For the development of information concerned with the state medical assistance program on behalf of the counties ----- \$88,878

TOTAL—Specialized Social Services in Public Assistance ---- \$16,396,441

Specialized Social Services for Children

Preschool Compensatory Education

For children ages 3 to 5 in low-income families in order to improve their motivation, performance and ability to learn in the public school system ----- \$7,979,901

County Specialized Services for Children

For maintaining services for children concerned with returning a child to his own home and protecting a child from neglect (22 counties) ----- \$760,000

Social Welfare

Summary

Specialized Social Service Program—Continued

State Assistance to County Welfare Department

For counties unable to provide child welfare services ----- \$187,372

Day Care Services

To promote the welfare of children whose mothers are employed and provide rehabilitative and preventive services to children ---- \$265,000

Adoptions

For the operation of public adoption agencies and providing for 10,596 relinquishment adoptions, 2,836 independent adoptions and 1,754 services to other agencies ----- \$7,738,276

Private-Public Activities

Assistance to counties seeking new methods of dealing with children's problems ----- \$50,000

Total—Specialized social services for children ----- \$18,912,371

Local Inspection and Licensing Programs

Licensing and inspection of public and private agencies, maternity and boarding homes, day nurseries, and institutions for children and aged persons ----- \$2,594,840

Specialized Social Services Administration—Improvement Programs

Training

For a social work training center serving 29 counties; educational leave stipends and scholarships; local agency, special training workshops and conferences for public welfare personnel and six field instruction units in relation to state college social welfare educational programs ----- \$1,480,789

County Improvement Programs

Funds for projects designed to improve welfare administration ----- \$687,400

Statewide Improvement Programs

Funds to aid county welfare departments in establishing economic, efficient, and effective methods of operation through the study of existing programs, simplification procedures and coordination of the medical care program ----- \$884,054

Total—Specialized social service administration—improvement programs ----- \$3,052,243

TOTAL—All specialized social service programs ----- \$40,955,895

The special social service programs are to be supported in 1966-67 by \$25,671,080 of federal funds, \$15,263,440 from the General Fund and \$21,375 of private association funds.

The proposed administrative expenditures for this program are \$2,880,772 or 7 percent of the total proposed budget for Specialized Social Services. The remaining \$38,075,123 or 93 percent is to be expended for services under this program.

In 1964-65 a total of \$14,249,404 was expended for the program of specialized social services. This expenditure amounted to 1.4 percent of the total social welfare expenditures in California in 1964-65. The program of specialized social services is separated into the following activities to show the services rendered and actual expenditures, including administrative costs.

Summary

Social Welfare

Specialized Social Service Program—Continued

Specialized Social Services in Public Assistance

Sheltered Workshops

Vocational evaluation and work training center experience for mentally retarded disabled recipients ----- \$100,000

Prevention of Blindness

Surgery or treatment to persons applying for or receiving aid to the blind ----- \$20,325

Adult Protective Services

The development of a program for releasing mentally ill patients from hospitals ----- \$160,433

Special Project on Aging

This activity was entirely supported by the American Public Welfare Association which provided for the training of professional staff in county welfare departments ----- \$17,842

Pilot Social Service Programs

Self-direction, Self-care and Self-support Projects

Provided public assistance recipients an opportunity to become more self-reliant and self-supporting ----- \$635,781

Family and Child Development

For the purpose of encouraging a better home environment ---- \$521,532

Welfare Dependency Project

This activity provided studies concerned with the dependency problem in low income families ----- \$55,798

Community Planning and Development

For programs concerned with community participation ----- \$314,637

Medical Care Resources and Utilization Project

For the project of compiling information concerned with the medical assistance program in the counties ----- \$21,773

Work Experience and Training Program

For county community work training programs ----- \$342,060

Total—Specialized social services in public assistance ----- \$2,190,231

Specialized Social Services for Children

County Specialized Services for Children

For county projects concerned with returning children in foster homes to their own homes, and protecting them from neglect -- \$610,531

State Assistance to County Welfare Departments

Provided support to counties unable to provide child welfare services ----- \$111,005

Day Care Services

For children whose mothers are employed and provided preventive and rehabilitative services to children ----- \$291,625

Adoptions

For the operation of public adoption agencies and provided for 8,208 relinquishment adoptions, 2,567 independent adoptions and 1,434 services to other agencies ----- \$5,375,356

Total—Specialized social services for children ----- \$7,939,055

Local Inspection and Licensing Programs

Licensed and inspected public and private agencies, maternity and boarding homes and institutions for children and aged persons... \$2,302,263

Community Services for Older Persons

For projects advanced by local agencies to promote local community activities for older persons ----- \$96,406

Social Welfare

Summary

Specialized Social Service Program—Continued

Specialized Social Services Administration—Improvement Programs

Training

For a training center to serve counties in training social workers; educational leave stipends and scholarships, field instruction units related to state college social welfare courses; and local agency special training institutes and seminars for public welfare personnel -----

\$1,021,583

County Improvement Programs

For projects concerned with the improvement of welfare administration -----

\$699,866

Total—Specialized social services administration — improvement programs -----

\$1,721,449

TOTAL—All specialized social service programs -----

\$14,249,404

The total expenditures for specialized social service programs in 1964-65 were supported by \$4,427,320 in federal funds, \$9,804,242 from the General Fund and \$17,842 in private associated funds.

The cost of administering this program in 1964-65 was \$2,296,778, or 16.1 percent of the total budget for the program. The remainder, \$11,952,626 or 83.9 percent, was expended for assistance to the specialized social service programs.

Licensing

1 Social service consultant III (budget page 694, line 79) \$9,480

10 Social service consultant II (budget page 694, line 80) 86,040

3 Intermediate typist-clerk (budget page 694, line 81) ---- 14,020

The department is requesting these 14 new positions on the basis of an estimated increase in the number of day care nurseries to be licensed resulting from increased emphasis on compensatory education, project head start, and work experience and training programs.

We recommend the deletion of one social service consultant III, seven social service consultants II and two intermediate typist-clerks for a savings of \$79,054; and the approval of three social service consultants II and one intermediate typist-clerk.

During the actual three-year period 1962-63 through 1964-65, each worker in day nurseries accomplished 52 workload units representing applications received and licensed facilities and renewals pending. On this basis and using the department's estimate of workload, a total of 36 positions or three new additional staff are required for the fiscal year 1966-67.

Adoptions

2 Adoptions casework supervisor (budget page 695, line 7) \$17,208

2 Adoptions caseworker (budget page 695, line 8) ----- 15,600

3 Intermediate typist-clerk (budget page 695, line 9) ----- 14,022

The department is requesting these positions on the basis of reducing the present ratio of eight workers per supervisor to five caseworkers per supervisor and because of workload increases in the independent

Specialized Social Service Program—Continued

adoptions program. One of the three typist-clerks is requested on the basis of the increased workload in the relinquishment adoptions program.

We recommend the deletion of two adoptions casework supervisors, one adoptions caseworker and two typist-clerks for a savings of \$34,356; and the approval of one adoptions caseworker and one typist-clerk.

The federal government, in the Child Welfare Handbook, states that to assure adequate supervision of caseworkers there should be no more than five workers to one supervisor. The ratio is presently eight to one and has been at this level for some time. Two more supervisors are requested only to achieve the federally recommended ratio. No justification in terms of improperly completed adoptions, failure to discharge the department's responsibility for adoptions, backlogs of work, complaints from adoptive parents or children or any other factors which might indicate a need for increased supervision have been put forward. In the absence of such justification the general opinion of the federal handbook that a richer level of supervision is desirable does not appear to be persuasive.

Both adoption caseworkers and clerical positions are based on the department's estimate of workload increases which we do not believe justify these new positions. In the two-year period from 1962-63 through 1964-65 there was an overall increase of 156 in the number of petitions received and requests for services. The department estimates that in the two-year period, 1964-65 through 1966-67, there will be an overall increase of 313, or twice as much growth. No reason for an acceleration of workload during the current and budget years has been advanced.

Based on the 25 percent increase in the volume of activity in the relinquishment adoptions program, we recommend approval of one additional clerical position.

Adult Services

1 Social service consultant III (budget page 695, line 37)--- \$9,480

This position is requested to work with the counties and mental hospitals who are concerned with getting mental patients into family home situations under the supervision of local welfare departments.

We recommend the deletion of one social service consultant III for a saving of \$9,480.

The program of utilizing welfare aid payments for released mental patients has been in existence for some years. All mental hospitals and county welfare departments have had extensive experience in this area. It does not appear from the department's justification that any additional releases of mental patients are expected to occur as a result of this position's activities. At best it might be expected to relieve existing staff of some minor responsibilities which they now carry. Practically

Specialized Social Service Program—Continued

speaking liaison between county welfare departments and the mental hospitals occurs between 58 counties, 14 hospitals, and 31 field offices of the Bureau of Social Work of the Department of Mental Hygiene with the three area offices of the Department of Social Welfare available for consultation on any problems not settled by day-to-day contacts among the persons most directly concerned. It does not appear that this position can add anything to the present function, since it is in operation and has been for some time, and has in fact been responsible for the post hospital care of hundreds of patients. In addition the department has a special project called adult protective services which has as its objective the provision of support to county welfare departments in their efforts to assist released mental patients. This program will cost \$299,445 in both 1965-66 and 1966-67, and was budgeted at \$160,433 in 1964-65.

Medical Assistance Program

The program of medical assistance amounts to \$583,841,400 or 36.3 percent of the total social welfare expenditures proposed to be spent in 1966-67. This program is to be funded with \$291,920,700 in federal funds, \$151,920,700 from the General Fund, and \$140,000,000 in county funds.

These funds will provide health care services for an estimated 1,147,202 welfare recipients, 6,500 transfers from mental hygiene, and an undetermined number of medically indigent.

The office of health care services in the health and welfare agency will administer the medical assistance program commencing March 1, 1966. Chapter 4, Statutes of 1965 made available \$546,000 for costs of the office of health care services responsible for coordinating and administering the medical program in California.

Due to unresolved questions concerning the use of a centralized payment system and certain functions of the agency and various departments, staffing proposals for the office of health care services are not available at this time but will be submitted to the Legislature at a later date.

The 1966-67 social welfare budget contains all the administration costs for the public assistance medical care and medical assistance to the aged programs. These programs should not be budgeted for since they will not exist in 1966-67. Because the details of the new health care services program will be submitted to the Legislature in a separate addendum to the 1966-67 Budget, and since the administrative costs for medical assistance will be included in that item, they should not be included in the 1966-67 Department of Social Welfare budget which does not include medical programs. The administration costs of the medical assistance program should be justified on the basis of new program requirements and not on the basis of a continuation of existing positions.

Medical Assistance Program—Continued

We recommend the deletion of the budget request for administration of public assistance medical care, and medical assistance to the aged programs. The MAA figure can be identified as \$1,073,581 (\$480,320 from the General Fund). The PAMC administration cost is buried in the categorical aid program totals, and should be identified by the department for the purposes of this recommendation.

These costs are budgeted in the current year to support the existing staff until June 30, 1966. This in itself is questionable since neither PAMC nor MAA will exist as active programs after March 1, 1966. However, since it is obviously impossible for the total transition to the new program status to be made by that date, the continuation of existing staff to the end of the fiscal year is perhaps justified. Staffing for the new program in the budget year, however, should be justified on the basis of need for that program as it will be developed before that time, and not be based on an implied authorization for the continuation of all of the positions heretofore used in the old programs.

DEPARTMENT OF SOCIAL WELFARE

ITEM 182 of the Budget Bill

Budget page 693

FOR AUGMENTATION OF THE DEPARTMENT OF SOCIAL WELFARE FROM THE GENERAL FUND

Amount requested from the General Fund	\$55,650
Support from federal funds	61,340
Total	\$116,990
Increase to improve level of service.....	\$116,990

TOTAL RECOMMENDED REDUCTION..... None

This item is discussed under the summary of Social Welfare in this analysis.

Department of Social Welfare

ITEM 183 of the Budget Bill

Budget page 690

FOR SUPPORT OF THE DEPARTMENT OF SOCIAL WELFARE FROM THE GENERAL FUND

Amount requested from the General Fund	\$5,856,082
Support from federal funds	4,272,044
Total	\$10,128,126
Estimated to be expended in 1965-66 fiscal year	9,412,327
Increase (7.6 percent)	\$715,599
Increase to improve level of service.....	\$120,504

TOTAL RECOMMENDED REDUCTION..... \$305,788

Industrial Relations

Items 184-186

Department of Social Welfare—Continued

Summary of Recommended Reductions

	Amount	Budget	
		Page	Line
Direct Operations			
Complaints and Inquires:			
2 Social service consultant I -----	\$15,600	694	76
2 Intermediate typist-clerk -----	9,348	694	77
Licensing:			
1 Social service consultant III -----	9,480	694	79
7 Social service consultant II -----	60,228	694	80
2 Intermediate typist-clerk -----	9,396	694	81
Public Assistance Appeals:			
3 Social Welfare board representatives -----	32,904	694	83
2 Intermediate typist-clerk -----	9,348	694	85
Adoptions:			
2 Adoptions casework supervisor -----	17,208	695	7
1 Adoptions caseworker -----	7,800	695	8
2 Typist-clerk -----	9,348	695	9
From amount requested to improve level of service.			
Management Support			
Funding:			
1 Governmental auditor III -----	9,948	695	24
3 Governmental auditor II -----	24,588	695	25
Reporting:			
6 Associate data processing systems analyst ----	59,688	695	27
1 Intermediate clerk -----	4,674	695	30
Standardization and Direction of Service			
Adult Service:			
1 Social service consultant III -----	9,480	695	37
Food Stamps:			
1 Social service consultant II -----	8,604	695	39
1 General accountant II -----	8,196	695	40

This item is discussed in the Social Welfare summary commencing on page 561 of this analysis.

DEPARTMENT OF INDUSTRIAL RELATIONS

ITEMS 184, 185, and 186 of the Budget Bill

Budget page 698

FOR SUPPORT OF THE DEPARTMENT OF INDUSTRIAL RELATIONS FROM THE GENERAL FUND AND DEPARTMENT OF EMPLOYMENT CONTINGENT FUND

Amount requested from the General Fund -----	\$20,042,719
Amount requested from the General Fund (augmentation) -----	56,257
Amount requested from the Department of Employment Contingent Fund -----	55,963
Total amount requested -----	\$20,154,939
Estimated to be expended in 1965-66 fiscal year -----	19,251,554
Increase (4.7 percent) -----	\$903,385
Increase to improve level of service -----	\$440,147
TOTAL RECOMMENDED REDUCTION (General Fund) -----	\$63,099
(Department of Employment Contingent Fund) -----	\$55,963
Total -----	\$119,062