

**Department of Social Welfare—Continued**

agement analyst position which functioned as the head of the bureau has been vacant since August 30, 1968. We recommend its deletion.

**Business Management and Offices Services**

*We withhold recommendation regarding 11 new clerical support positions pending a review of department needs after it has moved into new quarters.*

This function of the department is to provide the space, equipment, supplies and centralized office services required to support the department's operation. These positions are based and adopted on a work measurement standard which established a ratio of clerks to professional positions.

Page 576 of the Program Budget states: "Units of the headquarters office are in three widely separated locations, and this has a heavy impact on the centralized office service operation." The department should be prepared to discuss the number of personnel man-months presently required because of the three separate office locations in Sacramento, such as extra messengers, typing pool supervisors and duplicating staff.

By the start of the 1969-70 fiscal year the department will move its personnel from the three locations to one central location in Sacramento. On the basis of this move it would appear that some reduction in staff could be made. We are, therefore, withholding our recommendation on the proposed 11 clerical positions pending a review of department needs.

**DEPARTMENT OF INDUSTRIAL RELATIONS****Items 168 and 169 from the General Fund**

Requested 1969-70 .....	\$22,715,150
Estimated 1968-69 .....	22,148,130
Actual 1967-68 .....	20,417,380
Requested increase \$567,020 (2.6 percent)	
Total recommended reduction .....	\$30,000

**SUMMARY OF RECOMMENDED REDUCTIONS**

	Amount	Analysis page
Reduce operating expenses in the Division of Administration...	\$30,000	632

**GENERAL PROGRAM STATEMENT**

The Department of Industrial Relations was created by the Legislature in 1927 to "foster, promote, and develop the welfare of the wage earners of California, improve their working conditions, and advance their opportunities for profitable employment."

To meet these broad objectives, the department provides services in the following nine program areas: (1) Conciliation Service, (2) Industrial Accidents, (3) Industrial Safety, (4) Industrial Welfare, (5) Labor Law Enforcement, (6) Apprenticeship Standards, (7) Labor Statistics and Research, (8) Fair Employment Practices, and (9) State

## Department of Industrial Relations—Continued

Compensation Insurance Fund. With the exception of the State Compensation Insurance Fund, which operates as a public service nonprofit enterprise, the department's programs will be discussed in the above order in the analysis and recommendations which follow.

Although the department's requested authorized position level for the budget year is lower than the estimated level for the current year, the number of positions funded by the General Fund will increase. The decrease in the authorized position level is due in large part to the loss of 11.5 federally financed positions in the Division of Apprenticeship Standards. However, the departmental request for an increase of 25.3 positions which will be funded by the General Fund will negate a major portion of this loss resulting in a proposed staffing level of 1,611.2 positions compared with the estimated 1,616.8 authorized positions in the current year.

The growth of the department over the past five years is illustrated in Table 1.

Table 1  
Positions and Funding of the Department of Industrial Relations  
(1965-70)

	1965-66	1966-67	1967-68	(Estimated) 1968-69	(Proposed) 1969-70
Positions -----	1,574.2	1,647	1,599.8	1,616.8	1,611.2
General Fund -----	\$18,459,422	\$19,879,434	\$20,417,380	\$22,148,130	\$22,715,150
Department of Employment Contingent Fund -----	\$40,332	\$59,417	\$52,000	--	--
Federal funds -----	168,075	722,639	781,554	\$688,663	\$508,953
Reimbursements ----	100,553	91,637	195,714	99,392	137,167
Revenues to the General Fund -----	732,500	719,384	631,567	694,980	722,670
Positions funded by federal Manpower Development and Training Act funds (Division of Ap- prenticeship Standards)		(58.1)	(63.1)	(51.0)	(39.5)

## ANALYSIS AND RECOMMENDATIONS

*We recommend approval in the reduced amount of \$22,685,150.*

The proposed General Fund appropriation of \$22,715,150 represents an increase of \$567,020 or 2.6 percent over the estimated current-year expenditure of \$22,148,130. The department estimates that it will receive \$508,953 in federal funds, which produces a total expenditure program of \$23,224,103.

## Division of Administration

The administrative services required by the nine program areas in the department are furnished by the Division of Administration. These services include: personnel and training, purchasing, fiscal accounting, management services and data processing. Prior to the current year, the data processing unit of 23.6 positions was a part of the Division of Labor Statistics and Research. The director's office, which is budgeted within the Division of Administration, is responsible for the planning,

**Department of Industrial Relations—Continued**

coordination and execution of the services provided by the department's divisions.

The division proposes an expenditure of \$1,345,302. Of this amount, \$1,243,596 will be prorated to the divisions of the department for services rendered.

**Increased EDP Rental Costs**

The data processing portion of the division's budget proposes an expenditure of \$88,365, which is an increase of \$30,000 over the estimated current-year expenditure of \$58,365. The division states that the additional funds will be used to convert (on a rental basis) its data processing equipment from the present card system to a more advanced system which will retain the same information on magnetic tape. The additional funds requested will finance the first step in the conversion process which is expected to be completed in approximately five years. Therefore, yearly increases in the data processing budget can be expected until the conversion process is completed.

*We recommend the deletion of \$30,000 in operating expenses for the rental of new data processing equipment.*

Chapter 1327, Statutes of 1968, sets forth legislative intent on the objectives and policies to be followed in the uses of electronic data processing in state government. In particular, it calls for a master plan to provide for consolidation and optimum utilization of data processing equipment.

In view of the above state policy, the Department of Industrial Relations should examine all possible alternatives for obtaining electronic data processing service rather than considering only one alternative—the installation of a more advanced computer—which will cost the state approximately \$150,000 in additional data processing costs over a five-year period. Other alternatives include: (1) consolidation of data processing functions between two or more state agencies, (2) receiving data processing service from one of the newly established data processing service centers, (3) contracting with existing advanced computer systems in other state agencies, or (4) maximum utilization of present equipment.

The Department of General Services is presently studying plans for a bay area computer center which would utilize the existing advanced computer equipment in the Department of Public Health. During the course of the study, the Department of Industrial Relations stated that it would be willing to utilize the proposed service center in lieu of maintaining its own processing equipment. The Department of General Services stated that the data processing unit was "understaffed" to meet the needs of the department, but made no mention of the need of a more advanced computer system. In view of these facts, we believe that the division's request for the new equipment is unjustified.

*We have reviewed the justification material submitted in support of the 5.5 new positions requested by the Division of Administration and recommend their approval.*

**Department of Industrial Relations—Continued**

The division requests an additional 5.5 positions on the basis of increased workload. The total salary and wage cost of these positions is \$33,898. The positions are discussed hereafter under the sections to which they are proposed to be assigned.

**Data Processing Section**

The division presently operates its data processing equipment on a 12-hour schedule or 1.5 shifts per day. The budget requests the following 4.5 positions to enable the division to utilize its present equipment on a 16-hour schedule or two full shifts: one senior computer operator, two computer operators, one key punch operator and 0.5 temporary help. The total salary cost of the request is \$28,798.

As mentioned previously, the Department of General Services has stated that the data processing section is understaffed, and we concur with this assessment. The addition of these positions will enable the section to eliminate its present backlog and meet workload requirements in the budget year.

**Fiscal Management Section**

This section, which is responsible for the cost accounting and program budgeting functions of the department, requests an additional account clerk II position at a cost of \$5,100. As a result of the implementation of the program budgeting system, the section has experienced an increased workload and has had to secure intermittent assistance from accounting personnel in other sections.

**Conciliation-Mediation Division**

The Labor Code specifies that this division shall: (1) investigate and mediate labor disputes on the request of any bona fide party involved in the dispute, (2) proffer mediation services to both parties when there is a threat of work stoppage and neither party requests intervention, (3) endeavor to promote sound union-employer relationships in the interest of preventing labor disputes, and (4) arrange for the selection of boards of arbitration on terms agreeable to all concerned parties.

In addition, the Conciliation Service has statutory responsibility for settlement of labor relations disputes or grievances associated with the nine transit districts or authorities (viz., the Los Angeles Transit District) now authorized by state law.

**Proposed New Position**

*We recommend approval of the requested stenographer II position which has a salary cost of \$5,352.*

Three professional positions authorized last year for this division have generated workload that cannot be handled by the existing clerical staff. The requested new position is needed to improve the ratio between clerical and professional positions.

**Division of Industrial Accidents**

The Workman's Compensation Appeals Board and the 109 referee teams in this division are responsible for the adjudication of work-

## Department of Industrial Relations—Continued

men's compensation claims. The board is composed of seven members appointed by the Governor, who also designates the chairman of the board. The division's staff, under the supervision of an administrative director who also is appointed by the Governor, provides supportive services to the board.

The objective of the program is to insure the prompt payment of workman's compensation benefits to workers who suffer industrial injury in the course of their employment. These benefits include medical expenses, rehabilitation costs, legal fees, awards for loss of earnings not to exceed \$87.50 per week, and death benefits. The division proposes an expenditure of \$8,567,518 which is an increase of \$69,314 over the estimated current-year expenditures of \$8,498,204.

## Proposed New Positions

*We recommend approval of the associate counsel, senior legal stenographer and benefits notice technician positions requested by the division on the basis of our review of the justification material.*

The above three positions have a total salary cost of \$29,592. As discussed below, the associate counsel and senior legal stenographer are requested for the legal bureau and the benefit notices technician is proposed for the benefit notices unit.

## Legal Bureau

If an injured worker disagrees with the decision of the Workmen's Compensation Appeals Board regarding his claim for compensation, he may appeal the decision to a District Court of Appeal or the State Supreme Court. It is the responsibility of the legal bureau to defend the decisions of the Workmen's Compensation Appeals Board before the appellate courts. The two additional positions are needed to handle workload generated by an increasing number of appeals as illustrated in Table 3.

Table 3  
Staffing and Workload Data (1965-70) Legal Bureau

Fiscal year	Counsel positions	Court of Appeals		Supreme Court	
		Petitions filed	Oral arguments (actual)	Petitions filed (actual)	Oral arguments (actual)
1965-66	--	210	18	64	7
1966-67	7	210	33	60	7
1967-68	7	262	55	76	9
1968-69	7	301 (Projected)	-- <sup>1</sup>	-- <sup>1</sup>	-- <sup>1</sup>
1969-70	8 (Proposed)	346 (Projected)	-- <sup>1</sup>	-- <sup>1</sup>	-- <sup>1</sup>

<sup>1</sup> The division has not projected workload data for these categories, but based on our review of workload experience over the past five years, we estimate that the 346 petitions estimated to be filed in the budget year would result in 44 oral arguments in the Court of Appeals and 98 petitions and 11 oral arguments before the Supreme Court.

## Benefit Notices Unit

Many workmen's compensation cases are settled by the claimant and the company's insurance carrier without litigation. However, in reviewing the accuracy and handling of such claims as required by law, the division has noted cases in which the benefit amount is incorrectly computed or the claimant's benefits have been stopped pre-

**Department of Industrial Relations—Continued**

maturely by the insurance carrier. The benefits notice technician position is requested to augment the review program to insure that such claimants receive their proper benefit payments.

**Division of Industrial Safety**

As specified in the Labor Code, "The Division of Industrial Safety has the power, jurisdiction, and supervision over every employment and place of employment in this state, which is necessary to adequately enforce and administer all laws and lawful orders requiring such employment to be safe, and requiring the protection of the life and safety of every employee in such employment or place of employment." The division's jurisdiction does not extend to maritime workers, household domestics, federal employees and operating employees of interstate railroads.

To fulfill its responsibility, the division is organized into seven sections: electrical, construction, education, elevator, industrial, pressure vessels, and environmental engineering. The division proposes an expenditure of \$4,588,320 which is an increase of \$136,763 or 3 percent over the estimated current-year expenditure of \$4,451,559.

**Proposed New Positions—Elevator Section**

The elevator inspection section requests three elevator safety engineers and one clerk-typist II with a total salary cost of \$37,680.

*We have reviewed the workload justification and recommend approval of the positions.*

The division estimates that by July 1, 1969, there will be 17,398 elevators (compared to approximately 12,000 in 1967) requiring annual inspection under its program. An additional 18,000 elevators are inspected by state-certified inspectors employed by the City of Los Angeles or by insurance companies. At the present time, the division has 16 engineers assigned to its inspection program. During the six-year period 1961-67, the average inspections per engineer ranged from a low of 677 to a high of 887 elevators annually. On the basis of the high average of 887 elevators per engineer per year, the division needs the additional three positions to meet projected workload in the budget year.

**Proposed New Positions—Industrial Section**

*We recommend approval of the two industrial safety engineers (\$21,720) requested for this section on a workload basis.*

The Industrial Section inspects places of employment to ascertain compliance with safety regulations. The department estimates that the number of establishments to be inspected will increase by 3 percent during the budget year. In addition, the department states that in the past seven years, the injury rate for manufacturing industries has risen from 29.6 to 36.6 injuries per 1,000 workers thus indicating a need to strengthen the inspection program. The section will also be required to inspect all amusement rides as specified by Chapter 1113 (AB 888), Statutes of 1968.

## Department of Industrial Relations—Continued

## Division of Industrial Welfare

The Division of Industrial Welfare enforces wage orders promulgated by the Industrial Welfare Commission relating to the wages, hours and conditions of employment for women and minors. A series of 14 such wage orders covering 14 various industries or businesses have been promulgated by the commission. These wage orders are adopted by the commission in accordance with the Administrative Procedures Act and have the force of law.

The division proposes an expenditure of \$1,373,761, which is an increase of \$83,741 over estimated expenditures of \$1,289,980 in the current year.

## Proposed New Positions

*We recommend that four new positions requested by the division be authorized for the 1969-70 fiscal year only.*

The division requests the following additional positions at a salary and wage cost of \$37,932: three industrial welfare agents and one stenographer II.

The Court of Appeal (Third Appellate District) has ruled that a contested agricultural wage order (covering women and minors in agricultural employment) is valid and has ordered the division to enforce its minimum wage and overtime pay provisions retroactively to February 1, 1968. In order to comply with this ruling, the division must examine employer records, identify violations of the wage order, and secure compliance before February 1, 1970, when the statute of limitation expires. The division estimates that a total of 19,200 employers will have to be contacted to determine compliance with the orders. The four new positions are needed to handle this workload. Because this large caseload generated by the court's decision will have to be completed by February 1, 1970, we are recommending that the four positions be authorized only for the budget year.

## Division of Labor Law Enforcement

The enforcement of all labor laws, including child labor laws, not specifically delegated to any other agency is the responsibility of this division. The laws enforced by the division cover such areas as payment of wages, collection of unpaid wages, licensing and registering of artists' managers, and licensing and registering of farm labor contractors.

The division proposes no increase in staff and proposes an expenditure of \$2,905,332, which is an increase of \$14,374 over the estimated current-year expenditure of \$2,890,958.

## Division of Apprenticeship Standards

The Division of Apprenticeship Standards fosters and promotes training in the skilled trades through the registered apprenticeship program and by arranging on-the-job training for apprentices and journeymen.

The division proposes an expenditure of \$2,002,428, which is a decrease of \$65,423 from the estimated current-year expenditure of \$2,067,951.

**Department of Industrial Relations—Continued**  
**Administration of Federal Training Act**

Through a contractual arrangement with the U.S. Department of Labor, the Division of Apprenticeship Standards monitors, inspects and services training projects authorized by the Manpower Development and Training Act (MDTA). The division is reimbursed by the federal government for the number of man-years required to fulfill this activity. During the first quarter of the 1968-69 fiscal year (July-September), the division monitored a total of 1,781 MDTA contracts and was reimbursed for 15,422.2 man-hours in the amount of \$109,250.19.

The number of positions in the division assigned to the monitoring function is directly related to the number of MDTA contracts. The number of these contracts has decreased during the current year due to reductions in federal funding, and this trend is expected to continue into the budget year. As a result of the estimated decrease in workload, the budget shows that the number of federally financed positions will be reduced from 19 to 13.

**Apprenticeship Promotion and Administration**

Table 4 shows the workload factors used by the division in estimating its personnel needs for the apprenticeship program.

**Table 4**  
**Workload Data, Division of Apprenticeship Standards**

	<i>Actual</i> 1966-67	<i>Actual</i> 1967-68	<i>Estimated</i> 1968-69
Active apprentices -----	22,639	20,278	20,905
Registrations -----	7,303	9,243	9,416
Completions -----	4,545	4,806	4,306
Cancellations -----	5,119	4,105	4,912

**Proposed New Positions**

*We recommend approval of the three new positions requested for the apprenticeship program.*

The division requests two apprenticeship consultants and one stenographer II at a cost of \$27,210.

The two additional consultants are requested on the basis of a long-established workload formula utilizing the factors shown in Table 4. The clerical position is requested to maintain the currently approved staffing relationship between the professional and clerical positions.

**Veterans' Training Activity**

The Division of Apprenticeship Standards has been officially designated by the Governor as the state agency to administer all veterans' apprenticeship and other on-the-job training programs authorized by Public Law 90-77 (Veterans' Pension and Readjustment Act of 1967). The division's staff and travel costs attributable to the administration of this program are reimbursed by the federal government through the Veterans Administration. Such reimbursements totaled \$172,845 in the current year and represented 22.5 positions. The contract does not provide for reimbursement of other operating expenses or equipment associated with the program.



## Department of Industrial Relations—Continued

## Division of Labor Statistics and Research

Present law requires the Division of Labor Statistics and Research "to collect, compile, and present facts and statistics relating to the condition of labor in the state." Pursuant to this general directive, the division compiles statistics on (1) employment and payroll levels, (2) work injuries, (3) provisions of collective bargaining agreements, (4) work stoppage, (5) union membership and (6) negotiated work settlements. The division also performs statistical functions for the other divisions of the department.

This division, which requests a General Fund expenditure of \$78,379 for the budget year, proposes no increase in personnel. The division deleted two positions associated with the Manpower Development and Training Act projects monitored by the Division of Apprenticeship Standards in the current and budget years due to a reduction in federal funding.

## Fair Employment Practices

The Division of Fair Employment Practices, under the direction of the Fair Employment Practice Commission, is responsible for the administration and execution of (1) the Fair Employment Practice Act (Labor Code Section 1410-1432) relating to the rights of individuals in employment, and (2) that portion of the Health and Safety Code (Sections 35700-35744) relating to equal opportunities in housing. The seven members of the commission are appointed by the Governor for a term of four years. The director of the division, also appointed by the Governor, serves as the executive officer of the commission.

The division proposes an expenditure of \$872,661, which is an increase of \$27,140 over the estimated current-year expenditure of \$845,521.

## Proposed New Positions

*We recommend approval of the three requested positions.*

The division requests the following new positions which are budgeted at \$27,072: two fair employment consultants and one stenographer II.

Chapter 1503 (AB 544), Statutes of 1967, authorized the division to pursue a policy of "affirmative action" with regard to securing voluntary compliance with the fair employment and housing provisions of the law. Under the affirmative action procedure, the division's consultants meet with employers for the purpose of discussing policies associated with the selection, hiring and advancement of employees. This procedure is also used to persuade landlords to comply with the laws which prohibit discrimination in the rental or purchase of housing due to race, creed, color, or national origin.

The requested positions will be used primarily to encourage employers to hire a greater number of minority people in their businesses. The division states that employers who are contacted through this program generally employ a higher percentage of minority persons than are usually employed by businesses that have not been contacted.