

CONTRIBUTIONS TO JUDGES' RETIREMENT FUND—Continued

percent per annum, compounded. The adjustment is applied to the original base salary, and there is a two-year waiting period before the initial increase can be given. The 1971 judges' salary increase of 5 percent cost the retirement fund approximately \$323,993 in added benefits, whereas a 2 percent adjustment would have cost \$129,597 for a savings of \$194,396.

The question of whether such savings would commence with respect to judicial retirements occurring after enactment or whether it would affect only new judges joining the system after the effective date of the act would require legal determination.

We support the concept of a uniform cost-of-living adjustment in all retirement systems to which the state contributes and would accordingly recommend that the adjustment in retired judges' benefits be made comparable to the cost-of-living adjustments provided under the Public Employees' Retirement System.

GOVERNOR'S OFFICE

Items 21-25 from the General Fund

Budget p. 7 Program p. I-18

Requested 1973-74	\$2,545,884
Estimated 1972-73.....	2,051,567
Actual 1971-72	1,693,722
Requested increase \$494,317 (24.0 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The California Constitution vests the supreme executive power of the state in the Governor and assigns him responsibility for seeing that the law is faithfully executed. He is invested with broad powers, among which are the following:

1. To plan, organize, reorganize and direct the activities of state agencies and to appoint various state officers and members of boards and commissions.
2. To prepare and present to the Legislature the annual State Budget outlining programs and the means by which they are to be financed.
3. To report to the Legislature on the condition of the state and make proposals for legislation.
4. To approve or veto legislation adopted by the Legislature.
5. To act as required with reference to other responsibilities such as granting pardons to convicted criminals and commanding the state militia.

The Governor's Budget request consists of five elements as shown in Table 1.

FUND—Continued

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OFFICE

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Table 1
Governor's Budget Request

Detail	Actual 1971-72	Estimated 1972-73	Proposed 1973-74
1. Governor's office.....	\$1,646,922	\$1,754,167	\$2,198,484
2. Residence—support	17,400	17,400	17,400
3. Residence—rent	14,400	15,000	15,000
4. Contingency expense.....	15,000	15,000	15,000
5. Governor's Budget (printing)	-	250,000	300,000
Total	\$1,693,722	\$2,051,567	\$2,545,884

Staff for the Governor's office is currently authorized at 86.4 positions.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

Proposed expenditures for the budget year total \$2,545,884, which is \$494,317 or 24.0 percent over the estimated current-year level. Most of the increase, occurring in the support item for the Governor's office, consists of \$444,317 to cover salary adjustments and the cost of 10 proposed positions whose services are presently available to the Governor but whose costs historically have been budgeted to other state agencies. No information has been made available on the positions or the fiscal impact of their transfer on the agencies in which they are now budgeted. The Governor's office advises us that the objective of this transfer is to terminate the long-standing executive practice of borrowing positions from other agencies. Presumably, therefore, this proposal should result in offsetting savings in the affected departmental budgets.

The remainder of the increase consists of \$50,000 in printing cost attributable to price increases. The printing item, covering the cost of printing the Governor's Budget, was transferred to the Governor's office budget last year by the Legislature (Item 20.1, Budget Act of 1972). Prior to that time, this cost was contained in legislative support item. By law, the Governor's residence support and contingent expense items are not subject to audit. The amounts requested for these expenses are the same as for the current and past fiscal years.

Salary and staff benefit adjustments authorized during the current year increased the Governor's budget by \$62,177 and \$1,540, respectively, over the original appropriation levels.

GOVERNOR'S OFFICE—Continued

Governor's Office

OFFICE OF INTERGOVERNMENTAL MANAGEMENT

Item 26 from the General Fund Budget p. 13 Supplement p. I-30

Requested 1972-73	\$138,718
Estimated 1971-72.....	140,378
Actual 1970-71	39,224
Requested decrease \$1,660 (1.2 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. Unauthorized Positions. Recommend 11 federally-funded positions which do not appear in the budget document be included in the authorized positions of this agency. 21
2. Revenue Sharing Program. Reduce \$5,000. Recommend General Fund support for the Revenue Sharing program be reduced from \$10,000 to \$5,000 and that the remaining funds be used to prepare a report assessing the formula under which funds are distributed to local governments within the state. 23
3. State Clearinghouse. Augment \$5,000. Recommend General Fund augmentation of \$5,000 for the State Clearinghouse to be derived from the General Fund reduction in the office's Revenue Sharing program. 25

GENERAL PROGRAM STATEMENT

The Office of Intergovernmental Management was created in October 1969 by Executive Order R17-69. From 1969 to 1972 the office was under the jurisdiction of the Lieutenant Governor. The 1972 Budget Bill (Chapter 157, Statutes of 1972) transferred the agency to the Governor's Office. The goals of the agency are to (1) provide a framework for cooperation, communication, and coordination between all units of government and (2) provide information upon which governmental decisions can be based. To accomplish these goals the agency's activities have been organized into three program elements. These are: (1) local government services, (2) program development and research, and (3) intergovernmental coordination.

The office is closely linked to the Council on Intergovernmental Relations. On December 1, 1971, Executive Order R17-69 was amended to provide that the council give policy direction to the office. At the same time a number of the council's functions were transferred to the office. These included the following: (1) providing technical assistance to local governments, (2) administering the federal 701 Comprehensive Planning program, (3) administering the state federal aid clearinghouse, and (4)

providing state liaison to the 11 model cities in California. Nine positions were transferred from the council to the office.

ANALYSIS AND RECOMMENDATIONS

The estimated expenditures of the office for the 1972-73 fiscal year total \$956,628. Support is provided by \$140,378 from the General Fund and two federal grants, one for \$686,250 from the Comprehensive Planning program and the other for \$130,000 from the Model Cities program. With these funds the office has maintained 35 staff positions. Of the 35 positions, 25 are authorized and shown in the budget, seven are temporary and are not shown in the budget, and three are being filled through contracts.

The office's 1973-74 budget proposal totals \$824,968, a combination of \$138,718 from the General Fund and \$686,250 in federal funds. Thus, in the budget year, General Fund support for the office is budgeted to decrease by \$1,660 or 1.2 percent as compared to the current year. Although the budget document shows a total of \$686,250 in federal funds, the Federal Department of Housing and Urban Development has tentatively approved a federal grant of only \$571,000 for the office under the Comprehensive Planning program. At this time the office has not received a tentative allotment under the Model Cities program.

Unauthorized Positions

We recommend that 11 federally funded positions which do not appear in the budget document be included in the authorized positions of this agency.

As indicated above the office has maintained 35 staff positions in the 1972-73 fiscal year. Of that total, 25 positions were shown in the 1972-73 budget document. The 1973-74 budget document shows 18 authorized positions. This reduction of seven authorized staff positions is based on the possible termination of the federal model cities grant in October 1973. The office, however, expects to continue these seven model cities positions and four other federally funded positions. These 11 positions are classified as temporary. The relationship between the staff positions in 1972-73 and 1973-74 is shown in Table 1.

Table 1
Staff of the Office of Intergovernmental Management

Type of position	1972-73 fiscal year	Estimated 1973-74 fiscal year
Authorized.....	25	18
Temporary.....	7	11
Contract.....	3	—
Total staff.....	35	29

Temporary positions of this type are created and abolished within a single fiscal year. If the positions are needed in the following fiscal year, they are recreated at the beginning of that year. Because the positions exist only within the "current" fiscal year they are not included in the budget for legislative review. Ordinarily, an agency uses temporary help to reduce peak workloads. However, in this case the agency is using the

OFFICE OF INTERGOVERNMENTAL MANAGEMENT—Continued

temporary positions to perform federal grant contracts on a long-term basis. The agency has seven such positions in the current fiscal year. They expect to continue four of these seven positions through the 1973-74 fiscal year.

The salaries and wages supplement to the budget document does not show any positions in the "temporary help" category in the current year or in the budget year. If the federal government continues the Model Cities grant to the office, the office could have as many as 11 long-term "temporary" positions. (Seven under the Model Cities program and four others.) Although approved by the Department of Finance and the Department of General Services, the positions have not been subjected to legislative review. Increasing the number of authorized positions in the agency from 18 to 29 with the provision that the additional positions be funded from sources other than the General Fund would require the office and the Department of Finance to present the Legislature with an accurate description of the budget request of the office.

PROGRAM ELEMENTS

The office's program is divided into three elements: (1) Local Government Services, (2) Program Development and Research, and (3) Intergovernmental Coordination. Table 2 shows the proposed expenditure of federal and state funds together with the estimated man-years for each of these elements.

Table 2
Office of Intergovernmental Management
1973-74 Budget Proposal by Program Element

	General Fund	Federal funds	Total	Man-years
Local Government Services	\$103,178	\$300,358	\$403,536	14.5
Program Development and Research	23,104	100,208	123,312	6.0
Intergovernmental Coordination	16,000	167,000	183,000	8.5
	\$142,282	\$567,566	\$709,848	29.0
	-3,564 ¹	+3,434 ²	-130	—
	\$138,718	\$571,000	\$709,718	29.0

¹ Transfer to Council on Intergovernmental Relations.

² Inspection and audit fees retained by the federal government.

Local Government Services

This budget element is composed of four activities: (1) Plan, Program, and Project Review, (2) Evaluation and Improvement of State's Planning and Management program, (3) Planning and Management Assistance, and (4) Revenue Sharing Management program. The estimated expenditures in each of these program elements are shown in Table 3.

Local Government Services Activities. The Plan, Program, and Project Review activity (\$4,000 General Fund) is to establish procedures for reviewing local plans and federal grant programs to insure their conformance to state guidelines, priorities and policies. The evaluation and improvement of the state's planning and management activity (\$9,178 General Fund) is to evaluate the effectiveness of the federal 701 Compre-

Plan, Program, Project Review

Evaluation and Improvement of State's Planning and Management Program.....

Planning Management Assistance

Revenue Sharing Management Program

hensive Planning program administration and Intergovernmental Relations.

The planning and management program (General Fund) is to provide technical assistance to local government, areawide planning agencies, and Indian nations. Financial aid to all projects including federal and local funds is not contribute any monetary support. Funds are allocated among the applicants by the Council on Intergovernmental Relations. The distribution of these funds to the v

Federal Comprehensive Grant Project

Local government

Metropolitan areawide planning agencies.....

Nonmetropolitan areawide planning agencies.....

Indian assistance.....

Minority special projects

Revenue Sharing Management Program. Fund support for the Revenue Sharing Management Program is to be \$5,000 and that the remaining funds be distributed to local government.

The Revenue Sharing Management Program is to provide technical assistance to local government in the implementation of revenue sharing programs. The program has established the revenue sharing program and appropriate revenue sharing funds in the appropriate agencies. Under the program, local agencies in setting priorities believe that local agencies will be able to obtain funds without assistance from the state.

There will be a need, however

MANAGEMENT—Continued

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ELEMENTS

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Management
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General Fund	Federal funds	Total	Man-years
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23,104	100,208	123,312	6.0
16,000	167,000	183,000	8.5
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Table 3
Local Government Services
1973-74 Proposed Budget Activities

	General Fund	Federal funds	Total	Man-years
Plan, Program, Project Review	\$4,000	\$12,000	\$16,000	0.3
Evaluation and Improvement of State's Planning and Management Program.....	9,178	28,358	37,536	0.8
Planning Management Assistance	80,000	220,000	300,000	13.0
Revenue Sharing Management Program	10,000	40,000	50,000	0.4
	\$103,178	\$300,358	\$403,536	14.5

hensive Planning program administered by the agency for the Council on
Intergovernmental Relations.

The planning and management assistance activity (\$80,000 General
Fund) is to provide technical assistance and financial aid to local govern-
ment, areawide planning agencies, minority groups and Indian reserva-
tions. Financial aid to all projects will total an estimated \$1,309,899
including federal and local funds in the 1973-74 fiscal year. (The state does
not contribute any monetary support to these projects.) The funds will be
allocated among the applicants according to priorities established by the
Council on Intergovernmental Relations. Table 4 shows the tentative dis-
tribution of these funds to the various jurisdictions.

Table 4
Federal Comprehensive Planning Assistance
Grant Projects by Type of Applicant

	Federal grant	Local matching funds	Total
Local government	\$123,350	\$124,600	\$247,950
Metropolitan areawide planning agencies.....	317,574	160,000	477,574
Nonmetropolitan areawide planning agencies.....	99,246	50,000	149,246
Indian assistance.....	146,927	64,334	211,261
Minority special projects	148,868	75,000	223,868
	\$835,965	\$473,934	\$1,309,899

*Revenue Sharing Management Activity. We recommend the General
Fund support for the Revenue Sharing program be reduced from \$10,000
to \$5,000 and that the remaining funds be used to prepare a report assess-
ing the formula under which funds from revenue sharing program are
distributed to local governments within the state.*

The Revenue Sharing Management activity (\$10,000 General Fund) is
to provide technical assistance to city and county governments for the
implementation of revenue sharing. Under the federal law which estab-
lished the revenue sharing program, each recipient is required to appro-
priate revenue sharing funds in the same manner as the recipient agency
appropriates its own funds. Under this activity the office intends to assist
local agencies in setting priorities for the use of revenue sharing funds. We
believe that local agencies will be able to set priorities for revenue sharing
funds without assistance from the state.

There will be a need, however, for a report on the federal formula under

OFFICE OF INTERGOVERNMENTAL MANAGEMENT—Continued

which revenue sharing funds are distributed to local governments. The revenue sharing act permits each state to enact an alternate formula to govern the distribution of such funds once during the remaining life of the five-year program. In order to develop an alternate formula, the Legislature will need data on the existing program and on the effect of changing the distribution formula.

Program Development and Research

The Program Development and Research element of the proposed budget is composed of three activities: (1) State Planning Law Revision, (2) Areawide Planning Organizations and Substate District Policy Development, and (3) Local Government Reform. The estimated expenditure for each of these activities is shown in Table 5.

Table 5
Program Development and Research
1973-74 Budget Proposal

	<i>General Fund</i>	<i>Federal funds</i>	<i>Total</i>	<i>Man- years</i>
State Planning Law	\$4,000	\$12,000	\$16,000	0.5
Areawide planning organizations and substate district.....	9,104	28,208	37,312	1.0
Local government reform.....	10,000	60,000	70,000	4.5
	<u>\$23,104</u>	<u>\$100,208</u>	<u>\$123,312</u>	<u>6.0</u>

Program Development and Research Activities. The objective of the State Planning Law revision activity (\$4,000 General Fund) is to analyze the structure and function of state, local, and areawide planning responsibilities. The objective of the Areawide Planning Organization and substate district activity (\$9,104 General Fund) is to implement a policy to be adopted by the Council on Intergovernmental Relations on areawide organizations and substate districts. The local government reform activity (\$10,000 General Fund) is designed to produce a series of reports for a Governor's task force on local government reform.

Intergovernmental Coordination

The intergovernmental coordination element is composed of four activities: (1) intergovernmental relations, (2) legislative review, (3) governmental management improvement, and (4) the State Clearinghouse. Table 6 shows the proposed expenditures for each of these activities for the 1973-74 fiscal year.

Table 6
Intergovernmental Coordination
1973-74 Budget Proposal

	<i>General Fund</i>	<i>Federal funds</i>	<i>Total</i>	<i>Man- years</i>
Intergovernmental Relations	\$10,000	\$30,000	\$40,000	2.0
Legislative Review	2,000	4,000	6,000	0.3
Governmental Management Improvement.....	4,000	8,000	12,000	0.5
State Clearinghouse	—	125,000	125,000	5.7
	<u>\$16,000</u>	<u>\$167,000</u>	<u>\$183,000</u>	<u>8.5</u>

Intergovernmental Coordination Activities. The intergovernmental relations activity (\$10,000 General Fund) will result in a report assessing the status of federal-state relations. Through the legislative review activity (\$2,000 General Fund), the agency reviews and analyzes pending state and federal legislation relating to the policies and programs of the Council on Intergovernmental Relations. The governmental management improvement activity (\$4,000 General Fund) is intended to develop task forces to prepare reports for the Governor on issues concerning local government and area organizations.

The State Clearinghouse (\$0 General Fund) was established by the Governor pursuant to the provisions of the Intergovernmental Cooperation Act of 1968 (Public Law 90-577) as implemented by the Office of Management and Budget Circulars A-85, A-95, and A-98. The clearinghouse currently processes information on applications for 100 federally designated grant programs, on all awards of federal funds, on proposed federal development projects, and on the environmental impact of proposed projects. The information on grant applications and on the environmental impact of a project is received from the applicant, while the information on grant awards is obtained from the appropriate federal agency.

The 1971 Budget Bill contained supplementary language to require that all state agencies applying for federal funds submit data to the clearinghouse on their intent to apply for federal funds. The 1972 Budget Bill contained control language to require all state agencies to notify the clearinghouse of the completion or cancellation of federal grants. The State Administrative Manual is currently being revised to reflect this language. The revision should be completed before July 1, 1973.

We recommend a General Fund augmentation of \$5,000 for the State Clearinghouse to be derived from the General Fund reduction in the office's Revenue Sharing program. (The office receives \$2 in federal funds for each \$1 of state funds allocated to a given program. Therefore, a General Fund augmentation of \$5,000 would result in a total program increase of \$15,000.)

During the 1971-72 fiscal year the clearinghouse processed an average of 190 grant applications per month, 78 environmental impact statements and 200 notices of grant awards. During the first half of the 1972-73 fiscal year the average number of grant applications processed increased to 303 per month, the number of environmental impact statements processed increased to 131 per month, and the number of award notices remained at the same level. The number of grant applications and environmental impact statements can be expected to increase through 1973-74. There are two reasons for the projected increase: (1) the California Supreme Court decision in the "Friends of Mammoth" case, and (2) the legislative mandate to include all state agency applications for federal funds in the system. The Supreme Court decision in the "Friends of Mammoth" case expanded the types of projects for which environmental impact statements must be prepared. All environmental impact statements coming to the state agencies for review are processed by the clearinghouse. Thus, the clearinghouse is expecting a significant increase in volume of work from these

OFFICE OF INTERGOVERNMENTAL MANAGEMENT—Continued

sources. The exact increase cannot be predicted until the State Office of Planning and Research develops guidelines to implement the court decision. As indicated earlier, all state agency grant applications will not be included in the system until the end of the current fiscal year. By 1973-74 this requirement should increase the average number of grant applications processed by the agency by 50 percent. Although there are indications that federal subventions may be reduced, the number of programs and applications under them probably will not be substantially reduced. The \$15,000 augmentation (federal and state funds) will support one additional professional position and one additional clerical position for the program.

Governor's Office

COUNCIL ON INTERGOVERNMENTAL RELATIONS

Item 27 from the General Fund

Budget p. 14 Program p. I-34

Requested 1973-74	\$58,015
Estimated 1972-73.....	50,278
Actual 1971-72	103,337
Requested increase \$7,737 (15.4 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
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1. Local Government Reform. Recommend council prepare a report on local government reform to be submitted to the Legislature by June 30, 1974. This report should be preceded by a progress report to be submitted by December 1, 1973. 28

GENERAL PROGRAM STATEMENT

The Council on Intergovernmental Relations, an advisory body to state and local government, has the goal of developing cooperation and communication between the various levels of government. The council is composed of 22 members representing cities, counties, school districts, special districts, regional governments, and the public. The members are appointed by the Governor, as is the council's executive secretary. The Chairmen of the Assembly Committee on Local Government and the Senate Committee on Local Government are ex officio members. The council has 3.5 staff positions including the executive secretary. The executive secretary also serves as Director of the Office of Intergovernmental Management.

The council's expenditures for the current, 1972-73, fiscal year are estimated to be \$70,278. Of this total \$50,278 is from the General Fund and \$20,000 is from the federal Comprehensive Planning Assistance program. The proposed budget for the council for the 1973-74 fiscal year, as shown in the Governor's budget document totals \$78,015 of which \$58,015 is from

the General Fund and \$20,000 is from the federal Comprehensive Planning Assistance program. Thus, the council's proposed General Fund budget is an increase of \$7,737 over the current year. This increase is for travel expenses. Although the budget shows \$20,000 in federal funds, the agency has actually received a tentative allocation of \$104,000 in federal funds under the Comprehensive Planning Assistance program.

ANALYSIS AND RECOMMENDATIONS

The council's proposed budget can be divided into four program elements: (1) legislative review; (2) policy development; (3) revenue sharing; (4) local government reform. The proposed budget for each of these elements is shown in Table 1.

Table 1
Council on Intergovernmental Relations
Proposed Budget for 1973-74 Fiscal Year by Program

<i>Program element</i>	<i>General Fund</i>	<i>Federal funds</i>	<i>Total</i>
Policy development.....	\$33,338	\$60,000	\$93,338
Revenue sharing.....	11,117	20,000	31,117
Local government reform.....	11,117	20,000	31,117
Legislative review.....	2,443	4,400	6,843
	<u>\$58,015</u>	<u>\$104,400</u>	<u>\$162,415</u>

These elements correspond to the program elements with identical titles in the analysis of the Office of Intergovernmental Management. The council uses the Office of Intergovernmental Management as its staff.

Policy Development

The policy development program element (\$33,338 General Fund) is to provide for public hearings on matters of critical concern to local government. Topics for discussion at council hearings may be presented by council members, the Governor, the Legislature, or by the staff of the Office of Intergovernmental Management.

The council also reviews and gives policy direction to programs of the Office of Intergovernmental Management relating to local government reform, revenue sharing, the federal aid clearinghouse, and areawide planning organizations.

Revenue Sharing

With the proposed funds allocated to the revenue sharing element (\$11,117 General Fund), the council intends to hold a series of seminars on revenue sharing involving federal, state, and local officials. If feasible, the meetings will be held jointly with existing areawide planning organizations and the regional organizations of the County Supervisors' Association. In addition, the council intends to hold an annual conference. As the seminars progress the council plans to publish a series of articles on the administration of revenue sharing funds in the state.

COUNCIL ON INTERGOVERNMENTAL RELATIONS—Continued**Local Government Reform**

We recommend that the council direct its staff to prepare a report on local government reform and that the report be submitted to the Legislature by June 30, 1974. We further recommend that the council submit a progress report to the Legislature by December 1, 1973.

The objective of the local government reform element (\$11,117 General Fund) is to hold public hearings throughout the state on issues involved in local government reform. The council proposes to investigate citizen response to the delivery of governmental services by existing institutions. The council will then use the information from the hearings and from staff reports by the Office of Intergovernmental Management to establish criteria on which to base recommendations for shifting governmental services and resource bases between various levels of government.

In order to hold effective hearings on the problem of local government reform the council will need a framework for discussion. We recommend that this framework be a report.

The report should be divided into three parts: The first part should be a catalog and analysis of the current functions of local government; the second part should be an analysis of local government reform in other states; and the third part should be recommendations based on the hearings proposed by the council. The catalog and analysis of current functions should identify those functions which are required in the State Constitution, in state law, in federal law, and in court decisions. This part should also assess the role of local agency formation commissions and conclude with alternative methods for implementing a local government reform program.

Legislative Review

The legislative review program element (\$2,443 General Fund) is designed to develop positions for the council on pending state and federal legislation. Council positions will be developed on legislation affecting either the powers, the responsibilities or the financial resources of local government.

Governor's Office
SECRETARY FOR AGRICULTURE AND SERVICES

Item 28 from the General Fund Budget p. 8 Program p. I-19

Requested 1973-74	\$370,244
Estimated 1972-73.....	125,273
Actual 1971-72	107,335
Requested increase \$244,971 (196 percent)	
Increase to improve level of service \$236,178	
Total recommended reduction	\$51,721

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis
page

1. *Contract Services:* Recommend deletion of \$51,721 representing the cost of a contract with the Department of Food and Agriculture for the services of a special assistant for public affairs, a stenographer II and related travel and pro rata operating expenses.

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GENERAL PROGRAM STATEMENT

The position of Secretary for Agriculture and Services was established by a reorganization plan in 1968 as one of four cabinet-level secretaries to the Governor. The secretary provides leadership and policy guidance for the Agriculture and Services Agency, which is composed of the following:

1. Department of Food and Agriculture (renamed from the Department of Agriculture by Chapter 225, Statutes of 1972)
2. Department of Industrial Relations
3. Public Employees' Retirement System
4. Department of General Services
5. Department of Consumer Affairs
6. Teachers' Retirement System
7. Department of Veterans' Affairs
8. State Fire Marshal
9. Franchise Tax Board
10. State Personnel Board (liaison established by executive order)
11. Department of Commerce
12. Horse Racing Board (administratively transferred in 1972)

The Department of Commerce, created in 1968 by an executive reorganization plan, was originally assigned to the Agriculture and Services Agency. However, it was transferred to the office of the Lieutenant Governor by executive order in 1971. The department was transferred back to the Agriculture and Services Agency during the current year in response to Section 32.5, Budget Act of 1972, which required it to be placed there in order to receive state funds. The Horse Racing Board was administratively placed under the secretary's office during the current year to enable the board to have a communications link with the executive branch of government.

The secretary and his assistants review departmental budgets, legisla-

SECRETARY FOR AGRICULTURE AND SERVICES—Continued

tive programs, and administrative policies. The secretary meets frequently with the department directors so that he may be informed of departmental programs and problems and serve as a communications link between the departments and the Governor. Administration of the department programs is the responsibility of the respective department directors. The authorized staff of the secretary's office consists currently of 5.4 positions.

ANALYSIS AND RECOMMENDATIONS

We recommend a reduction of \$51,721, representing the cost of a proposed contract with the Department of Food and Agriculture for a special assistant for public affairs (\$22,688), one stenographer II (\$7,188) and related travel, staff benefits, and pro rata operating expenses (\$21,845).

The budget proposes an expenditure of \$370,244, which is \$244,971 or 196 percent higher than estimated current-year expenditures. The increase consists of \$135,072 for personal services and \$76,957 for operating expenses. The increase in personal services reflects the reclassification of two positions (assistant to agency secretary reclassified to deputy secretary, and administrative assistant I to administrative assistant II for a combined budget-year cost of \$2,652) and the proposed addition of eight new positions at a cost of \$92,244.

The increase in operating expenses is mainly attributable to contract service funds for a proposed special public affairs unit, price increases, and increases in operating expenses related to the eight new positions. The major portion of the budget-year increase (\$236,178) reflects a higher level of service for the secretary's office. As discussed below, we recommend the deletion of \$51,721 of this amount.

Staff Increases

Two of the eight new positions requested by the agency will be transferred from the Department of Food and Agriculture for a corresponding reduction in that department's budget. In addition the Agriculture and Services Agency is requesting the full-time services of a special assistant for public affairs and a stenographer II under a contract with the Department of Food and Agriculture. Both of these positions will be reflected as new positions in the budget of that agency. All of these added positions are requested to staff four new elements within the secretary's office to meet workload generated by executive order, public concern, and the need for coordination of certain activities of the constituent departments within the agency. The staffing request also represents an effort by the secretary's office to terminate the historical practice (which maintains a budget at a misleadingly low level) of borrowing positions budgeted to other departments to perform agency-level activities. The contract with the Department of Food and Agriculture, which includes the costs of staff benefits, related travel and operating expenses, has a budget-year cost of \$51,721. Table 1 identifies the proposed staffing pattern by program element.

Table 1
Allocation of Proposed New Positions by Program Element
Secretary for Agriculture and Services

<i>Element</i>	<i>Total annual salary (excluding staff benefits)</i>
1. Employer-employee relations	
1 special assistant	\$20,004
1 conciliator	16,860
1 personnel officer III.....	21,000
1 senior stenographer	7,188
2. Legislative and legal affairs	
1 special assistant	20,004
1 stenographer II	7,188
3. Science and environmental	
1 special assistant	20,004 ¹
1 senior stenographer	7,536 ¹
4. Public affairs	
1 special assistant	22,688 ²
1 stenographer II	7,188 ²

¹ Positions to be transferred from the Department of Food and Agriculture with a corresponding reduction in that budget.

² Excludes related travel, staff benefits and pro rata operating expenses of \$21,845 for a total contract cost of \$51,721.

Employer-Employee Relations Unit

In response to increasing pressure from state employee organizations for a more structured or formalized approach to resolving matters affecting salaries and fringe benefits, the administration is proposing an employee relations unit in the secretary's office. This proposal appears to be consistent with the provisions of Chapter 254, Statutes of 1971, which require the state by means of "such boards, commissions, administrative officers or other representatives as may be properly designated by law" to meet and confer with representatives of employee organizations upon request and to consider presentations made by the employee organizations prior to arriving at a determination of policy or course of action.

While the State Personnel Board has both constitutional and statutory responsibilities with respect to such matters as recruitment, job classification, disciplinary actions, salary surveys, and allocation of approved salary funds, its functions are somewhat technical in nature. The board does not necessarily reflect the views of the administration on such matters as overall salary adjustments and related employee fringe benefits, its recommendations in these areas being only advisory to the Governor and the Legislature. The proposed employer-employee relations unit will provide the secretary staff support in meeting this responsibility at the executive level. It will also provide a focal point for coordinating consideration of employee requests and assist state departments in their relationships with employee organizations. Accordingly, we recommend approval of the proposal.

SECRETARY FOR AGRICULTURE AND SERVICES—Continued**Science and Environmental Element**

As previously noted, the two positions proposed for the science and environmental element will be transferred from the Department of Food and Agriculture with a corresponding reduction of \$27,400, in that budget. The unit will (1) assist the administration in the development of policy, priorities, standards, and procedures required to meet the environmental needs of the citizens of California, (2) assure a coordinated agency response to environmental protection needs, and (3) serve as liaison with other state, local, and federal agencies in matters of a scientific or technical nature. This element basically represents a reorganization, will not increase state cost and we recommend approval.

Legal and Legislative Affairs Element

The legal and legislative affairs element, consisting of a special assistant for legislative and legal affairs and one stenographer II, will be involved primarily with (1) providing the agency secretary with legal advice on the implications of pending legislation and the requests of employee organizations, and (2) coordinating the legislative activities of the agency. All other cabinet secretaries have the benefit of full-time legal counsel, which is a support position properly assigned at the cabinet secretary level. Accordingly, we recommend approval of this element and its staff support.

Public Affairs Element

The secretary's office advises that there is a need to provide assistance to departments within the agency which have no public affairs program and to coordinate existing programs to assure that the public is fully informed of governmental activities. For this purpose, the secretary's office is proposing the establishment of a public affairs element composed of one special assistant (\$22,688), one senior stenographer (\$7,188) and related travel staff benefits and pro rata operating expenses (\$21,845) through a contractual arrangement with the Department of Food and Agriculture for a total cost of \$51,721. The element would plan, organize and coordinate the public affairs and public information programs of the departments within the Agriculture and Services Agency, including media contacts, correspondence programs, and speaking activities. We believe that the existing staff of the secretary's office, with assistance from the four departments in the agency which have public information staff (Food and Agriculture, Consumer Affairs, Industrial Relations, and Veterans Affairs) can adequately handle the public information needs of the agency. *We recommend that the budget be reduced by \$51,721, representing the cost of the proposed contract with the Department of Food and Agriculture.*

Governor's Office

SECRETARY FOR BUSINESS AND TRANSPORTATION

Items 29-30 from the Motor Vehicle Account in the State Transportation Fund and the General Fund

Budget p. 9 Program p. I-22

Requested 1973-74	\$281,228
Estimated 1972-73.....	212,904
Actual 1971-72	155,363
Requested increase \$68,324 (32.1 percent)	
Total recommended reduction	\$23,033

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. *Borrowed Position. Reduce Item 29 \$23,033.* Recommend reduction in operating expenses proposed to defray cost of borrowing position of special assistant, State Transportation Board.

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GENERAL PROGRAM STATEMENT

The Secretary for Business and Transportation, as one of four agency secretaries in the Governor's cabinet, administers the affairs of the Business and Transportation Agency. The organization is composed of two distinct groups of departments, one oriented toward business regulatory activities and the other toward transportation.

Business

Transportation

- State Banking Department
- Department of Corporations
- Department of Housing and Community Development
- Department of Insurance
- Department of Real Estate
- Department of Savings and Loans
- Department of Alcoholic Beverage Control

- Department of the California Highway Patrol
- Department of Motor Vehicles
- Department of Transportation

The agency provides a communication link between the Governor and his constituent operating departments. Specific objectives are to reduce expenditures, increase efficiency and eliminate overlapping and duplication of effort.

Organizational Consolidation—Transportation Related Departments

Effective July 1, 1973, Chapter 1253, Statutes of 1972, consolidates the Department of Public Works (approximately 18,000 positions) and the Department of Aeronautics (approximately 24 positions) into a newly created Department of Transportation. In addition, Chapter 1253 removed the State Transportation Board from the Business and Transportation Agency. While the legislation abolishes the Office of Transportation

SECRETARY FOR BUSINESS AND TRANSPORTATION—Continued

Planning and Research, which served as both staff to the board and the agency secretary, the State Transportation Board Office was created. This office, unlike its predecessor, will be solely responsible to the board.

ANALYSIS AND RECOMMENDATIONS

We recommend a reduction in Item 29 of \$23,033 in operating expenses under the category "consultant and professional services" in order to eliminate funding for the borrowed position of special assistant to the State Transportation Board.

The budget proposes an expenditure of \$281,228 which represents funding for 10 full-time positions (4 professional and 6 clerical) plus related costs. Financial support is derived from two sources, i.e., \$268,820 from the Motor Vehicle Account and \$12,405 from the General Fund. In addition to the 10 positions authorized, the budget contains funds identified as "consultant and professional services" to finance two full-time positions which are authorized in the budgets of other departments. The agency is proposing to borrow the positions and reimburse the Division of Bay Toll Crossings (\$24,055) and the Office of Transportation Planning and Research (\$23,033). Aside from the policy question of whether or not to include borrowed positions which are utilized on a full-time basis within the agency secretary's budget, we are recommending that the funds proposed to be set aside for the borrowed position contained in the budget of the Office of Transportation Planning and Research, i.e., special assistant to the State Transportation Board, be deleted for two reasons.

First, the special assistant to the State Transportation Board was established through an administrative process of reclassifying another position which was assigned to the Office of Transportation Planning and Research. During the 1972-73 fiscal year the budget proposed the establishment of an economist position within the office. We recommended approval of the position based on the premise that workload data reflected the need for such a position. While the position was subsequently approved, the agency secretary did not allow the office to fill the economist position. The secretary instead utilized the funds to staff a position within the agency secretary's office devoted primarily to public information services. The position was then reclassified from economist to special assistant to the State Transportation Board. The position is now unofficially designated as Assistant to the Secretary, Public Affairs. We maintain that it is not good budget practice to include a position in the budget based on documented workload data and then subsequently utilize the position to perform a function which is totally unrelated to the workload which created the original need to establish the position. The agency secretary should be required to justify the need for a public information officer.

Secondly, Chapter 1253, Statutes of 1972, removes the State Transportation Board and its staff from the Business and Transportation Agency. Thus, it is also our position that the borrowing of this position should not be allowed because the agency secretary is seeking to utilize a position which is in the budget of an organizational entity which is no longer within the Business and Transportation Agency.

Governor's Office
SECRETARY FOR HEALTH AND WELFARE

Item 31 from the General Fund Budget p. 10 Program p. I-24

Requested 1973-74	\$507,239
Estimated 1972-73.....	406,096
Actual 1971-72	139,861
Requested increase \$101,143 (24.9 percent)	
Increase to improve level of service \$198,215	
Total recommended reduction	\$100,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS	<i>Analysis page</i>
1. <i>Contract Services. Reduce \$100,000.</i> Recommend reduction in contract services which were originally approved for the one-time purpose of planning for the reorganization of the Health Department.	35

GENERAL PROGRAM STATEMENT

The Secretary for Health and Welfare, as the administrative head of the Health and Welfare Agency, is responsible for management of state government activities relating to corrections-oriented departments, health-related departments, and welfare/manpower-related departments. The following existing departments are within the agency:

- Department of Corrections
- Department of Mental Hygiene
- Department of the Youth Authority
- Department of Public Health
- Department of Rehabilitation
- Department of Social Welfare
- Department of Health Care Services
- Department of Human Resources Development

On July 1, 1973, the three Departments of Mental Hygiene, Public Health and Health Care Services will cease to exist and will be incorporated into the new Department of Health.

Also, within the agency are the Office of Educational Liaison, the Office of Special Services, and the California Job Development Corporation Law Executive Board.

ANALYSIS AND RECOMMENDATIONS

Recommend a reduction of \$100,000 in contract services which were originally approved for the one-time purpose of planning for the reorganization of the Health Department.

The budget proposes a General Fund appropriation of \$507,239 for the 1973-74 fiscal year which is \$101,143, or 24.9 percent, more than is estimated to be expended during the current fiscal year. The budget proposes to continue the practice initiated for the current fiscal year of contracting with the various departments within the agency for personnel services on

SECRETARY FOR HEALTH AND WELFARE—Continued

an "as-needed" basis. Prior to the contract procedure, the agency simply "borrowed" people from departments and it was never known how many people were working in the agency. We recommended approval of the contractual agreement because the budget spelled out specifically what positions from which departments were to be contracted for. For 1972-73 the approved budget authorized contracts for five professional and eight clerical positions at a cost of \$182,336. In addition, the Legislature appropriated \$100,000 to the Health and Welfare Agency for the purpose of planning for the new Department of Health, which is due to come into existence on July 1, 1973. Thus, the total amount appropriated for contractual services was \$282,336, of which \$100,000 was for a one-time purpose.

The proposed agency budget shows a total of \$380,551 for contractual services for the 1973-74 fiscal year to support 11 professional and 13 clerical positions. None of the positions are to be involved in the planning of the new Department of Health since the department will be in existence at the start of the fiscal year.

The narrative in the program budget on page 24, line 60, states that "the 1973-74 budget proposes an increase to contract for personnel services on an 'as-needed' basis. This permits the flexibility in the management of personnel required for the changing program activities." The increase in contract services for 1973-74 over 1972-73 is \$96,643. However, included in the 1972-73 base is the \$100,000 for the planning of the Health Department which appears to be continued in the 1973-74 fiscal year budget. We can find no justification to continue the \$100,000 which was authorized for the planning of the Health Department. The appropriation was intended as a one-time need to fund the planning of the formation of an involved, large department. That purpose will cease with the start of the new fiscal year.

**Governor's Office
SECRETARY FOR RESOURCES**

Items 32-33 from the General
Fund and the Environmental
Protection Program Fund

Budget p. 11 Program p. I-26

Requested 1973-74	\$412,239
Estimated 1972-73.....	262,378
Actual 1971-72	223,022
Requested increase \$149,861 (57.1 percent)	
Total recommended reduction	\$53,550

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Environmental Protection. Delete Item 33 in amount of \$53,550. Recommend project funds be appropriated directly to line departments.* 38

GENERAL PROGRAM STATEMENT

The Secretary for Resources, as the administrative head of the Resources Agency, is responsible for the management of governmental activities relating to the preservation and enhancement of California's air, water, land, and recreational resources, and generally coordinates environmental programs. As a member of the Governor's Cabinet, he assists in the formulation and implementation of policies and programs in the resources area, provides liaison between the Governor's office and the agency's departments and boards, coordinates state and federal programs, and supervises departmental fiscal affairs.

The Resources Agency is composed of the following units:

Department of Conservation (including State Lands Division)

Department of Fish and Game

Department of Navigation and Ocean Development

Department of Parks and Recreation

Department of Water Resources

Air Resources Board

Colorado River Board

State Reclamation Board

State Water Resources Control Board and nine regional water quality control boards

Solid Waste Management Board

In addition the Resources Secretary has been designated in the Governor's Budget as the coordination point in the administration for the California Coastal Zone Conservation Commission and the six regional commissions. By statute the secretary is also responsible for allocating open-space subventions among cities and counties on the basis of those prime and nonprime lands which he finds are eligible. The secretary is required to issue the state guidelines for preparation of environmental impact reports and to designate the classes of activities which receive blanket exemptions from the preparation of environmental impact reports. The conduct of the Waterways Management Planning program and the overall administration of the Environmental Protection program (personalized license plates) are located in the secretary's office.

ANALYSIS AND RECOMMENDATIONS

The secretary's total budget during the current year is \$372,302 compared to \$223,022 during the past year. The increase was largely the result of adding funds for contract services in the current year so that two positions which have been borrowed from the Department of Water Resources and funded by assessment among the departments of the Resources Agency were funded by the agency. With this change the 1972-73 budget as enacted for the first time showed all the costs of operating the secretary's office and the 13.5 positions working in the office.

In the 1973-74 budget three new positions are being added to the secretary's budget. Expenditures increase to \$412,239 of which \$358,689 is appropriated from the General Fund by Item 32. The remainder of \$53,550 is appropriated from the Environmental Protection Fund by Item 33.

Item 33 represents the costs of one staff position and one-half the costs

SECRETARY FOR RESOURCES—Continued

of a secretary to provide overall management for the Environmental Protection program. This is funded in the current year in the Department of Motor Vehicles. The second staff position is the Science and Technology program coordinator plus one-half the cost of a secretary. The coordinator has been transferred from the Lieutenant Governor's office and is being funded by equal contributions from each of the four secretaries' offices. There is a substantial shifting of titles and incumbents in existing positions but the three positions identified above represent the new functions being added. Among other changes is the establishment of a public information position and a legal position to handle legislation.

The three new positions which are being requested for legislative approval for 1973-74 were all established in the current year by administrative action. The funding for these three new positions shows in the secretary's budget so that once again all costs of the office are in the secretary's budget in the form of authorized positions, reimbursements or contract services.

In past years the secretary's office has presented continuing problems because of the use of borrowed exempt positions and the practice of financing these positions by assessment or other indirect means. The 1973-74 budget continues the borrowing of two exempt positions. The present practices of borrowing exempt positions results in a budget which is internally complex, confusing to all concerned and permits the continued practice of establishing positions which are not reviewed in advance of establishment by the Legislature.

Environmental Protection Program

We recommend deletion of Item 33 in the amount of \$53,550.

Last year the administration consolidated all portions of the Environmental Protection program (which is funded by personalized license plate revenues) into one budget item and appropriated funds for this program to the Resources Secretary. The Legislature approved a reduced version of this program in the Budget Bill last year in this form.

On July 1 the Resources Agency began to execute the various portions of the program and found that it lacked the administrative means to do it. Consequently, a position was established in the Department of Motor Vehicles under the authority that department has to withdraw money from the fund to pay for manufacturing the license plates and issuing them. That position was placed in the Resources Agency to administer the appropriation made for the program and to prepare the 1973-74 program.

When the 1972-73 program was presented to the Legislature one of our comments was that no line departments were designated to carry out the program and therefore it was not clear how the program would be executed. In preparing the 1973-74 program, the agency has followed the pattern of assigning responsibility for execution of portions of the program to line departments subject to overall review by the secretary's office. As a result of the 1972-73 assignments and the 1973-74 designations of responsibility for execution, it is apparent that many of the 1973-74 appropriations can be made directly to the line departments that will eventually execute the

individual projects or program portions. These major portions of the program do not require extensive coordination or supervision from the secretary's office.

The position to manage the program and one-half the costs of a secretary are financed with \$53,550 appropriated by Item 33 from the Environmental Protection Fund. The Resources Agency recognizes that the position may not be required exclusively for work on the program next year. However, it has not determined what other work the position will be doing. It is, of course, difficult to specify other functions which the position should be performing which would be related to the Environmental Protection program from which the work would be funded. We conclude that if the major project appropriations to be executed by the Departments of Fish and Game, Water Resources and Education or the Air Resources Board are appropriated directly to these line departments there would be no need for a coordinating position in the secretary's office.

The consolidaton of the entire appropriation for the program also has the disadvantage of including major capital outlay and acquisition projects plus support, grant and planning work in one budget item. This is not consistent with state budgeting practice. We concur with the view of the Resources Agency that the entire program should show in one place in the Governor's Budget. The entire program can be shown with the statement of fund condition without having all the appropriations made to the Resources Secretary.

We recommend in Item 197 which appropriates the program funds that the major portions of the money be directly appropriated to these line departments and therefore recommend that Item 33 be deleted from the Budget Bill.

Governor's Office

OFFICE OF INFORMATION SERVICES

Item 34 from the General Fund Budget p. 12 Program p. I-29

Requested 1973-74	\$210,595 ¹
Estimated 1972-73.....	—
Actual 1971-72	—
Requested increase \$210,595	
Total recommended reduction	Pending

¹ Shown in Budget Bill as zero. It is proposed that entire amount be reimbursed from the agencies.

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. New Office. Recommend withholding budget approval until the office has been formally established and basic operational information provided. 40

OFFICE OF INFORMATION SERVICES—Continued

ANALYSIS AND RECOMMENDATIONS

We recommend withholding approval of this budget until the office has been formally established and basic operational information provided.

According to the Governor's budget document, the Office of Information Services will be created by executive order. Its objective is to coordinate the state's public information program. The office will serve the Business and Transportation Agency, the Health and Welfare Agency, the Resources Agency and the Agriculture and Services Agency. At the present time, the office is operating on an informal basis as part of the Governor's staff.

The proposed budget for the office totals \$210,595, all of which will be reimbursed from the budgets of the various agencies. As of January 12, 1973, there was no schedule for these reimbursements. The office as proposed will have a staff of five professional positions and two clerical positions.

**Governor's Office
OFFICE OF EMERGENCY SERVICES**

Item 35 from the General Fund Budget p. 15 Program p. I-37

Requested 1973-74	\$1,607,396
Estimated 1972-73.....	1,068,382
Actual 1971-72	948,457
Requested increase \$539,014 (50.5 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

Authority for the Office of Emergency Services and its activities is contained in the Government Code as established by Chapter 1454, Statutes of 1970. It is part of the Governor's office.

The major mission of the office is to deal with problems arising from natural or man-made disasters anywhere in the state. The office is also expected to function as a central control in a "state-of-war" emergency. To this end, most of its activities serve dual purposes.

Because the organization is relatively small in terms of manpower, its programs emphasize planning, coordination of planning and activities of other state agencies, local governmental entities, federal agencies and industries in the private sector, dissemination of information, education and maintenance and security of state-owned equipment.

In addition, it functions as a clearinghouse for various kinds of federal assistance to local entities. These include the distribution of federal surplus property useful for educational purposes as well as in disaster relief and rescue work, direct monetary aid for disaster relief, reconstruction and repair and special studies contracts.

Costs are almost fully reimbursed by the federal government for special

studies contracts. For the rest of the agency's activities the federal government contributes about 50 percent of the cost.

Program Organization

The operations of this office function under two major program designations, I—"Emergency Mutual Aid Services," and II—"Administration." The first, which covers virtually all of the technical and field activities of the office, is divided into four significant subprograms:

A. Provision and Coordination of Mutual Aid

This program encourages and coordinates mutual aid agreements between and among various state and local agencies having fire, rescue, law enforcement and communication capabilities and equipment. This is implemented and supervised through the state operations headquarters in Sacramento and six regional offices.

In addition, it provides the central "clearinghouse" function for the dissemination of federal surplus equipment and disaster aid funding. In the last completed year of 1971-72, it processed and disbursed \$2,656,130 of federal matching funds for personnel and administrative expenses, and \$750,000 for civil defense equipment and training. Acquisition cost of federal surplus property distributed was \$5,500,000. Direct federal disaster relief under several public laws was \$53,300,000.

B. Development and Utilization of Emergency Communications Systems.

This program aims, primarily, at maintaining a statewide disaster warning system on a 24-hour basis with major control exercised at the Sacramento headquarters. In addition, it encourages and assists in the development of local communication networks to permit interties between and among state and local fire and law enforcement agencies as well as local civil defense agencies.

The radio and land-line system now serves 52 counties, as to the statewide warning system and the intercity law network. Over 123 city/county jurisdictions also have compatible equipment.

C. Development and Implementation of Emergency Plans

The entire capability of the Office of Emergency Services and its subsidiary cooperative agencies rests on well-developed plans for action in various kinds of emergencies. The office maintains a statewide overall plan and encourages and assists other agencies and local jurisdictions in the development and periodic updating of compatible local plans. Tests and exercises evaluate the viability and effectiveness of these plans.

D. Management and Maintenance of State Resources

The state owns a substantial and valuable inventory of fire pumper trucks and equipment, rescue trucks and equipment, communications trucks or vans and portable equipment, medical equipment, radiation detection equipment and training equipment. Most of these are deployed to local governmental jurisdictions and state agencies. While this equipment is generally maintained by the agencies in possession, inventory control, maintenance standards and replacement cycling is the responsibility of the Office of Emergency Services. In some instances the office provides direct maintenance of certain kinds of equipment. The inventory

OFFICE OF EMERGENCY SERVICES—Continued

can be moved about the state as emergency situations require to provide a vital backup capability to local forces.

Administration

The second major program of administration provides the conventional housekeeping activities such as accounting, personnel processing, general office services and management as well as basic executive and departmental policy activities.

Administrative costs, which represent slightly less than 10 percent of the gross budget, are distributed to the major programs mentioned above rather than set forth as separate costs.

The organization as a whole has 117.8 authorized positions, which is proposed to be increased by 18.5 permanent positions in the budget year. Of the total, 12 are in the regional offices and the balance in the Sacramento headquarters. Also, it should be mentioned that of the grand total, a substantial number are fully financed by federal funds and the balance on a matching basis.

ANALYSIS AND RECOMMENDATIONS*We recommend approval.*

The gross expenditure proposal for the budget year represents a sharp increase from \$2,981,428 in the current fiscal year to an estimated \$4,426,312 in the budget year, a difference of \$1,444,884 or about 48.5 percent. The bulk of the increase covers expanded or new federally supported programs. The net cost to the General Fund is proposed to rise sharply also, from \$1,068,382 estimated to be expended in the current fiscal year, to \$1,607,396 in the budget year. This is an increase of \$539,014 or 50.5 percent. Again, this represents largely the state's share of financing certain federal programs. The increased cost to the General Fund is considerably less than one-half of the gross increase because much of that represents fully financed federal programs.

While the budget proposes an increase of 18.5 positions over the current authorized level, it should be noted that most of the cost of these positions is either shared by federal grants or reimbursements or is wholly reimbursed by federal funds. In addition, most of these new positions are established on a contingent basis rather than permanently and will be phased out as the federal programs and support decrease. Each year the positions will have to be rejustified.

The major increase both in gross expenditures and in the state's share is attributable to one area of equipment. It is proposed to develop a secure voice radio system to provide reliable communications between state and local law enforcement agencies during emergency situations. The present system is obsolete, often incompatible, and with limited capacity. It is unfortunately vulnerable to disruptions both by natural events and man-made interference. The proposal to provide such a system will cost in excess of \$1,530,000 which will be shared 25 percent by the state and 75 percent by federal "law enforcement assistance administration" funds. This represents a one-time cost. It would appear to be highly desirable that the state have the capability that will be assured by this system, of which

the bulk of the cost will be borne by the federal government.

While the balance of the increased budget proposal is largely attributable to the normal increase in salary levels and the increase in cost of outside goods and services, there is at least one significant new mission that has been assigned to this office. Chapter 780, Statutes of 1972, directed the owners of certain dams throughout the state to file maps of the downstream areas showing various levels of possible inundation in the event of a total dam failure at both high-pool and low-pool conditions behind the dam. These filings were to be made to the Office of Emergency Services, the Department of Water Resources and specified local agencies. In addition, it required counties containing such potential hazards to develop and adopt emergency procedures for evacuation and control of populated areas below such dams. The legislation required the Office of Emergency Services to review the procedures and make recommendations with respect to the adequacy of the procedures and, when necessary, to require changes in plans and procedures. The office is required to report to the Legislature on the status of the activities and survey of the facilities on or before the fifth day of the 1974 Regular Session. It has been estimated that there are at least 1,167 dam owners who will need to be contacted by the office in order to obtain data and probably at least 800 owners whose dams will require detailed examination of inundation maps. Two additional positions for this purpose are part of the overall personnel increase and it is anticipated that once the major load of review, revisions and approvals is over, the situation can be monitored by one position or possibly on a part-time basis by other existing positions.

There is also a fully federally financed earthquake response planning project to which additional personnel will be devoted. This work force will be reduced as plans are completed.

Governor's Office

OFFICE OF PLANNING AND RESEARCH

Item 36 from the General Fund Budget p. 17 Program p. I-45

Requested 1973-74	\$127,970
Estimated 1972-73.....	124,311
Actual 1971-72	77,660
Requested increase \$3,659 (2.9 percent)	
Total recommended reduction	None

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
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1. Identifying Expenditures. Recommend the Governor's Budget identify state and federal funds destined for other agencies. 45
2. Planning Coordination. Recommend the office prepare a list identifying state agencies involved in long-range planning. 47

OFFICE OF PLANNING AND RESEARCH—Continued

GENERAL PROGRAM STATEMENT

The Office of Planning and Research was created in 1970 to replace the State Office of Planning. The statutory duties of the office are (1) to prepare and update a report on statewide environmental goals and policies, and (2) to serve as a long-range planning staff to the Governor.

In the current fiscal year, the office is giving priority to revising the *Environmental Goals and Policy Report*, long-range land use planning, developing guidelines for the preparation and evaluation of environmental impact statements, inventorying lands of statewide significance and critical concern, and administering the federal Comprehensive Planning Assistance program.

Environmental Goals and Policies. The first phase of the *Environmental Goals and Policy Report* was transmitted to the Legislature on April 26, 1972. This report included (1) a list of environmental pollution problems and state policies regarding them, (2) proposals for protecting significant land and water resources of the state, and (3) a list identifying some of the state's environmental resources. A report entitled, *Evaluation of the Environmental Goals and Policies for California*, published by the Assembly Select Committee on the Governor's Environmental Goals and Policy Report in July 1972, found that the original report did not provide (1) an overview of future state growth and development, (2) recommendations for new policies, programs, and actions for the legislative and administrative branches of state government, or (3) an opportunity for public response to alternative objectives, policies, and actions.

The Office of Planning and Research held two public hearings on the report, one on July 26, 1972, in Sacramento, and the other on August 7, 1972, in Los Angeles. Based on the hearings, the office decided that it would be best to obtain comments from the public on specific policies as those policies were developed. According to the office, public comments on the policies will come from a policy advisory board established by the office. The advisory board consists of representatives of agriculture, labor, conservation, and other interests, including minority groups.

Policy papers are being prepared on population growth, economic growth, settlement patterns, land use, environmental resource capacities, public services, transportation, and communication networks. In addition, a series of scenarios on future state growth are being prepared.

Federal Grants. Federal comprehensive planning assistance grant projects administered by the agency during the current fiscal year are shown in Table 1. These projects were not reviewed by the Legislature in the 1972-73 budget proposal of the office.

The Indian assistance project provides funds for one professional and one clerical position in the Governor's office to assist Indians in working with state agencies. The housing element study is designed to assess housing needs and conditions in the state. Operation Breakthrough provides state technical assistance to experimental housing projects. The study on the government role in fire protection is designed to assess wildland fire protection. The urban geology master plan will identify geological areas of critical concern and propose methods for setting priorities for their use.

Table 1
Projects Funded by Federal Comprehensive Planning
Through the Office of Planning and Research

<i>Project</i>	<i>Recipient agency</i>	<i>Federal grant</i>
Indian assistance	Governor's office	\$29,280
Housing element	Housing and Community Development	40,000
Operation breakthrough.....	Housing and Community Development	25,000
Government role in fire protection	Forestry	45,000
Urban geology master plan	Mines and Geology	30,000
Environmental resources inventory	Water Resources	87,500
California State Park System Plan	Parks and Recreation	74,666
Total		\$331,446

The environmental resources inventory will include maps of the state's resources such as prime agricultural land. The California State Park System plan will pinpoint areas of the state where parks should be developed.

ANALYSIS AND RECOMMENDATIONS

The estimated support for the office for the 1972-73 fiscal year totals \$225,311 of which \$124,311 is from the General Fund and \$101,000 is from the federal comprehensive planning program. For the 1973-74 fiscal year, the Governor's Budget shows proposed expenditures of \$127,970 from the General Fund and \$156,000 from federal funds for a total program of \$283,970.

In addition to the amount budgeted for this office in 1973-74, the office (1) receives money from the federal government and awards the money to various state agencies and (2) makes awards to various state agencies of money from the Environmental Protection Fund. In addition, state agencies receiving these awards contribute money from their own budgets to some of these projects. Table 2 summarizes the proposed expenditures for the office for 1973-74.

Table 2
Office of Planning and Research Budget,
Grants to Other Agencies, and Matching Funds, 1973-74

	<i>General Fund</i>	<i>State Environmental Protection Fund</i>	<i>Federal funds</i>	<i>Total</i>
Office of Planning and Research	\$127,970	\$5,000	\$346,534	\$479,504
Grants to other agencies.....	—	95,000	215,000	310,000
Matching funds expended by other state agencies	107,500	—	—	107,500
Total.....	\$235,470	\$100,000	\$561,534	\$897,004

We recommend that the Governor's Budget identify state and federal funds destined for other agencies.

In the 1973-74 fiscal year, the office will fund nine projects in other state agencies. Six of these projects will be supported from federal funds totaling \$215,000. The other three projects, totaling \$95,000, will be supported from the State Environmental Protection Fund. Some of these projects are

OFFICE OF PLANNING AND RESEARCH—Continued

included in the budget document in the budget of the agency awarded the project and some are not.

All of these funds should be shown both in the budget of the Office of Planning and Research and in the budget of the recipient agency. To eliminate double counting, the funds should not be included in the budget total of the office. Rather, the funds should be listed in a separate schedule in the office's budget. This schedule and accompanying explanatory material should identify the recipient agency, the amount of the award, and the nature of the project.

Increase in Authorized Positions. In the current fiscal year, the office has 9.3 authorized positions and 2.0 positions borrowed from the Resources Agency. The borrowed positions include a senior resource economist and a resource planner. The 1973-74 budget proposes 13 authorized positions, an increase of 3.7 positions over the 1972-73 fiscal year. The additional positions are to be supported from federal funds. The office also expects to continue the two borrowed positions.

Budget Elements. The proposed budget of the office for the 1973-74 fiscal year is organized into three program elements. These are (1) policy development and planning coordination, (2) research and program review, and (3) administration. Table 3 shows the proposed budget by program element.

Table 3
Proposed 1973-74 Budget of the Office of Planning and Research by Program Element

<i>Program element</i>	<i>General Fund</i>	<i>Other¹ state agencies' general funds</i>	<i>Federal funds</i>	<i>State Environmental Protection Fund</i>	<i>Total</i>
I. Program development and planning coordination	\$59,538	\$107,500	\$432,077	\$100,000	\$699,115
II. Research and program review	56,932	—	106,457	—	163,389
III. Administration	11,500	—	23,000	—	34,500
Totals	\$127,970	\$107,500	\$561,534	\$100,000	\$897,004

¹ Matching funds expended by other state agencies.

I. PROGRAM DEVELOPMENT AND PLANNING COORDINATION

The program development and planning coordination element is composed of seven activities. The estimated expenditures of state and federal funds for each of these activities is shown in Table 4.

Following is a summary of the objectives of these activities:

(1) The objective of the comprehensive long-range planning activity is to develop a land use policy for the state and to identify areas of the state that are of statewide significance and critical concern.

(2) The objective of the planning coordination activity is to assure that planning activities of other state agencies are compatible with those of this office. This will be accomplished through the land use study team established by the office.

Table 4
Office of Planning and Research 1973-74 Budget Proposal
for Program Development and Planning coordination

Activities	Other ¹ state agencies ¹		Environmental Protection		Total
	OPR General Fund	General Fund	Federal funds	Fund	
1. Comprehensive long-range planning ..	\$37,399	\$70,000	\$262,801	\$100,000	\$470,200
2. Planning coordination	4,971	—	9,944	—	14,915
3. Policy evaluation.....	8,767	—	67,533	—	76,300
4. State planning law revision	3,467	—	6,933	—	10,400
5. Areawide planning organization.....	1,967	—	3,933	—	5,900
6. State programming and budgeting sys- tem.....	1,967	27,500	58,933	—	88,400
7. Housing information	1,000	10,000	22,000	—	33,000
Totals.....	\$59,538	\$107,500	\$432,077	\$100,000	\$699,115

¹ Matching funds expended by other state agencies.

We recommend that the office identify other state agencies involved in long-range planning. To evaluate the effectiveness of the land use study team, it is necessary to have a list of state agencies considered by the office to be involved in long-range planning. The list should identify the agency, its planning responsibilities, and the authority which vests planning responsibility in the agency.

(3) The objective of the policy evaluation activity is to determine the degree to which "social-economic" considerations should go into the development of land use goals and policies, and to evaluate the social-economic impact of state land use goals and policies on the state's population and on geographic areas in the state.

(4) The objective of the State Planning Law revision activity is to revise the state planning law to determine the most appropriate governmental jurisdiction in which specific types of planning should take place.

(5) Under the areawide planning organization activity, the office will work with the Council on Intergovernmental Relations to prepare a report on the relationship of substate planning districts of state agencies to areawide planning organizations.

(6) Under the state programming and budget activity, the office is providing a federal grant to the Department of Finance to develop effectiveness indicators for the state's programming and budgeting system.

(7) Under the housing information activity, the office is providing a federal grant to the Department of Housing and Community Development for developing a system to provide housing data to public and private agencies.

With respect to activity number 1 (comprehensive long-range planning), the office will be assisted by various other state agencies. The projects of these other agencies will be supported by funds from the federal comprehensive planning program and the General Fund budget of these agencies. The projects and their total cost are as follows:

(1) To the Air Resources Board, to develop a method by which the capacity of the state's air basins can be measured, \$120,000.

(2) To the Bay Conservation and Development Commission, to update

OFFICE OF PLANNING AND RESEARCH—Continued

the commission's regional plan and relate it to areas of statewide significance and critical concern, \$22,500.

(3) To the Department of Parks and Recreation, to develop a long-range plan for the Allensworth area in Tulare County, \$22,500.

(4) To the Department of Housing and Community Development, to review and revise the state's housing goals and to develop a strategy for implementing these goals \$45,000.

Activity number 1 also requires the OPR to allocate and administer grants from the state Environmental Protection Fund. These grants are as follows: (1) to the California Native Plant Society, \$25,000, (2) to the State Lands Commission, \$5,000, and (3) to the California Natural Areas Coordinating Council, \$65,000. Each of these grants is for the purpose of mapping areas of the state to show places of outstanding scientific or educational value. The Office of Planning and Research will receive \$5,000 from the Environmental Protection Fund to cover the cost of administering these three grants.

II. RESEARCH AND PROGRAM REVIEW

The research and program review element includes five activities. The estimated expenditures of state and federal funds for each of these activities is shown in Table 7.

Table 7
Office of Planning and Research 1973-74 Budget Proposal
Research and Program Review Activities

<i>Activities</i>	<i>General Fund</i>	<i>Federal funds</i>	<i>Total</i>
1. Environmental monitoring	\$17,670	\$27,934	\$45,604
2. Plan, program, and project review	4,033	8,067	12,100
3. Technical assistance to state agencies.....	9,067	18,133	27,200
4. Management improvement	17,362	34,723	52,085
5. Legislative review	8,800	17,600	26,400
	\$56,932	\$106,457	\$163,389

The following is a summary of the objectives of these activities:

(1) The environmental monitoring activity includes preparation of the environmental budget, continued revision of guidelines for environmental impact statements, and review of environmental impact statements.

(2) The purpose of the plan, program, and project review activity is to develop policies and criteria for reviewing federal grants administered or directly expended by state agencies.

(3) The objective of the technical assistance activity is to assist state agencies in developing intermediate- and short-range plans that are compatible with the state's environmental and land use goals.

(4) Under the management improvement activity, the office proposes to prepare issue papers for the Governor on environmental problems and on problems within or between state agencies. During the 1972-73 fiscal year the office prepared 18 reports for the Governor.

(5) The legislative review activity is to analyze pending state and fed-

eral legislation and make recommendations to the Governor.

III. ADMINISTRATION

The administration program element is composed of two activities, one directed to evaluating and improving the office (\$5,300 General Fund; \$10,000 federal funds) and the other directed toward policy development (\$6,200 General Fund; \$12,400 federal funds).

OFFICE OF THE LIEUTENANT GOVERNOR

Item 37 from the General Fund

Budget p. 18 Program p. I-47

Requested 1973-74	\$401,912
Estimated 1972-73	342,484
Actual 1971-72	344,437
Requested increase \$59,428 (17.4 percent)	
Total recommended reduction	\$42,926

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

*Analysis
page*

1. *Staffing. Reduce \$42,926.* Recommend deletion of requested assistant II and assistant I positions. 50

GENERAL PROGRAM STATEMENT

The Lieutenant Governor, who is elected pursuant to Article 5, Sections 9-11, of the California Constitution to serve concurrently with the Governor, assumes the responsibilities of chief executive in the absence of the Governor and serves as presiding officer of the Senate, voting only in the case of a tie.

He is Chairman of the Commission for Economic Development, the Commission of the Californias, the Environmental Policy Committee, the Local Government Reform Task Force, the Governor's Task Force on Narcotic Enforcement and the Space Shuttle Task Force. He is Vice-chairman of the National Lieutenant Governor's Conference and is the Governor's Science and Technology Coordinator.

He is also a member of: (1) the Regents of the University of California, (2) the Board of Trustees of the State University and Colleges, (3) the California State Lands Commission, (4) the California Reciprocity Commission, (5) the Governor's cabinet, (6) the Council on Intergovernmental Relations, (7) the California State Disaster Council, (8) the Interstate Cooperation Commission, (9) the Governor's Tax Reduction Task Force and (10) the Governor's Select Committee on Law Enforcement.

The staff of the Lieutenant Governor's office is currently authorized at 17 positions. The budget proposes the addition of two new positions for a total staff of 19.

OFFICE OF THE LIEUTENANT GOVERNOR—Continued**ANALYSIS AND RECOMMENDATIONS**

We recommend deletion of the proposed Assistant I and Assistant II positions for a budget-year savings of \$42,926.

The proposed budget of \$401,912, an increase of \$59,428 or 17.4 percent above estimated current-year expenditures, is the result of a \$72,877 or 32.2-percent increase in salaries and staff benefits (including the cost of two proposed new positions) partially offset by a net decrease of \$13,449 or 11.6 percent in operating expenses and equipment.

Current-Year Funding Adjustment Reduces Impact of Staff Cut

In our analysis of the 1971 Budget Bill, we recommended, on the basis of insufficient workload justification, the deletion of four of eight proposed new positions for the Lieutenant Governor's staff. These new positions consisted of an assistant II, two assistant I's and five clerical staff. The Legislature approved all eight of the positions for that fiscal year, but for the current fiscal year it deleted the three assistant level positions mentioned above.

The \$13,449 reduction in the "operating expenses and equipment" category of the Lieutenant Governor's proposed budget reflects current-year funding adjustments which have been made to permit retention of the equivalent of one of the three deleted positions (an assistant II) on a consulting basis. Funds for this purpose (\$23,960) were derived from salary savings in clerical positions, which savings have been used to increase the "consultant and professional services" item in the operating expense category from the \$16,806 level originally budgeted to the \$40,766 level shown in the 1973-74 budget.

The Lieutenant Governor's office advises that the consultant is assisting in the formulation of issue and policy decisions and coordinating responses to news media inquiries concerning the Lieutenant Governor's activities. The consultant position is not proposed for continuation in the budget year (hence the expenses for consultant services decline from \$40,766 to \$18,011), but the office does propose the addition of an assistant I (\$16,860) and an assistant II (\$21,516) which, with related staff benefits, represents a budget-year cost of \$42,926. Other staff-related increases consist of \$420 for the reclassification of two clerical positions (secretary I to program secretary and secretary I to scheduling secretary) and \$5,577 in merit salary adjustments. The \$18,011 requested for "consultant and professional services" basically represents charges by the Department of General Services for accounting and personnel services performed for the Lieutenant Governor's office.

New Positions Not Justified

The proposed assistant II is requested to perform largely the same functions now assigned to the consultant: advise the Lieutenant Governor on major issues and policy decisions, prepare information for presentation by the Lieutenant Governor at official state and public meetings, and participate on the Lieutenant Governor's senior staff. The assistant I is requested to supervise and direct staff activities of the office's scheduling

unit, coordinate, analyze and disseminate information and inquiries received from the public to appropriate state agencies, and represent the Lieutenant Governor at public meetings during his absence.

In our 1971 analysis of the Budget for the Office of Lieutenant Governor, we developed, by functional category, an organizational summary representing all identifiable workload elements in the office. That summary was as follows and indicated a staffing need of 16 positions.

Lieutenant Governor

- Administrative assistant (1)
- Private secretary (1)
- Executive assistant (1)
- Secretary (1)
- Receptionist (1)
- Calendar and travel secretary (1)
- Public information officer (1)
- Secretary (1)
- Business services manager (1)
- Administrative assistants for cabinet liaison (2)
- Secretary (1)
- Administrative assistant for board and commission liaison (1)
- Secretary (1)
- Clerk-typists for overflow workload, duplicating messenger and miscellaneous functions (2)
- Total positions (16) (excludes a chauffeur provided by the highway patrol)

The Lieutenant Governor's office has a presently authorized staff of 17 positions, one more than the number suggested in the above summary. We have not been able to ascertain any appreciable change in the workload of the Lieutenant Governor's office during the current year. Therefore, we recommend deletion of the proposed positions for a savings of \$42,926.

COMMISSION OF THE CALIFORNIAS

Item 38 from the General Fund

Budget p. 19 Program p. I-49

Requested 1973-74	\$43,848
Estimated 1972-73.....	41,275
Actual 1971-72	35,690
Requested increase \$2,573 (6.2 percent)	
Total recommended reduction	None

GENERAL PROGRAM STATEMENT

The Commission of the Californias was established in 1964 to promote favorable economic and cultural relations with the State of Baja California, Mexico. The law was amended in 1967 to extend such activity to the Mexican Territory of Baja California Sur, thus embracing the entire peninsula of Lower California. The California group meets with similar delegations representing the Baja California areas.

COMMISSION OF THE CALIFORNIAS—Continued

The California delegation consists of 7 public members, 10 legislative members, and 38 individuals representing special groups and activities. The headquarters of the California group is located in San Diego and staff consists of two authorized positions.

The commission, which functions at a subdiplomatic level, holds occasional formal meetings, but its work is accomplished mostly through committees and by assignments to members and specialists. Ongoing activities are concerned with (1) drug abuse, (2) U.S. tariff relaxation with reference to industrial assembly and processing at the border, (3) agriculture, (4) tourist convenience relating to travel restrictions, and (5) social and cultural exchange.

Last year, the commission focused on the following activities:

A. Drug Abuse. The commission sponsored the creation and distribution of a compendium of the drug laws of Mexico and the United States and sponsored several educational seminars, conducted by the California State Department of Education, for Mexican educators, concerned citizens and youth, to increase their awareness of the dangers of drug abuse. The World Health Organization, at the suggestion of the commission, approved a 4-to-10-year study of drug problems on both sides of the international boundary.

B. The Environment. Through recommendations of the commission and other organizations, the United States and Mexico reached an agreement to combat jointly the salinity problems of Colorado River water. The water, which is used for irrigation, acquires salinity from the fields, and as it drains into tributaries of the Colorado River some of the water evaporates, leaving a high salt content in the water that is left.

The agreement also provides for the Mexican government to construct sewage treatment plants in Mexicali to help eliminate the flow of raw sewage northward into the Salton Sea in southern California.

The commission is now assisting the California Regional Water Quality Control Board in developing contacts within the Mexican government to insure the construction of waste and sewage disposal treatment plants at Tijuana to prevent discharges into the Pacific Ocean which could pollute the water along the San Diego coastline.

C. Tourism. The commission is currently attempting to secure a reduction in toll rates for the main highway between Tijuana and Ensenada, a much-traveled vacation route for southern Californians. The commission also is working with the California Department of Navigation and Ocean Development to secure navigational equipment which will aid private aircraft and boats on both coasts of Baja California. Also, at the suggestion of the commission, the Mexican government has established a federal commission to study the location and construction of tourist-related facilities along the Transpeninsular Highway in Baja California. The highway, which will be the first major road to run the entire length of Baja California, is scheduled for completion in 1974.

ANALYSIS AND RECOMMENDATIONS

We recommend approval.

For the budget year the commission requests \$43,848, which is \$2,573 or 6.2 percent above estimated current expenditures. This increase consists of \$2,491 for operating expenses and \$82 in health benefit contributions for the staff. The increase in operating expenses is mainly attributable to (1) an adjustment (up \$1,384 from the current year) in the rate which the Department of General Services uses for assessing its costs for accounting, budgeting, and personnel services performed for the commission, (2) an increase of \$800 in travel expenses to reflect more accurately travel costs for the commission's 17 members, and (3) increased charges (up \$357) by the Department of General Services for processing the commissioners' purchase orders and legal contracts.

Among the commission's scheduled activities for the budget year are (1) continued attempts to gain employment in Mexico for unemployed California aerospace workers, (2) a review of airfield facilities and runway conditions in Baja California, and (3) the acquisition of equipment for Mexico's first federally funded drug clinic in Tijuana.

DEPARTMENT OF JUSTICE

Items 39 and 40 from the General Fund and the State Transportation Fund

Budget p. 20 Program p. I-52

Requested 1973-74	\$34,273,630
Estimated 1972-73.....	31,367,189
Actual 1971-72	24,740,684
Requested increase \$2,906,441 (9.3 percent)	
Total recommended reduction	\$44,000

SUMMARY OF MAJOR ISSUES AND RECOMMENDATIONS

Analysis page

1. Development of Workload Standards. Recommend approval of the two junior staff analyst positions in the Management Services element on condition that they be used to develop departmental workload and staffing standards. 57
2. Civil Law Positions. Recommend full discussion of the need for 33.5 positions for the Criminal Law Division in view of the department's high level of salary savings and failure to provide adequate data to justify these positions. 58
3. *Secret Agent Positions. Reduce \$44,000.* (a) Recommend six exempt agents not be given civil service status for a General Fund saving of \$44,000. (b) Recommend special review of the need for continuing authority to appoint such agents. 61
4. Organized Crime. Recommend Organized Crime unit focus attention on elements of organized crime which constitute the greatest threat to society. 69